MINNESOTA TEACHERS RETIREMENT ASSOCIATION

Minutes of the TRA Audit Committee Meeting
November 22, 2022
Hybrid Meeting held via WebEx and in Office Due to COVID-19

Call to Order
Joel Stencel (attending remotely via WebEx) called the meeting to order at 12:00 p.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 is present.

Committee Members
Committee member participating in the office was Martha Lee Zins. Committee members participating via WebEx were Denise Anderson, and Luke Olson

Absent - Laurena Schlottach-Ratcliff

Invited Observer
Josh Botnen

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

Roll call was taken and a quorum was established.

It was moved by Zins and seconded by Olson to seat our new Audit Committee member, Josh Botnen. The motion passed unanimously by the Committee.

Denise Anderson joined the meeting at 12:02 p.m.

2.a. Approval of the Minutes from August 15, 2022
The minutes from the August 15, 2022 meeting were sent to members prior to the meeting.

It was moved by Zins and seconded by Olson to approve the minutes as corrected from the August 15, 2022 meeting. A roll call vote was taken. The motion passed unanimously by the Committee.

4.a. Quality Assessment Report
Nagel reviewed the handout on the External Quality Assessment. The external audit was completed by Jamie Majerus from the Minnesota Judicial Branch. The assessment was
conducted in August and September. This assessment is conducted every three years. Nagel reviewed issues that Majerus identified.

Nagel noted that two people applied for the TRA Auditor position. We extended the posting and received one more application. Nagel will meet with Summerville to determine how we will proceed with filling the TRA Auditor position.

4.b. Annual Charter Review
Nagel reviewed the TRA Internal Audit Charter identifying new language that has been added to the TRA Internal Audit Charter.

Zins noted for the record that at the November 22, 2022 Audit Committee meeting the addition of Josh Botnen as the Audit Committee member representing MMB.

It was moved by Zins and seconded by Olson acceptance of the changes as noted by Nagel. The motion passed unanimously by the Committee.

4.c. FY2023 Annual Report

4.d. Audits Issued in FY2023
- Member Refunds FY2022
  The primary business objectives 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, policies, practices and procedures and is thoroughly tested and updated as needed.

  No issues were identified.

- Annual Base Salary FY2023
  The primary business objectives of this audit are as follows:
  ➢ The Annual Base Salary process follows applicable guidance and is performed accurately, completely, and timely.

  No issues were identified.

- Cash Receipts FY2022
  The primary business objectives of this audit are as follows:
➢ Cash receipts are processed timely and are recorded correctly in .NET, SWIFT, and the general ledger.
➢ The cash receipts process follows applicable guidance (state statute, policies, procedures, etc.)
➢ There are appropriate segregation of duties, including reviews and authorizations.

One issue was identified.

- Administrative Expenses FY2022
  The primary business objectives of this audit are as follows:
  ➢ The administrative expense process follows applicable guidance and is accurate, complete, and timely.
  ➢ The purchasing process follows applicable guidance and is accurate, efficient, and timely.
  ➢ There are appropriate segregation of duties, including reviews and authorizations.

No issues were identified.

4.e. Educational Materials
Nagel noted that included in the packet are Internal Controls Bulletins (A Commitment to Confidence, Risk Tolerance – What is Reasonable and Can Control Activities Boost Efficiency?) and Tone at the Top (Mitigating Cyber Threats).

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

Adjourn
On a motion by Zins and seconded by Denise Anderson the meeting adjourned at 1:10 p.m. A roll call vote was taken. The motion passed unanimously by the Committee.