

MINNESOTA TEACHERS RETIREMENT ASSOCIATION

Minutes of the TRA Audit Committee Meeting

March 8, 2022

Hybrid Meeting held via WebEx and in Office Due to COVID-19

Call to Order

Joel Stencil (attending remotely via WebEx) called the meeting to order at 9:30 a.m. Committee members are participating remotely by telephone or video conference as permitted by Minnesota Statutes, section 13D.015. We will now take a roll call to establish that a quorum of Committee members are present.

Committee Members

Committee members participating in the office were Martha Lee Zins. Committee members participating via WebEx were Denise Anderson, Amy Jorgenson, Luke Olson, and Joel Stencil.

TRA Staff

Staff that attended the meeting in office were Dominic Matern, and Jay Stoffel. Staff attending via WebEx were David Anderson, Rachel Barth, Zaira Blackburn, Carol Diedrich, Leslie Nagel, Eric Nitardy, Sonja Parr, Tim Maurer, Dan Ristow, Maria Steele and Cole White.

Roll call was taken and a quorum was established.

2.a. Approval of the Minutes from November 9, 2021

The minutes from the November 9, 2021 meeting were sent to members prior to the meeting.

It was moved by Olson and seconded by Jorgenson to approve the minutes as corrected from the November 9, 2021 meeting. A roll call vote was taken. The motion passed unanimously by the Committee.

4.a. 2021 Risk Survey Responses

Nagel reviewed the 2021 Risk Survey and discussed the summary of responses to the questionnaire.

4.b. FY2022 Annual Report

Nagel reviewed the TRA Internal Audit Annual Report for FY2022 which includes the work performed through February 28, 2022.

4.c. Audits Issued Since November 2021

- Administrative Expenses from FY2021 for the period July 1, 2020 to June 30, 2021
The primary business objectives of this audit are as follows:
 - The vendor payment process follows applicable guidance.
 - The vendor payment process is accurate, complete, and timely.

- There are appropriate segregation of duties, including reviews and authorizations.

No issues were identified.

- Member Benefit Payments for the month of July 2021

The primary business objectives of this audit are as follows:

- Benefit payments (retirement annuities, disability and death benefits) are processed accurately, completely, and timely.
- Benefit applications (retirement, disability, survivor) follow applicable guidance and are processed accurately, completely, and timely.
- Member deaths (active, inactive, disabilitant, retiree) are reported accurately and timely.
- The annual increase is accurately calculated and paid only to eligible annuitants.
- Payments are made only to eligible payees (members, Optional Joint Annuitants, beneficiaries, and/or survivors).
- Business system programming reflects current statute, policies, practices and procedures and is thoroughly tested and updated as needed.

One issue was identified.

- Member Refunds for the period of July 1, 2020 to June 30, 2021

The primary business objective of this audit are as follows:

- Member refunds are made only to eligible members and are processed accurately, completely, and timely.
- There are appropriate segregation of duties, including reviews and authorizations.
- Tax withholding and other deductions from benefit payments or refunds are accurate, authorized, reported and remitted to appropriate authorities.
- Business system programming reflects current statute, policy, practices and procedures and is thoroughly tested and updated as needed.

No issues were identified.

4.d. Educational Materials

Nagel noted that included in the packet are Internal Controls Bulletins (The Show Must Go on and Maintaining a Neutral View), and Tone at the Top (COVID-19 and Key Risks).

Nagel noted that these Bulletins go out to state agencies on a monthly basis. We share these reports with our Management Team and encourage them to share them with their staff.

5. Public Comments

None

Minutes, TRA Audit Committee
March 8, 2022

Adjourn

On a motion by Zins seconded by Denise Anderson the meeting adjourned at 10:28 a.m. A roll call vote was taken. The motion passed unanimously by the Committee.