

September 2023

ASSURANCE

Audit, Compliance & Ethics Committee Meeting



**Teacher Retirement System of
Texas**

1000 Red River Street
Austin, Texas
78701-2698

**TEACHER RETIREMENT SYSTEM OF TEXAS
BOARD OF TRUSTEES
AND
AUDIT, COMPLIANCE AND ETHICS COMMITTEE**

(Mr. Walls, Jr., Chairman; Ms. Allred, Mr. Ball, Ms. Sissney and Mr. Williams, Committee Members)

*All or part of the September 15, 2023, meeting of the TRS Audit, Compliance and Ethics Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer physically present at the following location, which will be open to the public during the open portions of the meeting: **1000 Red River, Austin, Texas 78701 in the TRS East Building, 5th Floor, Boardroom.***

The open portions of the September 15, 2023, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

AGENDA

September 15, 2023 – 8:00 a.m.

1. Call roll of Committee members.
2. Approve minutes of July 2023 Audit, Compliance and Ethics Committee meeting
– Mr. Robert H. Walls, Jr., Chair
3. Receive State Auditor’s Office (SAO) presentation on planned audit of TRS' Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2023 – Hillary Eckford and Bill Hunter, SAO.
4. Receive Crowe LLP’s presentation on the planned financial audit of TRS Investment Company (TRICOT) – Michelle Buss, Crowe LLP
5. Receive an overview of TRS Compliance and reports including those related to ethics and fraud, conflicts of interest, and investment policies – Heather Traeger and Chris Bowlin
6. Receive an update on Internal Audit’s Data Analytics Program – Jonathan O’Reilly
7. Consider recommending to the Board of Trustees adoption of the proposed Audit Plan for Fiscal Year 2024 – Amanda Jenami.
8. Receive Internal Audit reports:
 - A. Follow-up Reviews of:

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Audit, Compliance and Ethics Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Audit, Compliance and Ethics Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

- (i) Historically Underutilized Businesses (HUB) Program – Tammie Wells and Shannon Gosewehr
 - (ii) IT Contract Oversight – Tammie Wells and Chris Cutler
 - B. Update on Prior Audit Recommendations – Amanda Jenami
 - C. Review of Cyber Controls – Chris Cutler, Kristi Glasgall; and Troy Dearing, Kudelski Security.
 - D. Audit of MyTRS – Stephen Randall and Adam Fambrough.
- 9. Discuss or consider Internal Audit and TRS Compliance administrative reports and matters related to governance, risk management, internal control, compliance violations, fraud, regulatory reviews or investigations, fraud risk areas, audits for the annual internal audit plan, or auditors' ability to perform duties – Robert H. Walls, Jr., Amanda Jenami and Heather Traeger

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Audit, Compliance and Ethics Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Audit, Compliance and Ethics Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

**Minutes of the Audit, Compliance and Ethics Committee
July 14, 2023**

The Audit, Compliance and Ethics Committee of the Board of Trustees of the Teacher Retirement System of Texas met on July 14, 2023, in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

Committee members present:

Mr. Robert H. Walls, Jr., Chair
Ms. Brittany Allred
Mr. Michael Ball
Ms. Nanette Sissney
Mr. Elvis Williams

Other TRS Board Members present:

Mr. David Corpus
Mr. John Elliott
Mr. Jarvis Hollingsworth
Mr. James Dick Nance

Others who participated:

Brian Guthrie, TRS
Andrew Roth, TRS
Don Green, TRS
Heather Traeger, TRS
Amanda Jenami, TRS
Katrina Daniel, TRS
Barbie Pearson
Katherine Farrell, TRS
Chris Bowlin, TRS
Falguni Sampat, TRS
Nathan Ward, TRS
Brad Gilbert, TRS
Jonathan O'Reilly, TRS
Monica Bernal, TRS
Suzanne Dugan, Cohen Milstein

Michael Clayton, SAO

Audit, Compliance and Ethics Committee Chair, Mr. Moss, called the meeting to order at 8:05 a.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the April 2023 Audit, Compliance and Ethics Committee meeting – Chair Robert H. Walls, Jr.

On a motion by Mr. Ball, seconded by Mr. Williams, the committee unanimously voted to approve the proposed minutes for the April 2023 Audit, Compliance and Ethics Committee meeting as presented.

- 3. Receive SAO's Presentations – Mr. Michael Clayton**
 - A. Results of the Audit of TRS' Fiscal Year 2021 Other Post-Employment Benefits (OPEB); and**
 - B. Employer Pension Liability Allocation Schedules**

Mr. Michael Clayton stated four separate reports were issued as part of this project. He said they issued an opinion on the pension liability schedules, an opinion on the OPEB liability schedules, a report on controls and compliance and other matters, and a legislative audit committee report that goes to the legislature. He noted the importance of these schedules for all the school districts use the numbers to record their own liabilities on their financial statements for their portion of the pension and OPEB liabilities. He reported that they issued unqualified opinions for both the Pension Liability schedules as well as the OPEB schedules.

- 4. Receive an overview of TRS Compliance and reports including those related to ethics and fraud, conflicts of interest, and investment policies – Heather Traeger and Chris Bowlin.**

Mr. Chris Bowlin reported that there were no exceptions identified in the quarterly testing on board reporting requirements, the investment policy statement (IPS) as well as the proxy voting policy and security lending policies. He said IMD self-reported three IIQ related issues this quarter involving the failure to obtain the IIQ certificate or signature prior to the deal approval or deal vote. He stated satisfactory IIQs were ultimately obtained for all of the deals and that additional checks were put in place to catch this going forward.

Ms. Heather Traeger reported on the conflicts of interest, and that there was one 541C. She said the vendor reported a conflict that is being worked through. She stated there were five hotline reports during the last quarter, two related to the same item. She said all of the allegations related to improper conduct that were investigated by Legal and Compliance and OE were determined to be unsubstantiated claims.

Ms. Traeger concluded by providing an introductory overview of the Compliance program at TRS.

- 5. Receive Internal Audit reports:**
 - A. Review of Reporting Employer Processes – Amanda Jenami, Falguni Sampat and Mark Chi.**

Ms. Amanda Jenami provided an overview of the audit noting the objective was to determine if the Benefit Reporting team has sufficient processes to ensure that reporting employer reports are submitted accurately, efficiently, and timely in compliance with relevant TRS requirements. She said the team did not examine the reporting employers' (REs) processes but focused on Benefit Reporting's processes and how they facilitate reporting by over 1,300 employers. She said that

even with limitations, the team's processes provide reasonable assurance that reports are submitted accurately and in compliance with TRS requirements. She said some strengths as well as opportunities for improvement were identified. Ms. Falguni Sampat reviewed further recommendations identified by the audit such as proactive interaction with the larger portion of REs who are not contacting TRS and to have more targeted RE training.

Mr. Mark Chi provided management's response. He said they agreed with recommendations and are examining ways to address the issues.

B. Review of External Public Portfolio Operations – Nathan Ward and Brad Gilbert.

Mr. Nathan Ward provided an overview of External Public Portfolio Operations noting the portfolio accounts for almost a quarter of the Trust assets. He reported this was a very positive audit with a very good report for EPU and EP operations as a whole. He commented the group was very process driven which showed in terms of the procedures that they followed and their documentation standards. He said the recommendation was to improve the documentation related to when short sales are transferred to TRS.

Mr. Brad Gilbert provided management's response. He stated they have robust processes that are important in order for them to operate efficiently and effectively. He said they had already implemented the recommendation.

C. Prior Audit Recommendations – Amanda Jenami.

Ms. Jenami reported 35 recommendations that management has implemented, and Internal Audit still has to verify implementation. She noted all recommendations are fairly current, 26 are within the one-to-twelve-month age range.

D. Analysis of Healthcare Services Covered Outside of Eligibility Period – Jonathan O'Reilly and Monica Bernal

At 9:04 a.m., Chair Walls announced the committee would go into executive session regarding Agenda Item 5D under Section 825.115(d) to discuss the analysis of health care services covered outside of the eligibility period, and under Section 551.071 to consult with legal counsel as needed.

At 9:48 a.m., Chair Walls reconvened the committee in public.

- 7. Discuss or consider Internal Audit and TRS Compliance administrative reports and matters related to governance, risk management, internal control, compliance violations, fraud, regulatory reviews or investigations, fraud risk areas, audits for the annual internal audit plan, or auditors' ability to perform duties – Robert H. Walls, Jr., Amanda Jenami and Heather Traeger.**

Ms. Jenami provided an update on Internal Audit’s key performance indicators (KPIs). She reported they are either exceeding or meeting 14 of the 15 performance targets. The area they are not meeting, she said, was regarding staff retention.

With no further business before the Committee, the meeting adjourned at 9:55 a.m.

Approved by the Audit, Compliance and Ethics Committee of the Board of Trustees of the Teacher Retirement System of Texas on September _____, 2023.

Robert H. Walls, Jr.
Chair, Audit, Compliance and Ethics Committee
Board of Trustees
Teacher Retirement System of Texas

Date



Internal Audit

Audit, Compliance & Ethics Committee Meeting



September 15, 2023





The Audit of the

Teacher Retirement System's Financial Statements for FY 2023 (ACFR)



Audit Objectives and Scope

For the fiscal year ended August 31, 2023, the objectives of our audit are as follows:

- **Basic Financial Statements**
 - To obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.
- **Report on Internal Controls**
 - To report on any significant deficiencies and material weaknesses in internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in Government Auditing Standards.



- Audit Objectives and Scope (Continued)

Included in this engagement for the fiscal year ended August 31, 2023:

- **Schedule of Employer's Proportionate Share of Pension Liabilities**
 - To obtain reasonable assurance about whether the System's Schedule of Employer's Proportionate Shares (Allocations) and the totals for all entities of the columns titled net pension liability end of year, total deferred outflows, total deferred inflows, and pension expense included in the Schedule of Pension Amounts by Employer of the System Pension Plan (Pension Schedules) and related notes to the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.
- **Schedule of Employer's Proportionate Share of OPEB Liabilities**
 - To obtain reasonable assurance about whether the System's Schedule of Employer's Proportionate Shares (Allocations) of the Collective Net Other Post Employment Benefit (OPEB) Liability, and the total for all entities of the columns titled net OPEB liability end of year, total deferred outflows, total deferred inflows, and total OPEB expense included in the Schedule of Other Post Employment Benefit (OPEB) Amounts by Employer of the System (OPEB Schedules) and related notes to the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



- Audit Objectives and Scope (Continued)

Our work will include the automated systems and processes that support the functions being audited at the System. We will conduct the audit in accordance with generally accepted government auditing standards. The audit scope is financial activity for fiscal year 2023.



Presentation to the TRS Board of Trustees

September 15, 2023

**THE REPORT RELEASE IS TENTATIVELY
SCHEDULED FOR NOVEMBER 20, 2023.**

Timing and Deliverables

- We are currently gaining an understanding of the System's processes and will begin substantive testing before October 2023.
- We plan to use Internal Audit for certain testing.
- We will release our audit report at the conclusion of the audit.
- *The Pension and OPEB Schedules work will be performed separately in the spring 2024, with an anticipated release date early June 2024.*



Smart decisions. Lasting value.™

TRS Investment Company (TRICOT)

Audit Committee Presentation

Michelle Buss

September 15, 2023



Agenda

1 Introductions

2 Audit Plan

3 Other Required Communications

4 Questions

Introductions

Crowe Engagement Team



Kevin W. Smith
Partner



Michelle Buss
Senior Manager



Ben Levy
Senior Staff

Crowe Client Service Team

Role	Name	Definition of Role
Audit Partner	Kevin W. Smith Kevin.w.smith@crowe.com (214) 777-5208	Kevin will work with our engagement team to understand your expectations and ensure that your needs are met through the delivery of our services. Additionally, he serves as the partner signing our report on your financial statements.
Audit Senior Manager	Michelle Buss Michelle.buss@crowe.com (214) 777-5216	Michelle will oversee the execution of the audit, focusing on overseeing accounting and financial reporting matters.
Audit In-Charge	Ben Levy Benjamin.levy@crowe.com (469) 250-3145	Ben will lead the engagement team in the day-to-day execution of the audit plan.

Audit Plan



Audit Plan - Timeline for Delivery of Services

Dates	Task
September 2023	Planning and interim fieldwork.
September 15, 2023	Communication of audit plan to audit committee.
October 2, 2023 – October 23, 2023	Crowe to perform final fieldwork.
October 31, 2023	Planned opinion date.
December 2023	Presentation to audit committee.

Audit Plan - Scope

Significant Accounting Policies and Estimates

Internal Controls

Significant Risks

Materiality

Matters warranting attention of the auditors



Other Required Communications

- Independence
- Other information
- SAS 99 related to fraud

Questions?



Thank You

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Michelle Buss

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Internal Audit

Quarterly
Compliance Testing



Heather Traeger & Chris Bowlin

September 15, 2023



Quarterly Investment Compliance Testing
Investment Policy Statement (IPS) and Securities Lending Policy (SLP)
Quarter ending June 30, 2023

Procedures Performed	Test Results
<u>Business Objective 1: Board Reports</u> All required information is reported to the TRS Board of Trustees	
<ul style="list-style-type: none"> Obtain evidence that all requirements reported to Board of Trustees Trace sample information included in Board reports to supporting documentation 	<ul style="list-style-type: none"> All reporting requirements were met Documentation provided supported information tested
<u>Business Objective 2: Investment Selection and Approval</u> Investments made are within delegated limits and established selection criteria	
<ul style="list-style-type: none"> Obtain evidence that (i) Investment Integrity Questionnaires (IIQs) were received prior to investment authorization and deal closing; (ii) IIQs were not stale (less than 90 days old) at the time of authorization and/or closing Obtain evidence that IMD evaluated hedge fund classification Obtain evidence that approved investments were within policy limits 	<ul style="list-style-type: none"> Each investment tested had a completed questionnaire prior to IIC date A hedge fund analysis was included in IIC materials for all investments tested For Private and Public Markets investments tested, no manager or partner organization exceeded the authorized limits¹ and verified term sheet calculations with manager exposure file.
<u>Business Objective 3: Other (IPS, SLP, other reporting)</u> Risk limits are followed for other investment and proxy voting policies and procedures were followed	
<ul style="list-style-type: none"> Obtain senior management disclosure about known compliance violations Obtain evidence that TRS securities lending program complied with the guidelines Obtain evidence that all board serving requirements are met. Obtain evidence that Restricted Securities lists updated and reports filed 	<ul style="list-style-type: none"> Obtained quarterly compliance certification from IMD IIC and Legal No security lending violations were identified All reporting requirements were met, and documentation provided supported information tested Restricted Securities lists were timely updated and reports filed

¹ One investment received Board approval for an initial allocation over 0.5% of the Total Fund Value as authorized under Appendix B of the Investment Policy Statement.

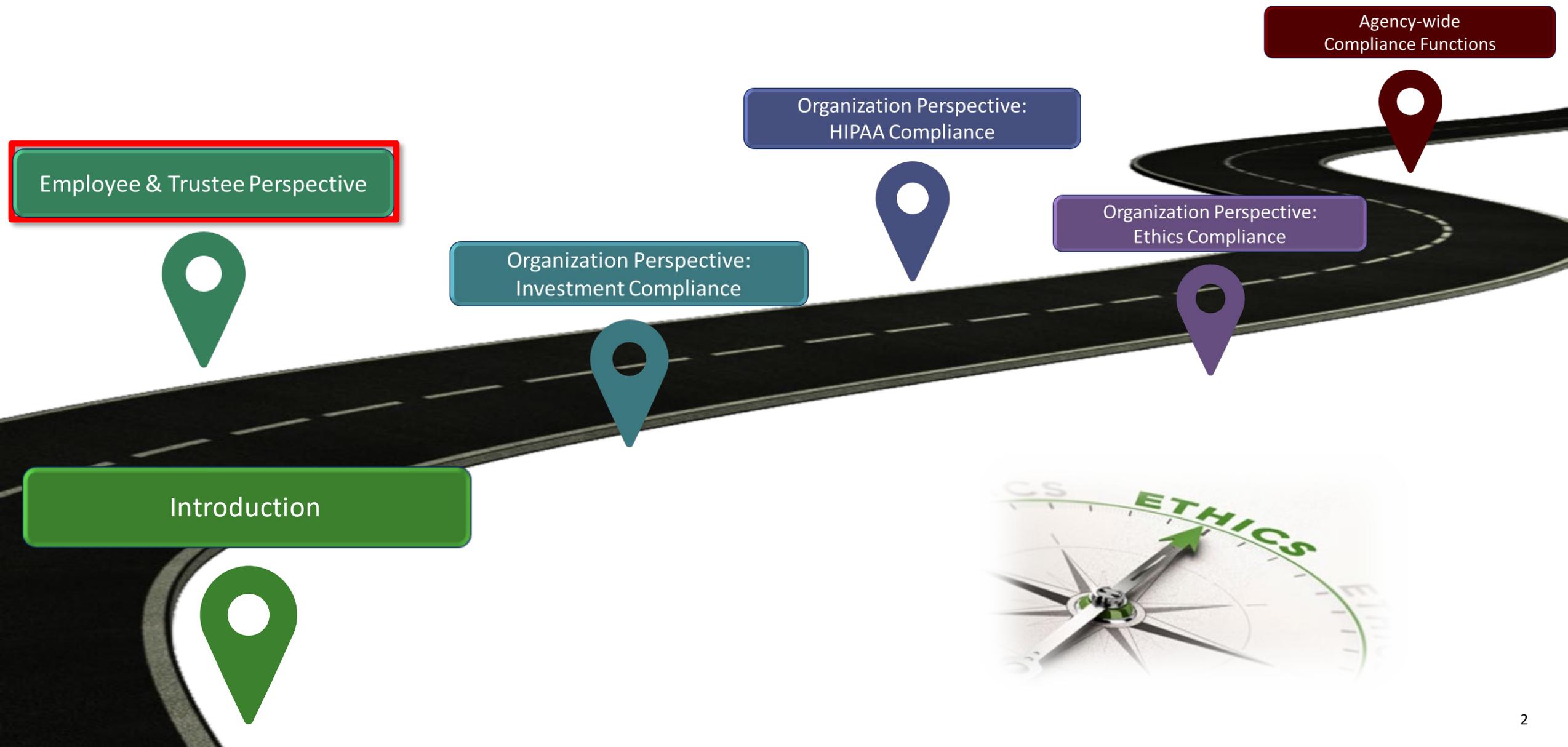


TRS Compliance &
Ethics Overview:
Employee and
Trustee Perspective



TRS Compliance
September 2023

TRS Compliance & Ethics – Information Session Roadmap



Compliance Team



Heather Traeger
General Counsel &
Chief Compliance
Officer



Elena Barreiro

Compliance
Officer



Chris Bowlin

Sr. Compliance
Counsel



Adam Costa

Sr. Compliance
Officer



Carlos Montoya

Compliance
Officer



MaryEllen O'Neill

Privacy Officer &
Compliance Counsel



Michael Schaff

Compliance
Counsel

Compliance from the Employee Perspective

Day 0: Pre-employment Onboarding

- Ethics / Conflicts of Interest certification forms
- Key Employee / Covered Person determination

Day 1: New Employee Orientation (NEO)

- Employee Ethics
- OBA
- Benefits
- Conflicts of Interest
- HIPAA
- Fraud Waste & Abuse
- Confidential Information
- Personal Trading
- MNPI
- Follow-up email

Day 2-30: Onboarding & Certification

- All new employees receive comprehensive web-based policy courses
 - Certain modules tailored for job function (e.g., Personal Trading, HIPAA)
- IMD New Employee Orientation – L&C Investment Focused
- Certification
 - StarCompliance (Personal Trading software)
 - OBA / Conflicts (K2 forms), as required

Ongoing Employment

- Annual training / Annual & Quarterly Certification / Newsletters
- Policy Violations / Reportable Issues
- Policy Inquiries
- Continuous Disclosure Obligations (Personal Trading, OBA, Conflicts, ERL, etc.)
- Requests for PHI from participant or various third parties
- Vendor access to PHI
- Possible breach of information: TRS or third party

Final Day / Beyond TRS:

- Revolving Door considerations
- Reported conflicts / state law review

Employee Perspective – Training & Certification Requirements

Employee Training Scope and Sequence

- **March:**
 - Employee Ethics Policy Training
- **April:**
 - Health Insurance Portability and Accountability Act (HIPAA) Training Enhanced
 - Health Insurance Portability and Accountability Act (HIPAA) Training General
- **October:**
 - Fraud, Waste, & Abuse (Bi-annually)
- **November:**
 - Personal Trading Policy Training: General
 - Personal Trading Policy Training: Covered Persons

Certifications

- **January, April, July, October:** Personal Trading Quarterly Holdings Certification for Covered Persons (including all IMD)
- **March, June, September, December:** Quarterly Compliance Certification for IMD IIC and Legal Investments
- **April:**
 - Employee & Non-TRS Workers Annual Ethics Compliance Certification (Logic Manager)
 - Key Employees Annual Ethics Compliance Certification

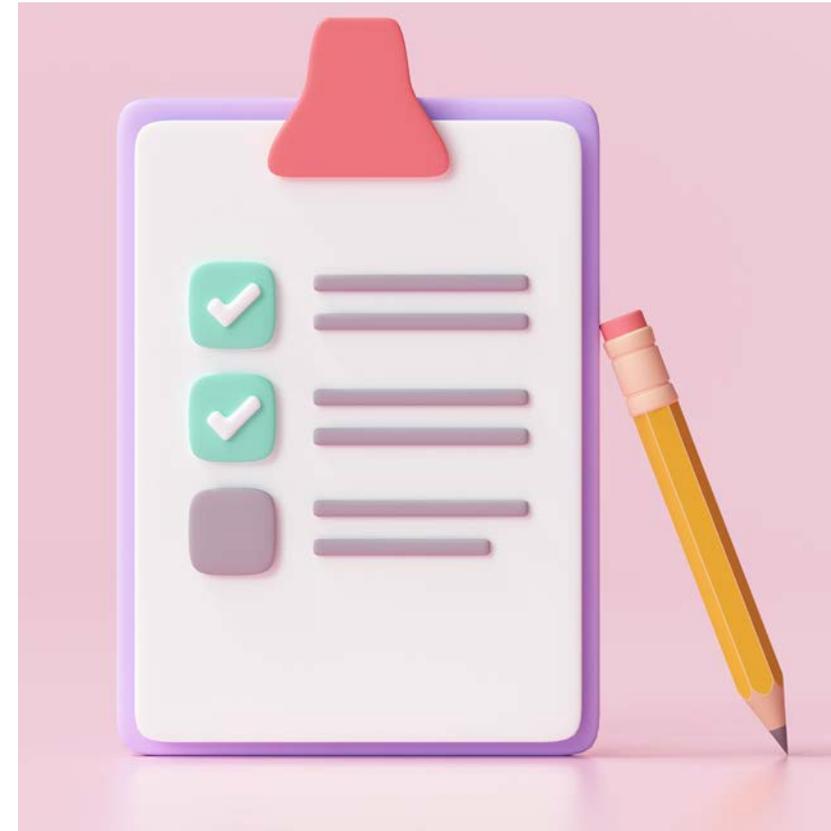
Trustee Perspective - Training & Certification Requirements

- **Daily / Business as Usual**
 - Trustee Ethics Policy
- **Monthly**
 - Contracting Conflicts Compliance (SB65)
 - TRS Board Procurement Policy Reporting
- **Quarterly**
 - Assistance with Personal Investment Provisions (Restricted Contractors List)
 - Board Reporting
- **Annually**
 - Trustee Annual Certification and Training
 - Trustee Personal Financial Statement



Trustee Perspective – Board Reports

- Compliance reports:
 - Ethics Hotline reports
 - Employee Conflicts Disclosures (TRS 541E)
 - Contractor Conflicts Disclosure (TRS 541C)
 - IPS and Ethics-related policies violations
 - Compliance KPIs
 - Complaints report (Provided to Ombuds)
 - Quarterly Compliance Testing
 - Assistance with IMD Transparency Report
 - IIQ report review (quarterly) (monitoring pay-to-play and improper influence)
 - Key Employees report (annually)
 - Proxy Reports / Sec Lending Reports (monitoring actions inconsistent with TRS policy)



TRS Policies

Policies that TRS Compliance reviews or assists with the review:

Employee Policies

- Ethics Policies:

- Employee Ethics Policy
- Fraud, Waste & Abuse Policy
- Key Employee Determination Resolution

- HIPAA Policies:

- HIPAA Privacy Rule
- HIPAA Security Rule

- Investment Compliance Policies:

- TRS Personal Trading Policy
- General Authority Resolution

Trustee Policies:

- Board Procurement Policy
- Board Training Policy
- Board of Trustees Ethics Policy
- Board of Trustees External Communications
- Bylaws of the Board of Trustees

- Investment Policies:

- Investment Policy Statement
- Securities Lending Policy
- Proxy Voting Policy
- Commission Credit Policy

- Agencywide Policies:

- Confidential Information Procedures & Standards
- Confidentiality Policy
- Incident Response Plan (IRP)
- Information Security Procedures & Standards (ISPS)
- Litigation Policy
- Resolution Regarding Correction of Errors & Other Edits
- Social Media Policy
- TRICOT Policies



Internal Audit

Update on IA's Data Analytics Program



Jonathan O'Reilly
Director of Business Intelligence
for Internal Audit

September 15, 2023



Leverage data to:

- Guide Internal Audit's areas of focus
- Inform scoping of audits
- Help our clients identify and address potential risks



Mine data to test for risk:

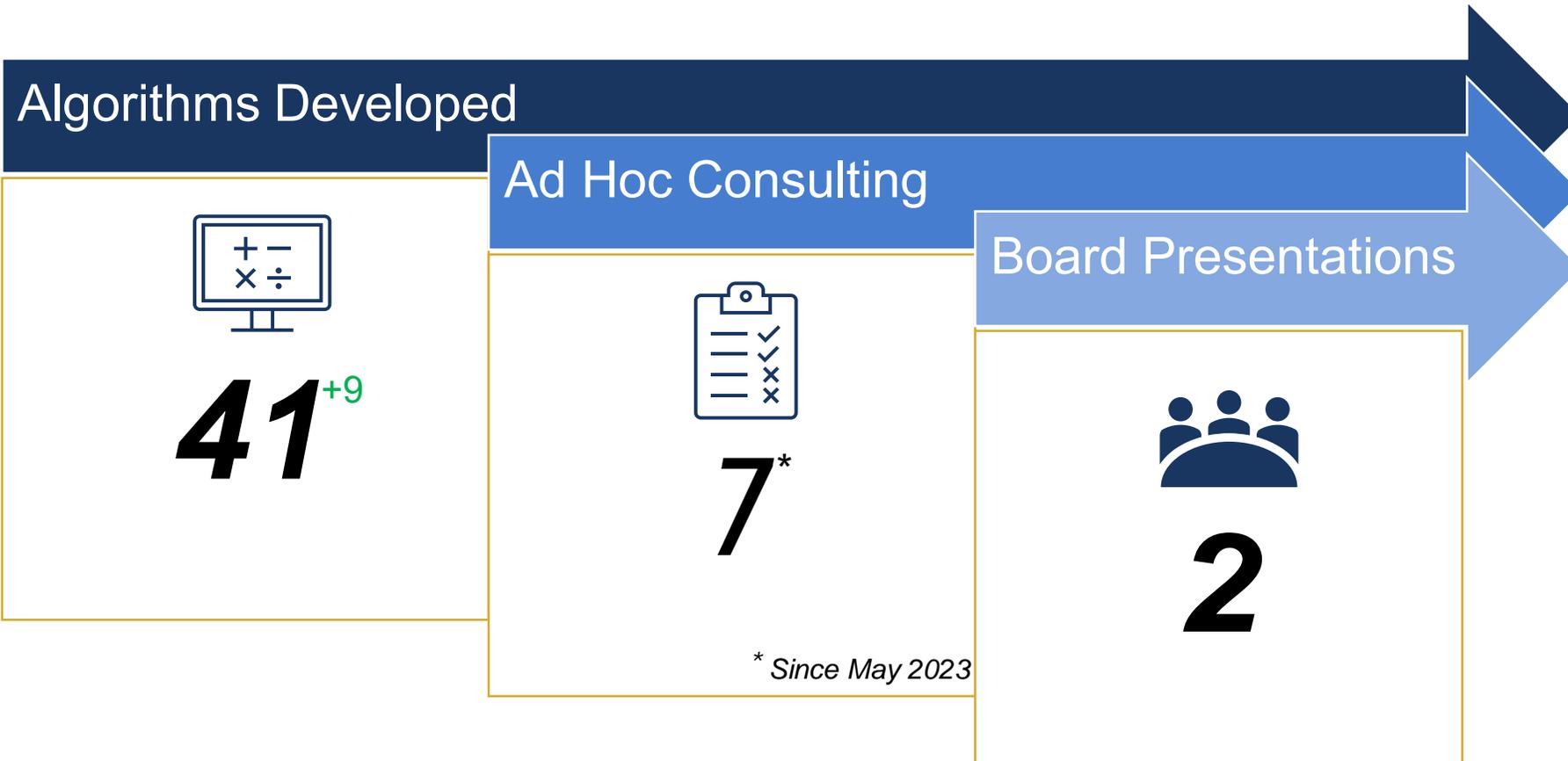
- Exceptions to business process
- Data integrity
- Data synchronization
- Vendor contract compliance

Personnel Changes

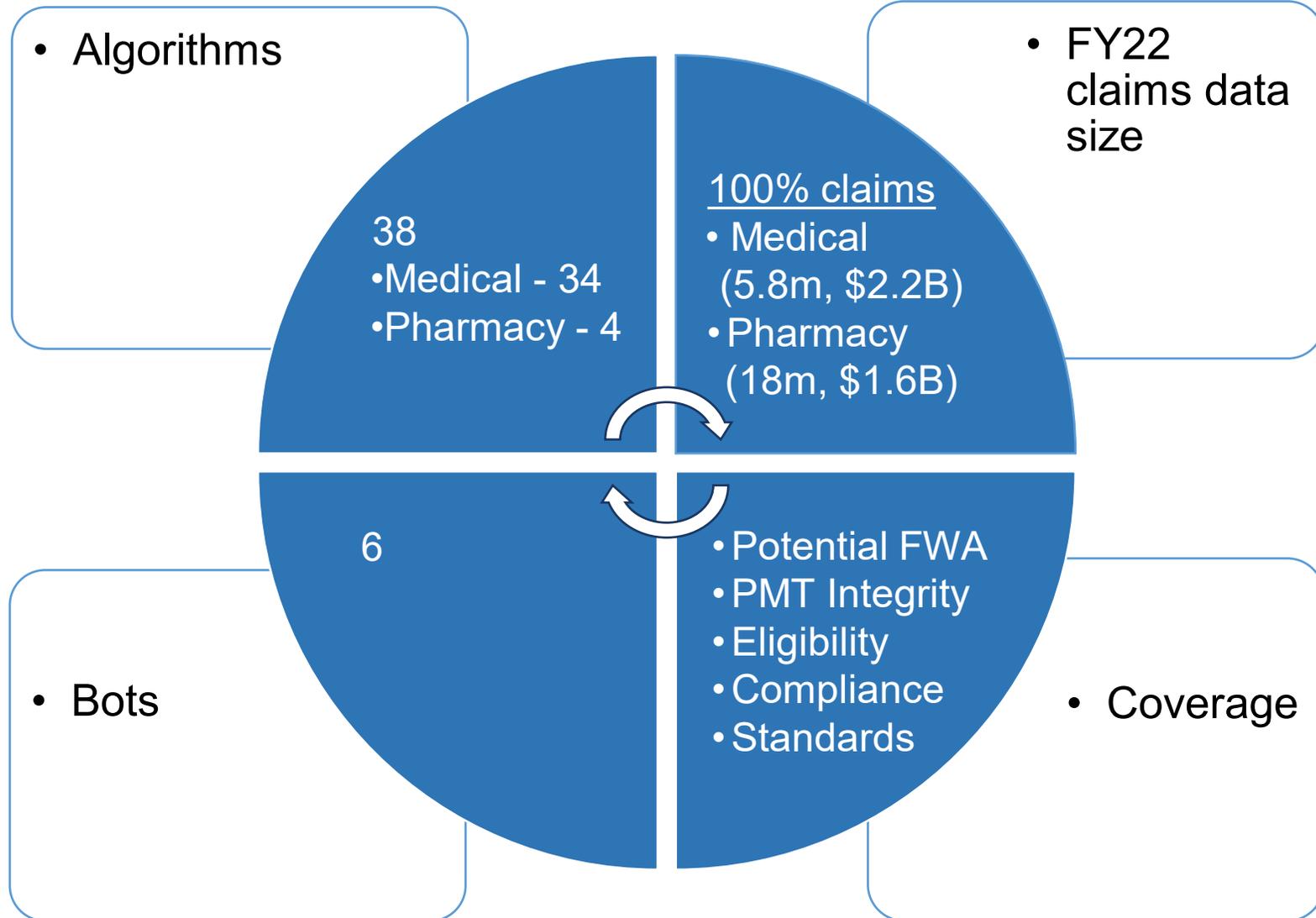
- Director of Business Intelligence (filled March 2023)
- Senior Business Intelligence Analyst (departed May 2023)



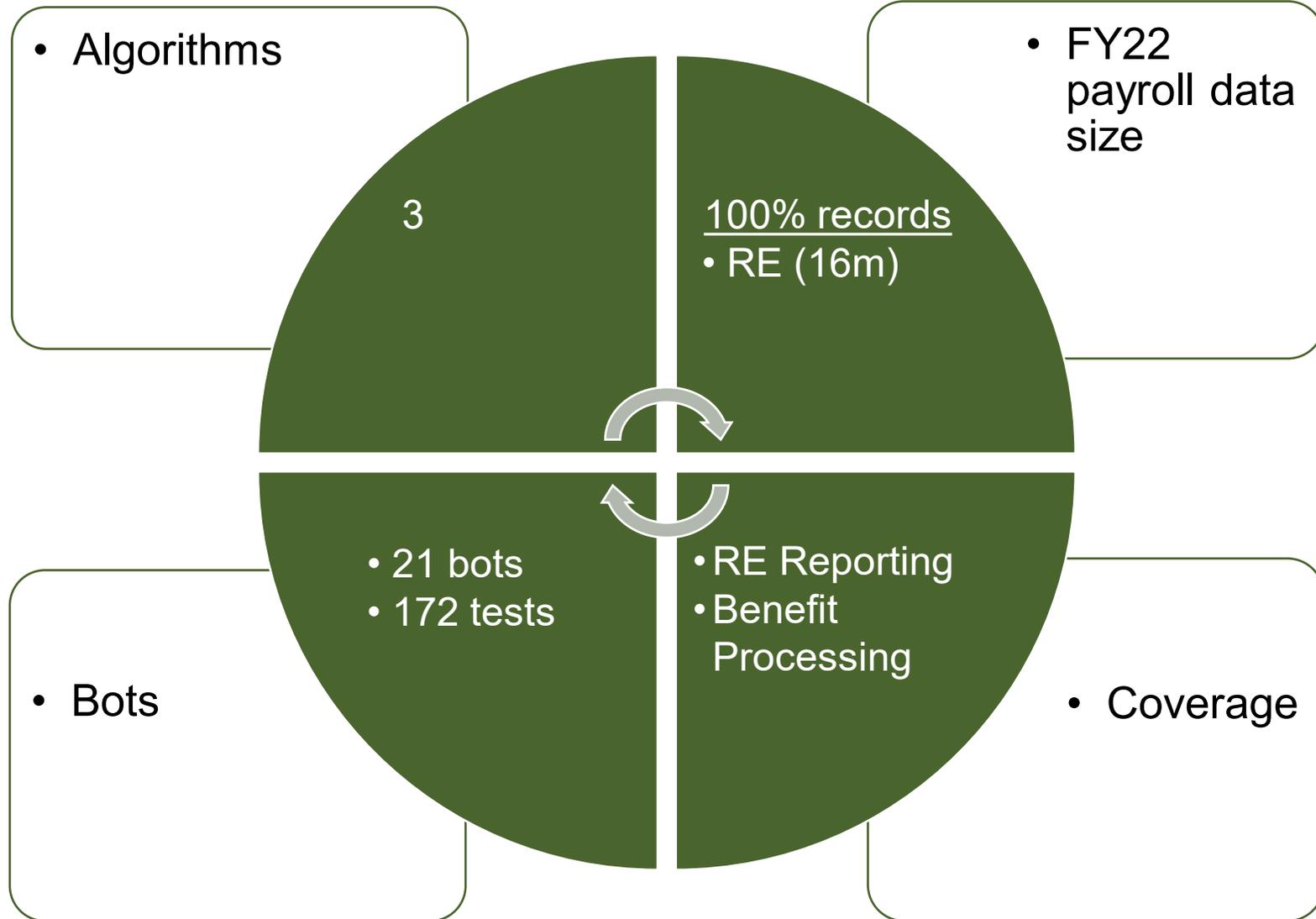
By the Numbers



Healthcare Claims Data Analytics – Work Performed



Benefit Services Data Analytics – Work Performed



Healthcare Claims Data Analytics – Project Examples

Potential Risk

<1%

Examples

Formulary Exclusions

RX Carrier

- 41k services population
- 341 excluded drugs considered
- Exceptions justified by clinical review and prior authorization based on medical need.

Compound RXs

RX Carrier

- 29k services population
- No risk areas: adherence to exclusion list; emerging high-cost compounds; unusual pharmacy types.

Preventive Services

Medical Carrier

- 1M services population
- 16 types of preventive services
- Testing for policy limitations
- Exceptions undergoing carrier review.

End of PHE Benefits

Medical Carrier

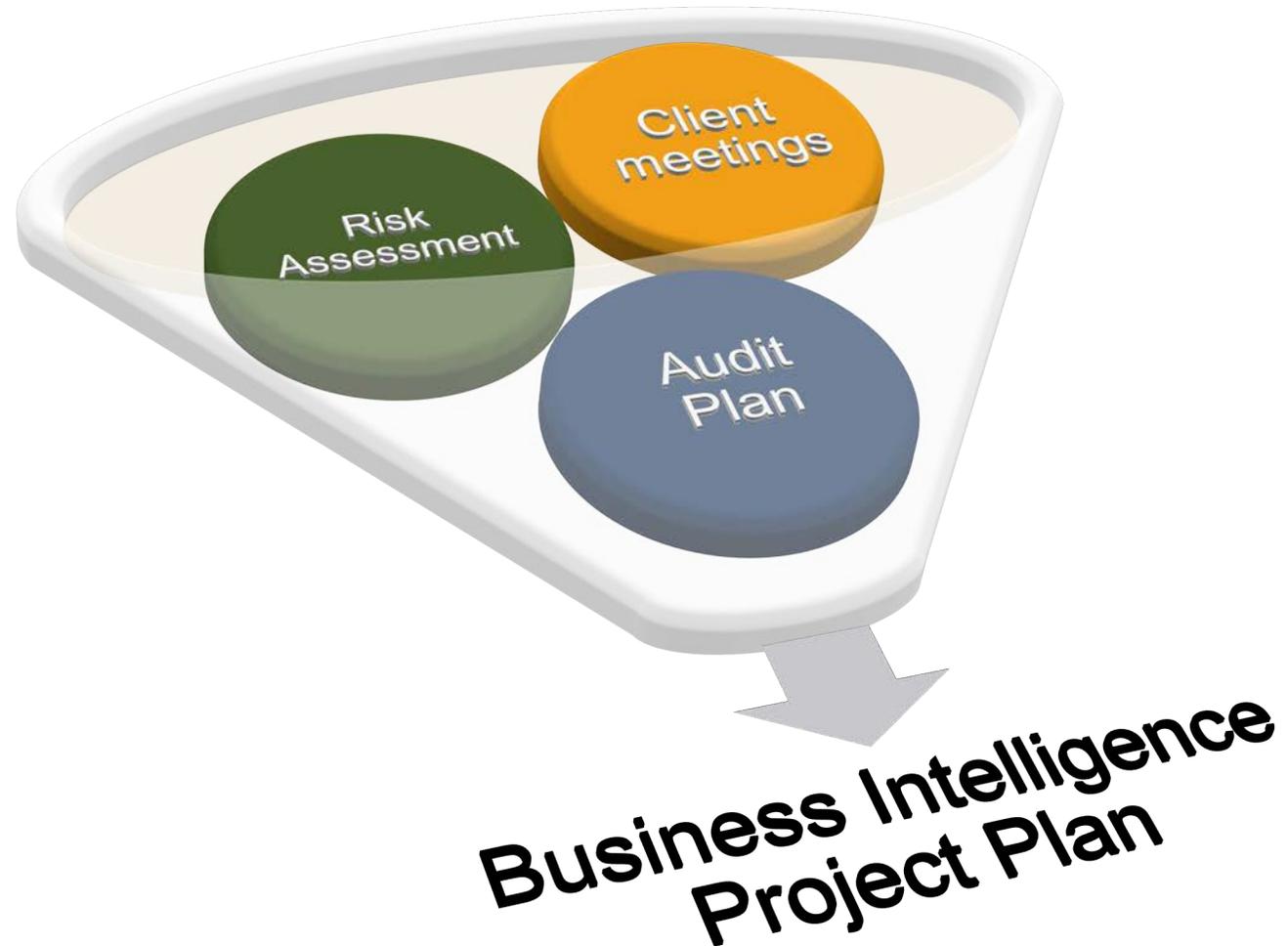
- 5,969 services population
- 53 COVID-related service codes
- Exceptions undergoing carrier review.

Process Improvement

- Enhanced reporting process
- Strengthened relationships with vendors
- Improved internal documentation
- Enhanced risk assessment and project planning process



Business Intelligence Project Planning



Research and Data Exploration

28 potential project ideas

14 ideas vetted

Client feedback

11 Selected



Health Care

Stronger focus on Vendor Contract Compliance

- Key business processes at risk from RX carrier change
- Claim payments outside of policy limitations



Benefits

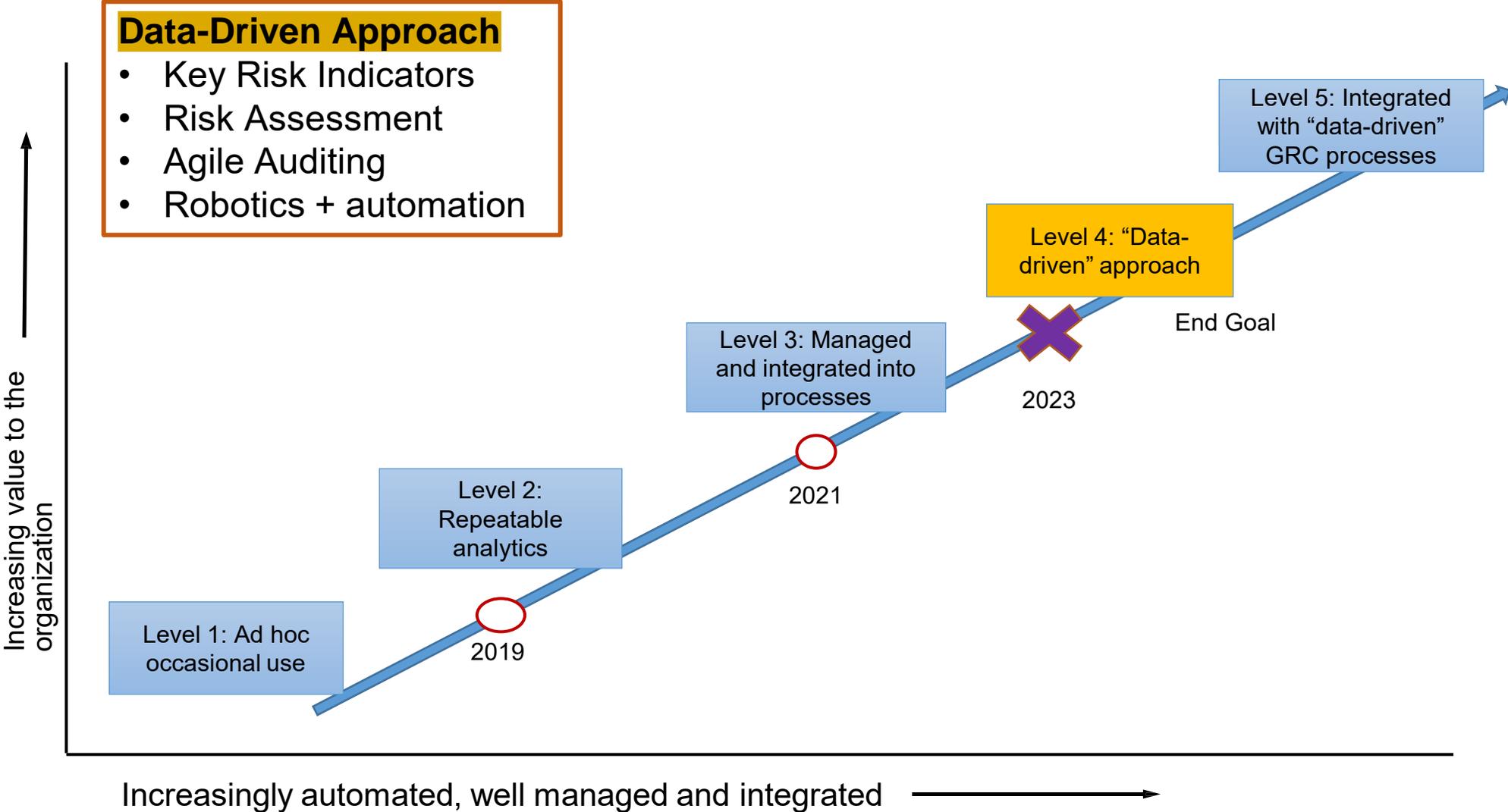
Support for Pension Refund Processes audit



Executive

Support for Talent Continuity audit

Data Analytics Maturity Model & Progress



Working towards future focused auditing

Business Intelligence Team



Jonathan O'Reilly
Director of Business Intelligence



Teklehaimanot Derseh
Senior Business Intelligence Analyst



Olga Jerman
Senior Business Intelligence Analyst



Questions



Internal Audit

Follow-up Reviews of HUB Program and IT Contract Oversight



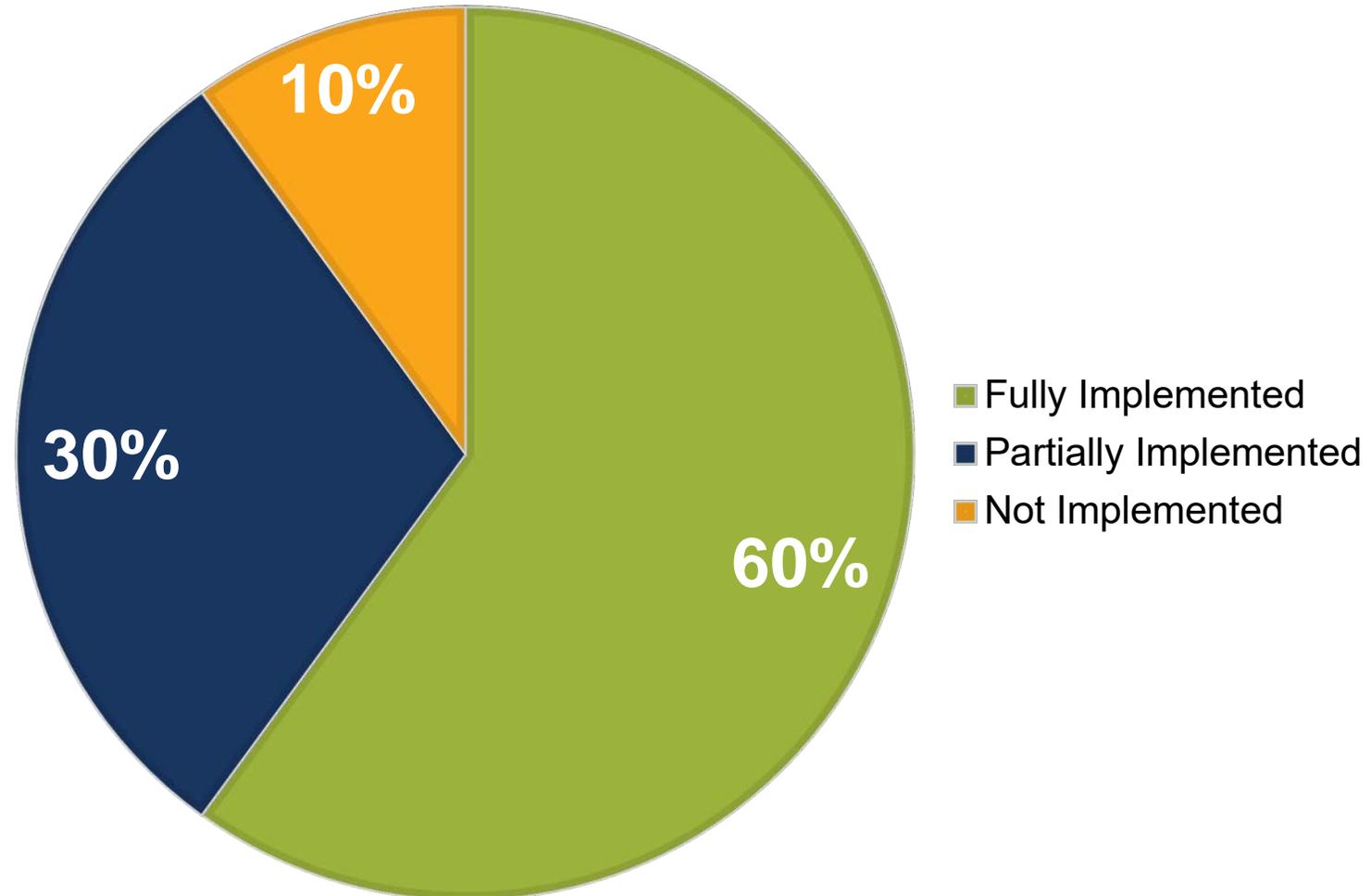
Tammie Wells, Shannon Gosewehr
and Chris Cutler

September 15, 2023



Implementation Status of Prior Recommendations - HUB

There has been significant improvement in the Historically Underutilized Business (HUB) program since the initial audit, *Review of HUB Program*, which was issued in March 2021. The implementation status of the **ten** prior recommendations is illustrated in the chart below.

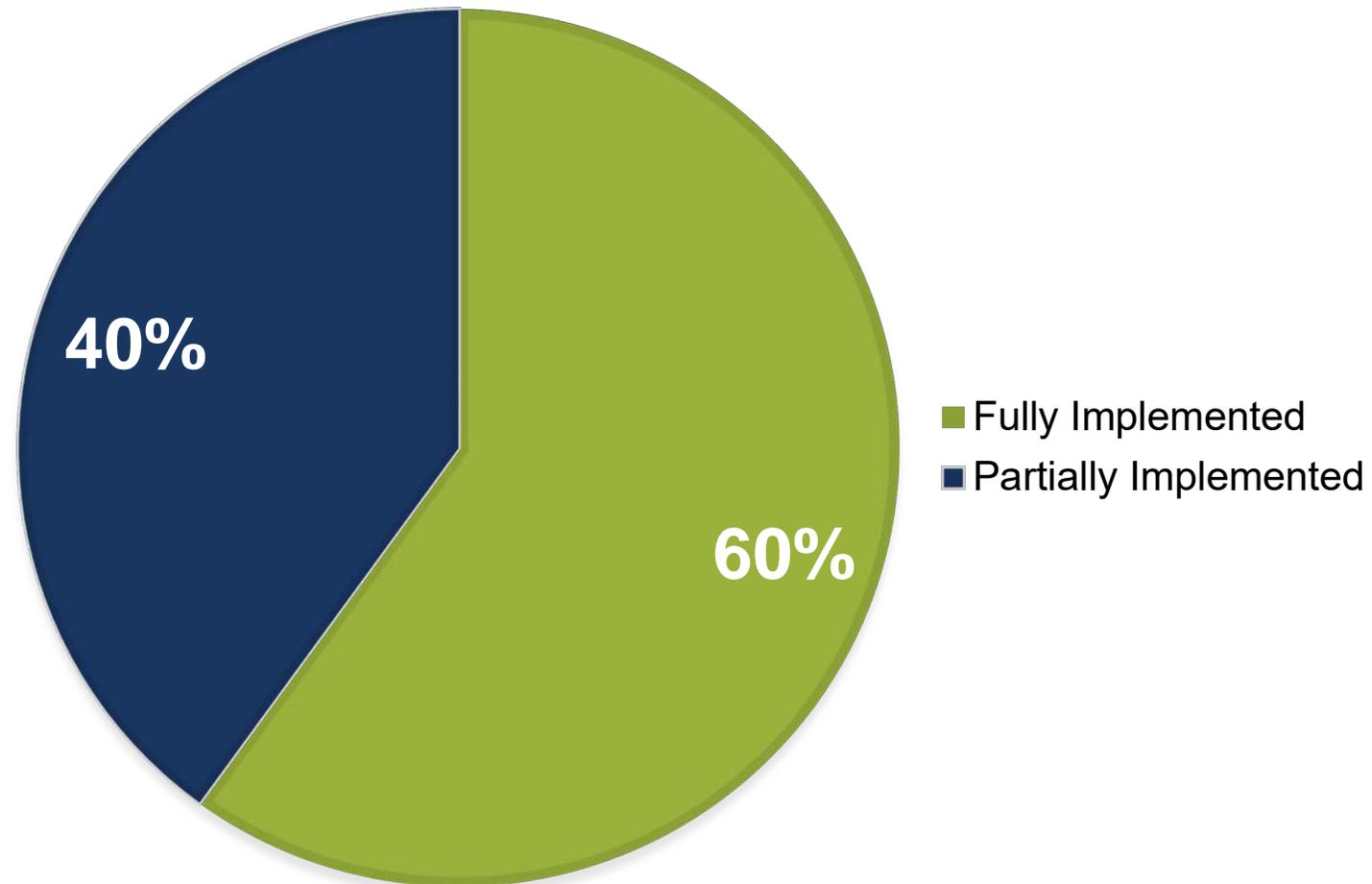


Detailed Results: Review of the HUB Program

Fully Implemented	Partially Implemented	Management Responses
<p>Development of:</p> <ul style="list-style-type: none"> HUB policy HUB Program Manual Strategic Plan Job aid on how to locate HUB vendors 	<ul style="list-style-type: none"> Implement enhanced documentation, tracking, and periodic effectiveness reviews of outreach activities. 	<p>Procurement and Contracts is developing a reconciliation process to determine if the outreach efforts are effective.</p> <p>Implementation Date: January 2024</p>
	<ul style="list-style-type: none"> Monitor HUB Subcontracting Plans and monthly Progress Assessment Reports more closely. 	<p>Procurement and Contracts is developing a new workflow on the PAVES contract record to include the HUB Coordinator, who will create a deliverable for the monthly PAR forms in PAVES.</p> <p>Implementation Date: January 2024</p>
<p>Enhanced vendor outreach through:</p> <ul style="list-style-type: none"> Increased HUB outreach tools 	<ul style="list-style-type: none"> Enhance the HUB Vendor Outreach Program by increasing the level of resources devoted to the HUB Program. 	<p>A candidate for the HUB Coordinator position is in the background screening process.</p> <p>Implementation Date: September 2023</p>
	<p style="text-align: center;">Not Implemented</p>	
<ul style="list-style-type: none"> Enhancements to the HUB webpage 	<ul style="list-style-type: none"> Implement a quality control process to improve the accuracy of reporting. 	<p>Procurement and Contracts is creating a monthly report in PAVES to ensure all the required data is reported correctly. This will replace the previous quality control process.</p> <p>Implementation Date: January 2024</p>

Implementation Status of Prior Recommendations – IT Contract Oversight

There have been significant improvements in the Information Technology (IT) contract oversight processes since the initial audit, *IT Contract Oversight*, which was issued in April 2022. The implementation status of the **five** prior recommendations is illustrated in the chart below.



Detailed Results: Review of IT Contract Oversight

Fully Implemented	Partially Implemented	Management Responses
<p>Development of:</p> <ul style="list-style-type: none"> IT Contract Management & Oversight procedures Checklist for supervisory reviews <p>Enhanced risk assessment process through:</p> <ul style="list-style-type: none"> Documented policies and procedures 	<ul style="list-style-type: none"> Align contract monitoring efforts with key contract requirements to ensure vendor compliance. 	<p>Contract training and demonstrations were provided to all IT contract managers regarding the process changes implemented.</p> <p>Beginning September 2023, IT contract oversight will include:</p> <ul style="list-style-type: none"> Utilization of PAVES for entry of contract deliverables and automated reminders of upcoming deliverables as well as reminders of those that are past due Utilization of the PAVES Deliverables Report by IT Business Administrators to monitor IT Contract Deliverables, and Contract management supervisory reviews. <p>Target Implementation Date: March 2024</p>
<ul style="list-style-type: none"> Inclusion of weighted and scored risk factors 	<ul style="list-style-type: none"> Strengthen invoice review processes to ensure invoices are accurate and charges are billed in accordance with the contract requirements. 	<ul style="list-style-type: none"> Training will continue to be provided to the Contract Managers. A PAVES enhancement is being tested, and once implemented, will provide an invoice review checklist within the PAVES Invoice Module. The Contract Management Supervisory Reviews will be initiated in September 2023. <p>Target Implementation Date: March 2024</p>

Operations Audit Team



Tammie Wells, CIA, CFE
Director, Operations Audit Services



Falguni Sampat, MBA
Auditor



Internal Audit

Proposed Audit Plan Fiscal Year 2024



Amanda Jenami, CPA, CIA, CIA, CISA,
CIDA, CFSA, CHIAP, CRMA, CFE

September 15, 2023





Internal Audit

Proposed Audit Plan Fiscal Year 2024



Amanda Jenami, CPA, CIA, CIA, CISA,
CIDA, CFSA, CHIAP, CRMA, CFE

September 15, 2023



Risk Assessment & Audit Planning Approach

Internal Audit identified areas of risk and potential projects from: interviews of TRS trustees, executives and staff, the current TRS Risk Assessment developed by the Enterprise Risk Management (ERM) team and risk assessment surveys from prior years. This information was combined into an overall audit plan designed to address critical risks to achieving TRS objectives while being sensitive to operational requirements. The Audit Plan also includes hours for ad hoc projects and special requests. The following approach was taken in creating the Audit Plan:



Types of Projects to Cover Risk Areas

An important part of the Audit Plan is that the identified processes, systems, and initiatives should receive differing types and levels of review based on their importance, perceived risk, and most efficient approach. Our suggested levels of review activities are as follows:

Audit

- Audit Focus: Assess evidence available in order to provide assurance on an audit objective
- Deliverable: Audit report for public distribution unless protected by statute
- Estimated level of effort per project: 600 – 1,600 hours

Agreed-Upon Procedures

- Agreed-Upon Procedures Focus: Determine specific steps to test with management's agreement and report on results; used for data analytics and quarterly testing of specific data and transactions
- Deliverable: Agreed-upon procedures report for public distribution (use is limited to those with understanding of procedures performed)
- Estimated level of effort per project: 100 - 600 hours

Formal Consulting

- Consulting Focus: Respond to requests for formal study or assessment with recommendations; no assurance provided
- Deliverable: Consulting report or memo for limited distribution; significant material weaknesses identified would be reported to executive management and the Audit Committee as required by professional auditing standards
- Estimated level of effort per project: 100 - 600 hours

Informal Consulting (Advisory)

- Advisory Focus: Participate in activities in a non-voting capacity, e.g., provide training and input on policies and procedures
- Deliverable: Verbal discussion or a brief memo to management
- Estimated level of effort per year: 10 – 100 hours

Audit Plan: Key Audits for FY2024

Title	Risk Rating	Last Audited	Preliminary Scope	Timing
Talent Continuity		2019	Determine whether TRS processes have sufficient controls to ensure that talent acquisition, retention and employee separations are accomplished effectively, efficiently and in compliance with applicable requirements.	Q3
IMD Contract Oversight		N/A	Determine whether IMD contract oversight activities include sufficient controls to ensure IMD goals are accomplished effectively, efficiently and in compliance with applicable requirements	Q2
Audit of Vulnerability Remediation and Patch Management		N/A	Determine whether policies, procedures, and practices provide reasonable assurance that security updates are patched timely, and vulnerabilities are remediated or mitigated effectively.	Q1
Audit of the Cybersecurity Incident Response Program		N/A	Determine whether TRS Cybersecurity Incident Response Program aligns with industry standards and is operating effectively.	Q2

RISK CATEGORY LEVEL -

HIGH 	ELEVATED 	CAUTION 	GUARDED 	LOW 
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Audit Plan: Key Audits for FY2024 (Continued)

Title	Risk Rating	Last Audited	Preliminary Scope	Timing
Review of Cyber Controls		2023	Perform a vulnerability assessment and penetration test of TRS's information technology infrastructure.	Q3 – Q4
Healthcare Claims Data Analysis		2022	Analyze medical and pharmacy claims for appropriate provider billing and compliance with regulations and TRS plan policies and alignment with health care industry standards.	Q1 - Q4
Review of Risk Parity Operations		N/A	Determine whether Risk Parity portfolio operations include sufficient controls to ensure investments are made and managed effectively, efficiently and in compliance with relevant policies, guidelines and procedures.	Q3 - Q4
SB 827 (Insulin Cost-Sharing)		N/A	Analyze pharmacy claims processed by TRS plan administrators for compliance with SB 827	Q1

RISK CATEGORY LEVEL									
HIGH		ELEVATED		CAUTION		GUARDED		LOW	

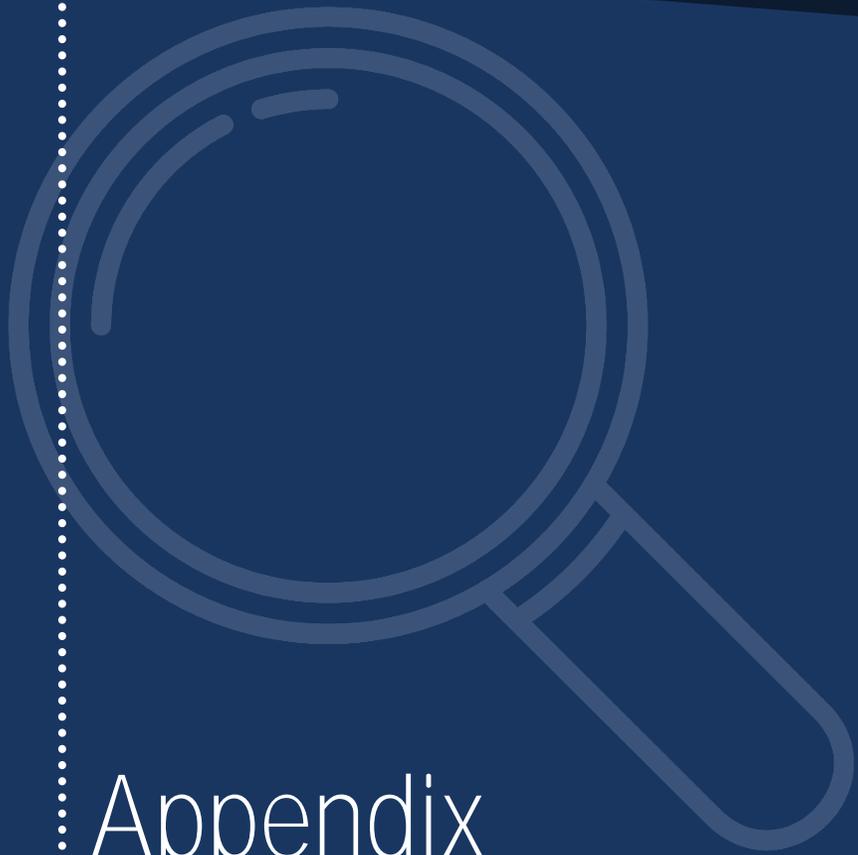
Audit Plan: High Risk Areas

High Risk Areas are defined as (High, Elevated, or Caution). Areas of interest to the SAO (e.g. Procurement and IT Security) that are not included in the Audit Plan.

Area	Reason for Exclusion
Records and Information Management	The area was audited in FY2022. Internal Audit plans to perform a follow-up review when the audit recommendations are fully implemented, around FY2026.

The Proposed FY2024 Audit Plan seeks to maintain a good balance between Assurance and Advisory Projects

Business Area	FY2020 Audit Plan Projects		FY2021 Audit Plan Projects		FY2022 Audit Plan Projects		FY2023 Audit Plan Projects		Proposed FY2024 Plan Projects	
	Audits	Advisory	Audit	Advisory	Audits	Advisory	Audits	Advisory	Audits	Advisory
Exec & Finance	2	3	4	1	5	2	5	2	4	2
Benefit Services	4	1	3	1	3	2	4	1	2	1
Healthcare	2	2	2	2	3	0	5	1	3	2
IMD	4	1	4	1	4	1	3	2	4	2
Technology /TEAM	3	5	3	5	4	4	4	4	4	1
Total	15 (56%)	12 (44%)	16 (62%)	10 (38%)	19 (68%)	9 (32%)	21 (68%)	10 (32%)	17 (68%)	8 (32%)



Appendix

Detailed Audit Plan by Area

Audit Plan: Executive & Finance

Title	Type	Preliminary Scope	Timing
ACFR testing of annuity payments	Audit	Conduct pension benefits testing on behalf of the State Auditor's Office (SAO) to be used in completion of the ACFR audit.	Q1
IMD Contract Oversight	Audit	Determine whether IMD contract oversight activities include sufficient controls to ensure IMD goals are accomplished effectively, efficiently and in compliance with applicable requirements.	Q2
Talent Continuity	Audit	Determine whether TRS processes have sufficient controls to ensure that talent acquisition, retention and employee separations are accomplished effectively, efficiently and in compliance with applicable requirements.	Q3
Follow-Up of Prior Audits	Audit	Determine whether management has implemented recommendations from prior audits.	Q1 - Q4
Special Requests and Emerging Issues	Advisory	Set aside time to address special requests and emerging issues during the year as requested by management.	Q1 - Q4
Meetings Participation	Advisory	Participate (non-voting) in various TRS-wide meetings such as Executive Council, Leadership Team, and Strategy and Risk Oversight Committee.	Q1 - Q4

Audit Plan: Pension Benefits and Reporting Employers

Title	Type	Preliminary Scope	Timing
Pension Refund Processes	Audit	Determine whether TRS processes include sufficient controls to ensure pension refunds are performed effectively, efficiently, and in compliance with applicable requirements.	Q1
Reporting Employer Data Analysis	Continuous Audit	Analyze Reporting Employer data within TRUST system for completeness, integrity, accuracy, and reasonableness.	Q1 - Q4
Benefits Testing	Reserve	Recalculate a sample of annual benefit payments and agree to the supporting documentation on file. Scope in other tests related to benefits.	Q1 - Q4
Special Requests and Emerging Issues	Advisory	Set aside time to address special requests and emerging issues during the year as requested by management.	Q1 - Q4

Audit Plan: Health Care

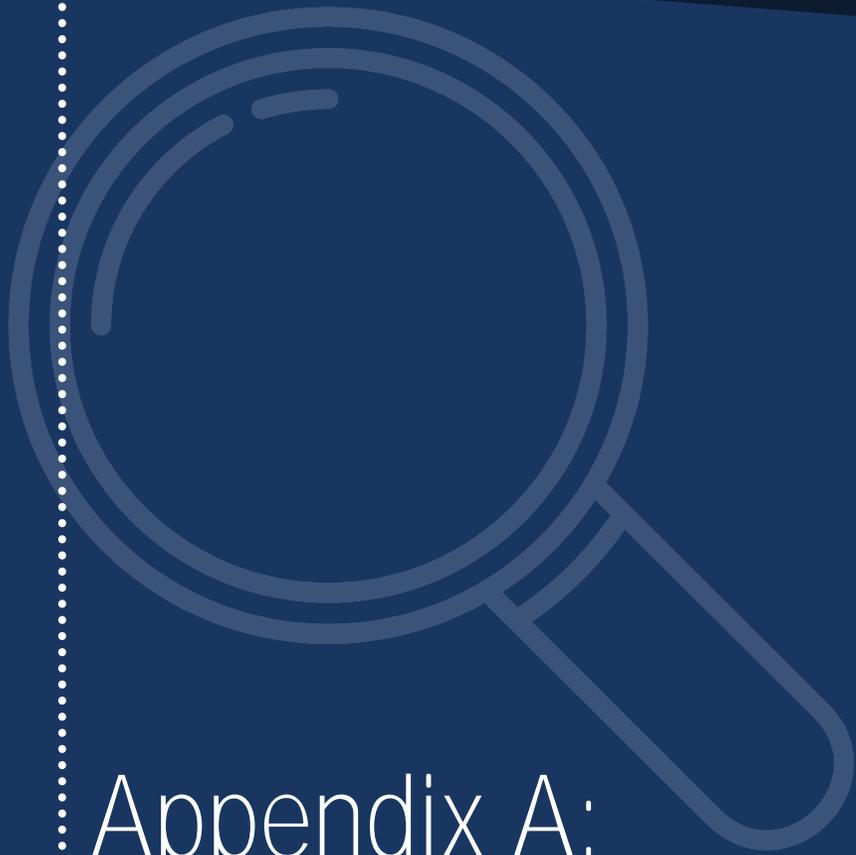
Title	Type	Preliminary Scope	Timing
SB 827 (Insulin Cost-Sharing)	Audit	Analyze pharmacy claims processed by TRS plan administrators for compliance with SB 827.	Q1
Formulary Testing	Advisory	Test the application of the customized formulary as implemented by the new pharmacy carrier.	Q1
Healthcare Claims Data Analysis	Continuous Audit	Analyze medical and pharmacy claims for appropriate provider billing and compliance with regulations and TRS plan policies and alignment with health care industry standards.	Q1 – Q4
Healthcare Claims Data Analysis	Continuous Audit	Analyze medical and pharmacy claims processed by TRS plan administrators for compliance with contract requirements.	Q1 – Q4
Special Requests and Emerging Issues	Advisory	Set aside time to address special requests and emerging issues during the year, as requested by management.	Q1 - Q4

Audit Plan: Investment Management

Title	Type	Preliminary Scope	Timing
Review of Multi-Asset Trade Operations (MATO)	Audit	Determine whether activities related to processing and settlement of investment trades and management of cash, margin and collateral include sufficient controls to ensure activities are managed and conducted effectively, efficiently and in compliance with relevant policies, guidelines and procedures.	Q1 – Q2
Review of Risk Parity Operations	Audit	Determine whether Risk Parity portfolio operations include sufficient controls to ensure investments are made and managed effectively, efficiently and in compliance with relevant policies, guidelines and procedures.	Q2– Q3
Emerging Manager Program	Audit	Determine whether activities related to the Emerging Managers Program include sufficient controls to ensure activities are managed and conducted effectively, efficiently and in compliance with relevant policies, guidelines and procedures.	Q3 – Q4
Innovation Portfolio Program	Audit	Determine whether activities related to the Innovation Portfolio Program include sufficient controls to ensure activities are managed and conducted effectively, efficiently and in compliance with relevant policies, guidelines and procedures.	Q3 – Q4
Investment Committee Attendance, etc.	Advisory	Stay current on portfolio strategy and Investment Management Division initiatives by attending Internal Investment Committee, monthly staff and other meetings.	Q1 – Q4
Special requests, initiatives and emerging issues	Advisory	Set aside time to address special requests, initiatives and emerging issues during the year as requested by management	Q1 – Q4

Audit Plan: Technology & TEAM

Title	Type	Preliminary Objective	Timing
Audit of Vulnerability Remediation and Patch Management	Audit	Determine whether policies, procedures and practices provide reasonable assurance that security updates are patched timely, and vulnerabilities are remediated or mitigated effectively.	Q1
Audit of the Cybersecurity Incident Response Program	Audit	Determine whether TRS Cybersecurity Incident Response Program aligns with industry standards and is operating effectively.	Q2
Review of Cyber Controls	Audit	Perform a vulnerability assessment and penetration test of TRS' information technology infrastructure.	Q3 -Q4
TEAM Independent Program Assessment (IPA) Vendor Support	Advisory	Coordinate and facilitate activities of the IPA vendor and ensure direct access to executive management and the board.	Q1 - Q4



Appendix A:

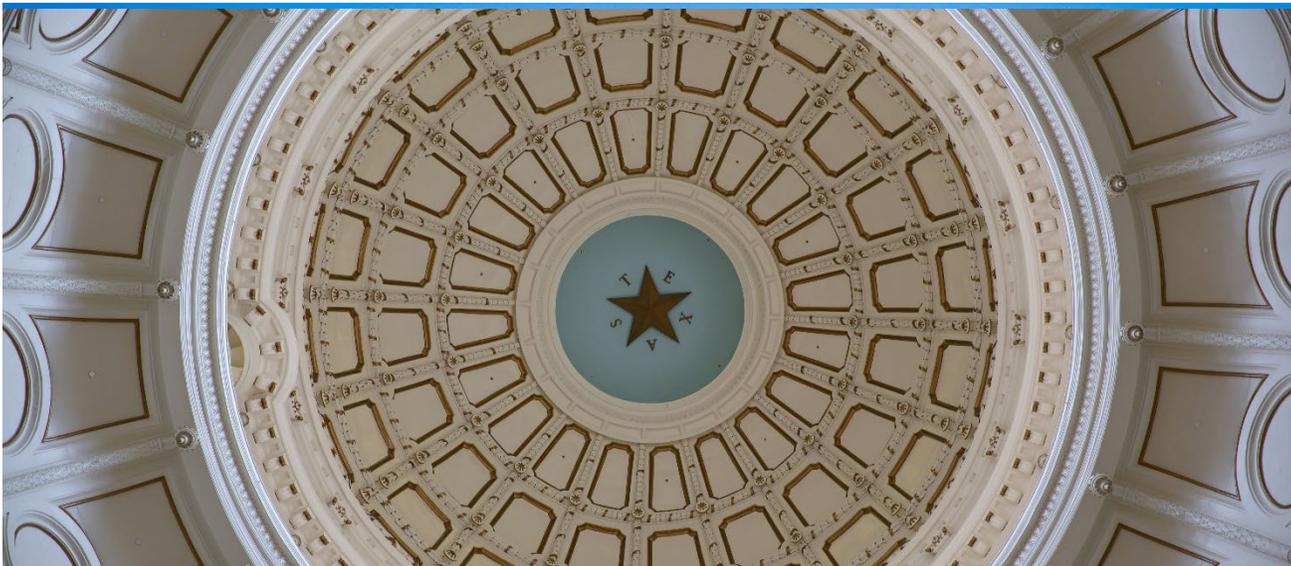
Business Intelligence Team: Proposed Projects for FY2024

Appendix A: Business Intelligence Team: Proposed Projects for FY2024

Project	Business Area	Type	Timing
SB 827 Assurance (Insulin Cost Sharing)	HD	Assurance	Q1
Claims for Deceased Members	HD	Consulting (Vendor Compliance)	Q1-Q4
Express Scripts Eligibility Testing	HD	Consulting (Vendor Compliance)	Q1
Express Scripts Formulary Testing	HD	Consulting (Vendor Compliance)	Q1
Pension Refunds Process	Benefit Services	Consulting (Internal Process)	Q1
SAO ACFR Testing	Exec	External Consulting	Q1
Express Scripts Mislabeled Drugs Testing	HD	Consulting (Vendor Compliance)	Q2
CLIA Certification Testing	HD	Consulting (Vendor Compliance)	Q2-Q3
Employer Termination Testing	HD	Consulting (Internal Process)	Q2
HILOB Termination Testing	HD	Consulting (Internal Process)	Q3
Professional and Technical Component Testing	HD	Consulting (Vendor Compliance)	Q3
Integrated Deductible Benefit Testing	HD	Consulting (Vendor Compliance)	Q3
Talent Continuity	OE	Consulting (Internal Process)	Q3
Bilateral Services Policy Testing	HD	Consulting (Vendor Compliance)	Q4
Applied Behavioral Analysis (ABA) Policy Testing	HD	Consulting (Vendor Compliance)	Q4



Questions



Internal Audit

Summary of Audit Recommendations As of August 28, 2023

Amanda Jenami, CPA, CIA,
CISA, CIDA, CFSA

September 15, 2023



Highlights

82

Recommendations
(Total)

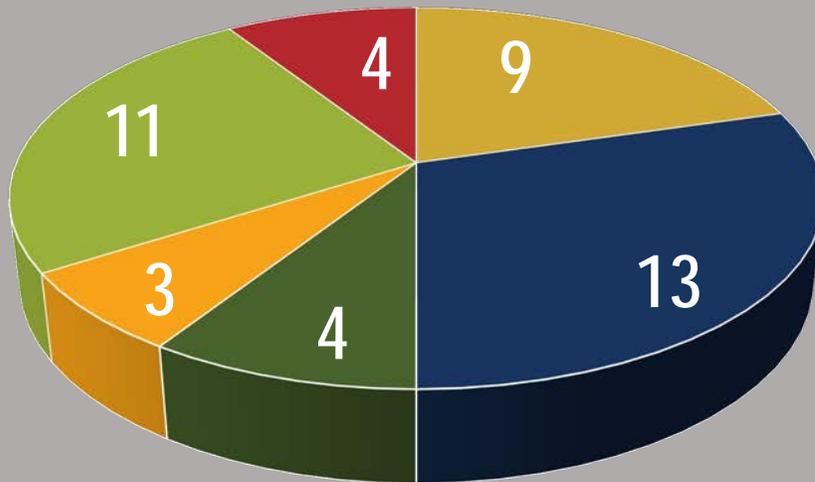
19

Audit Reports

52

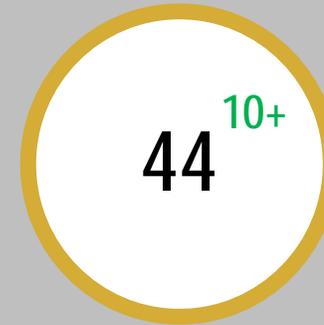
Recommendations
rated significant

Ownership of Pending Recommendations



Benefit Services Business Admin HD IMD IT ISO

Implementation Status



Pending



Satisfactorily
Implemented



Implemented,
pending IA
validation

Age of Recommendations

34
1-12
months

6
13-24
months

4
25-36
months

0
37-48
months

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
19-601 Talent Management and Culture Audit					
2. Strengthen shared services alignment - (c) Performance metrics	Implemented	Significant	4/2019	12/2020	5/2022
20-104 Review of Collections					
1.1 Strengthen death claim-related collection process	Implemented	Significant	7/2020	8/2020	11/2020
1.2 Develop procedures for death claim-related payments and update death notification procedures	Implemented	Significant	7/2020	3/2020	8/2020
1.3 Document and implement procedures for writing off post-death overpayments	Implemented	Significant	7/2020	3/2020	12/2020

Significant to Business Objectives

	<ul style="list-style-type: none"> • Past <i>original</i> estimated completion date, and • No management action plan <u>or</u> no progress on management action plan
	<ul style="list-style-type: none"> • Past <i>original</i> estimated completion date • Progress on management action plan
	<ul style="list-style-type: none"> • <i>Original</i> estimated completion date has not changed • Progress on management action plan
	<ul style="list-style-type: none"> • Satisfactory implementation of management action plan <u>or</u> acceptance of risk by management
	<ul style="list-style-type: none"> • Implementation of management action plan pending Internal Audit validation

Other Reportable

	<ul style="list-style-type: none"> • Past first <i>revised</i> estimated completion date • No management action plan <u>or</u> no progress on management action plan
	<ul style="list-style-type: none"> • Past first <i>revised</i> estimated completion date • Progress on management action plan
	<ul style="list-style-type: none"> • Within <i>original</i> <u>or</u> first <i>revised</i> estimated completion date • Progress on management action plan
	<ul style="list-style-type: none"> • Satisfactory implementation of management action plan <u>or</u> acceptance of risk by management

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
20-105 Review of 1099-R Processes					
1.1 Identify and Implement Improvements to Address System Defects	Implemented	Significant	10/2020	9/2021	12/2021
2.2 Strengthen Controls for Oversight of Vendor Performance	Implemented	Significant	10/2020	12/2020	12/2020
20-401 Review of Accounting Operations					
3.1.i Accrual and Reporting Accuracy: ACFR - Receivables	Implemented	Significant	7/2020	9/2020	3/2021
3.1.ii Accrual and Reporting Accuracy: ACFR - Payables	Implemented	Significant	7/2020	9/2020	3/2021
21-202 Review of Contract Oversight (HIB)					
1.1 Strengthen contract monitoring efforts	Implemented	Significant	9/2021	2/2023	2/2023
1.2 Assist contract managers in setting up PAVES deliverables	Implemented	Significant	9/2021	10/2021	10/2021
1.3 Strengthen invoice review processes	Implemented	Significant	9/2021	2/2023	2/2023
1.5 Establish and implement criteria for using SOWs	Implemented	Significant	9/2021	2/2023	2/2023
2.1 Strengthen change control processes	Implemented	Significant	9/2021	2/2023	2/2023
2.2 Ensure sufficient involvement of P&C	Implemented	Significant	9/2021	2/2023	2/2023
3.1 Complete risk assessments for executed contracts	Implemented	Significant	9/2021	2/2023	2/2023
3.2 Document the risk assessment process	Implemented	Significant	9/2021	2/2023	2/2023

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
21-402 Review of the HUB Program					
1.1 Implement TRS HUB Policy	Implemented	Significant	5/2021	9/2021	9/2021
1.2 Finalize HUB Program Manual	Implemented	Significant	5/2021	9/2021	9/2021
1.3 Develop a HUB Strategic Plan	Implemented	Significant	5/2021	9/2021	9/2021
1.4 Implement documentation, tracking, and effective reviews of outreach activities	In Progress	Significant	5/2021	9/2021	1/2024
1.5 Implement HUB Program Tools for TRS Staff	Implemented	Significant	5/2021	12/2021	12/2021
1.6 Increase Number of HUB Vendor Outreach Tools	Implemented	Significant	5/2021	9/2021	9/2021
1.7 Increase the HUB Program Resources	In Progress	Significant	5/2021	9/2021	9/2023
1.8 Enhance TRS HUB Webpage	Implemented	Significant	5/2021	9/2021	9/2021
2.1 Monitor HUB Subcontracting Plans and Monthly Progress Assessment Reports	In Progress	Other Reportable	5/2021	7/2021	1/2024
2.2 Implement quality control process to improve the accuracy of reporting	In Progress	Other Reportable	5/2021	5/2021	1/2024
22-302 Review of Strategic Asset Allocation Procedures and Governance					
1.4.1 Alignment with SAA target allocations	In Progress	Other Reportable	6/2022	12/2024	
22-303 Review of Investment Performance Measurement					
2.2.2 Reliance on Excel Workbooks / Scalability	In Progress	Other Reportable	8/2022	8/2023	1/2024

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
22-304 Review of Internal Fundamental Public Equity Portfolio Operations					
2.1.1 Consultation between Legal & Compliance and IFM	In Progress	Other Reportable	1/2023	9/2023	
2.3.1 Establish research documentation criteria	Implemented	Other Reportable	1/2023	6/2023	6/2023
22-401 Review of Records Management					
1.1 Assist business units in weighing benefits against risks of longer retention timeframes	In Progress	Other Reportable	6/2022	2/2023	2/2024
1.2 Require written justification and executive management approval for longer retention timeframes	In Progress	Other Reportable	6/2022	2/2023	2/2024
3.1 Continue efforts to implement record management automated features	In Progress	Other Reportable	6/2022	3/2023	1/2024
3.2 Include shared and personal drives to Microsoft project	In Progress	Other Reportable	6/2022	5/2025	
22-402 Follow-Up of Procurement Audit					
1.2.1 Implement enhancement feature to tie IMD payments to their relevant contracts	In Progress	Other Reportable	11/2022	9/2023	
1.2.2 P&C management should separate invoice creation from the review and approval steps within PAVES	In Progress	Other Reportable	11/2022	9/2023	
1.2.3 P&C management should implement enhancements to limit the number of instances users have to manually enter data in key fields	In Progress	Other Reportable	11/2022	9/2024	
1.2.4 P&C management should improve quality assurance reviews to ensure accuracy and completeness of data.	In Progress	Other Reportable	11/2022	9/2023	
2.1 TRS management should assist P&C in bringing a cultural shift to comply with P&C's lead times	In Progress	Other Reportable	11/2022	9/2023	

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
22-502 IT Contract Oversight					
1.1 Implement contract monitoring policies and procedures	Implemented	Significant	1/2023	2/2023	1/2023
1.2 Align contract monitoring efforts with key contract requirements	In Progress	Significant	1/2023	2/2023	3/2024
1.3 Strengthen invoice review processes	In Progress	Significant	1/2023	2/2023	3/2024
2.1 Enhance and document the risk assessment process	Implemented	Other Reportable	1/2023	2/2023	2/2023
2.2 Perform risk assessment for executed contracts	Implemented	Significant	1/2023	2/2023	2/2023
23-102 Review of Reporting Employer Processes					
1.1 Practical enhancements to the TRUST system	In Progress	Significant	7/2023	12/2023	
1.2. Report submission after due dates	In Progress	Significant	7/2023	12/2023	
1.3.a. Develop and implement KPIs	In Progress	Other Reportable	7/2023	6/2024	
1.3.b. Notify REs about any changes to the performance targets	In Progress	Other Reportable	7/2023	8/2023	
1.4 The TRUST system open tickets	In Progress	Significant	7/2023	1/2024	
2.1.a. Develop Targeted Training Sessions	In Progress	Other Reportable	7/2023	8/2023	9/2023
2.1.b. Proactively identify and resolve issues with REs who contact their coaches	Implemented	Other Reportable	7/2023	8/2023	8/2023
2.1.c. Organization of training material	In Progress	Other Reportable	7/2023	1/2024	

**TRS Internal Audit
Summary of Audit Recommendations Status
As of August 28, 2023**

Recommendation	Status	Issue Type	Issue Date	Estimated Date	Revised / Actual Date
2.1.d. Implement Quality Assurance Process	In Progress	Other Reportable	7/2023	7/2023	8/2023
2.2 Supplement the annual RE survey with several transaction surveys	In Progress	Other Reportable	7/2023	7/2023	8/2023
23-302 Review of External Public Markets Portfolio Operations					
1.1 Internal Asset Transfer two day waiting period	Implemented	Other Reportable	7/2023	6/2023	6/2023



Internal Audit

Administrative Reports Fiscal Year 2023

Amanda Jenami, CPA, CIA, CISA, CFE,
CGAP, CRMA, CHIAP

September 15, 2023





Internal Audit Performance Measures Fiscal Year 2023

FY2023 Strategic Plan

Goal 1: Provide assurance to the Board of Trustees and Senior Management (3 KPIs)

Goal 2: Serve as trusted advisor to the Board of Trustees and Management (4 KPIs)

Goal 3: Attract, develop and retain diverse and outstanding talent (7 KPIs)

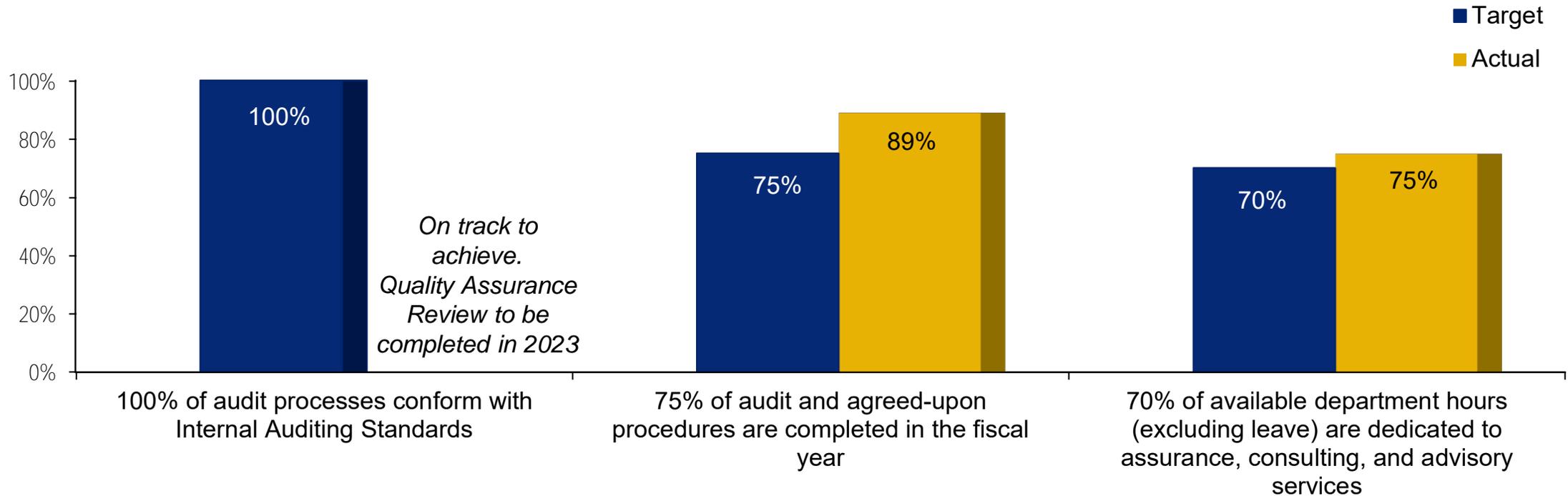
Goal 4: Leverage technology (1 KPI)

FY2023 Key Performance Indicators (KPIs)

Internal Audit met or exceeded 93% (14 out of 15) of its performance targets for the year.

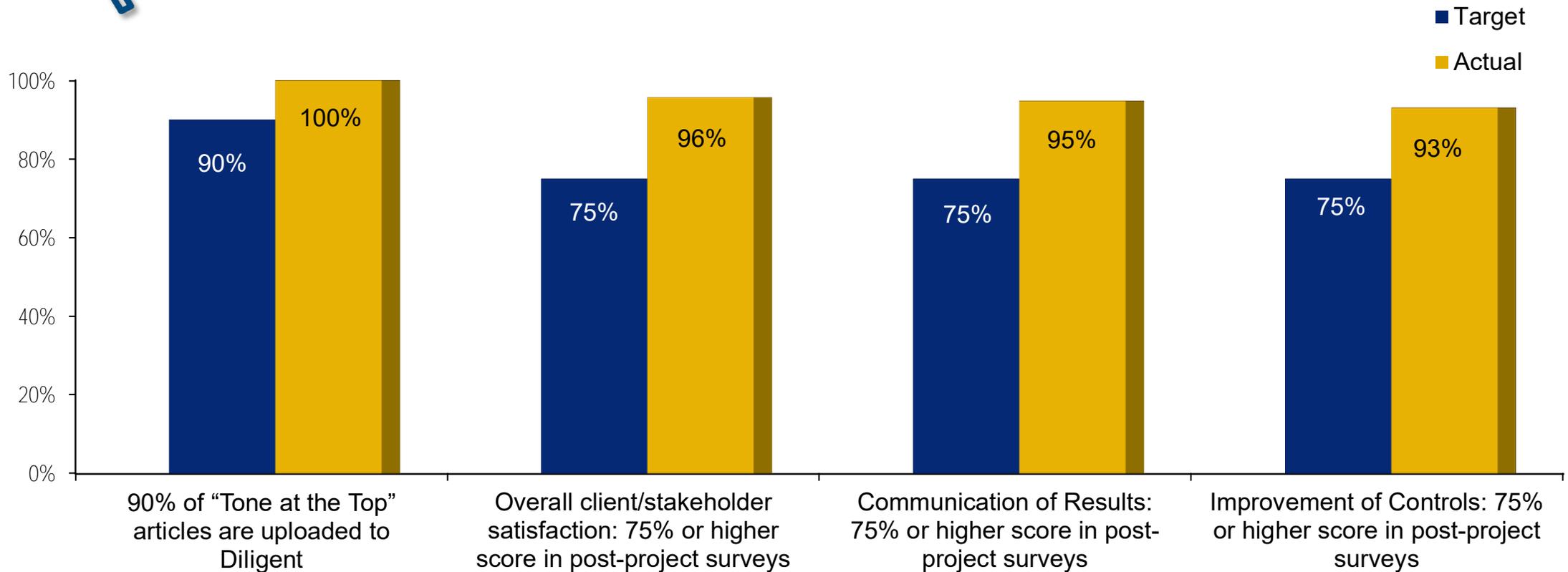


Goal 1: Provide Assurance to the Board of Trustees & Senior Management



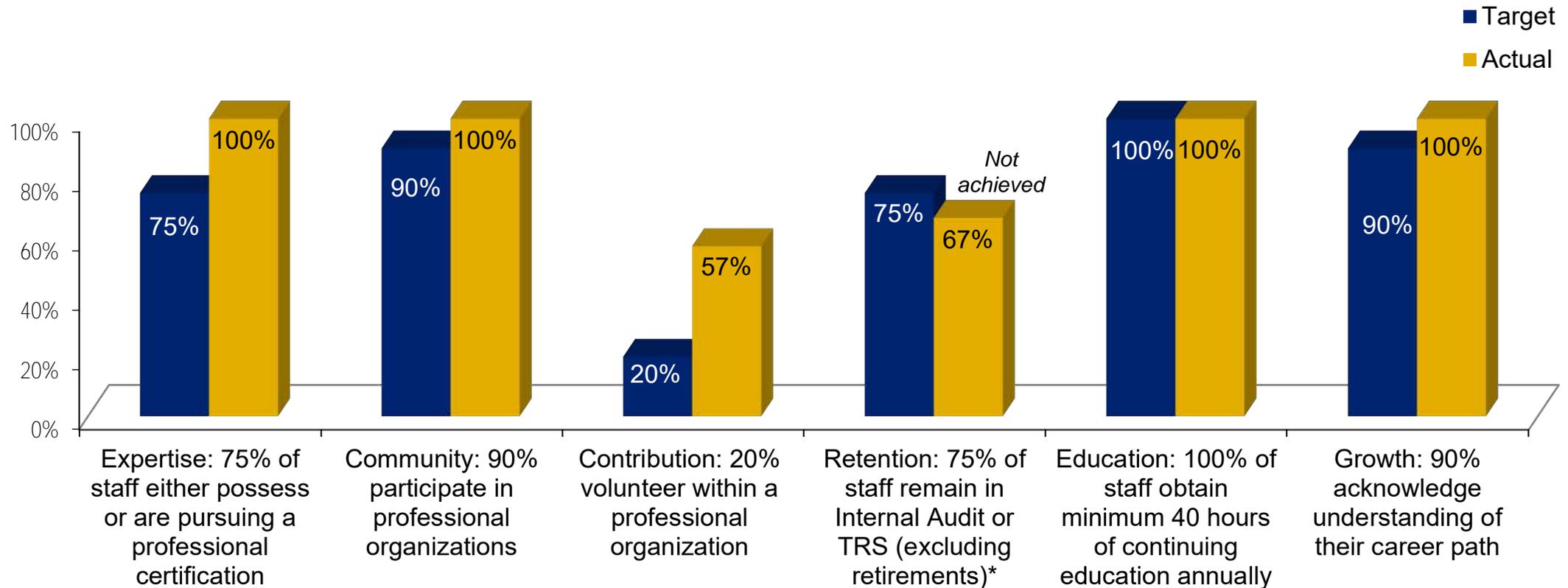


Goal 2: Serve as trusted advisor to the Board of Trustees & Management



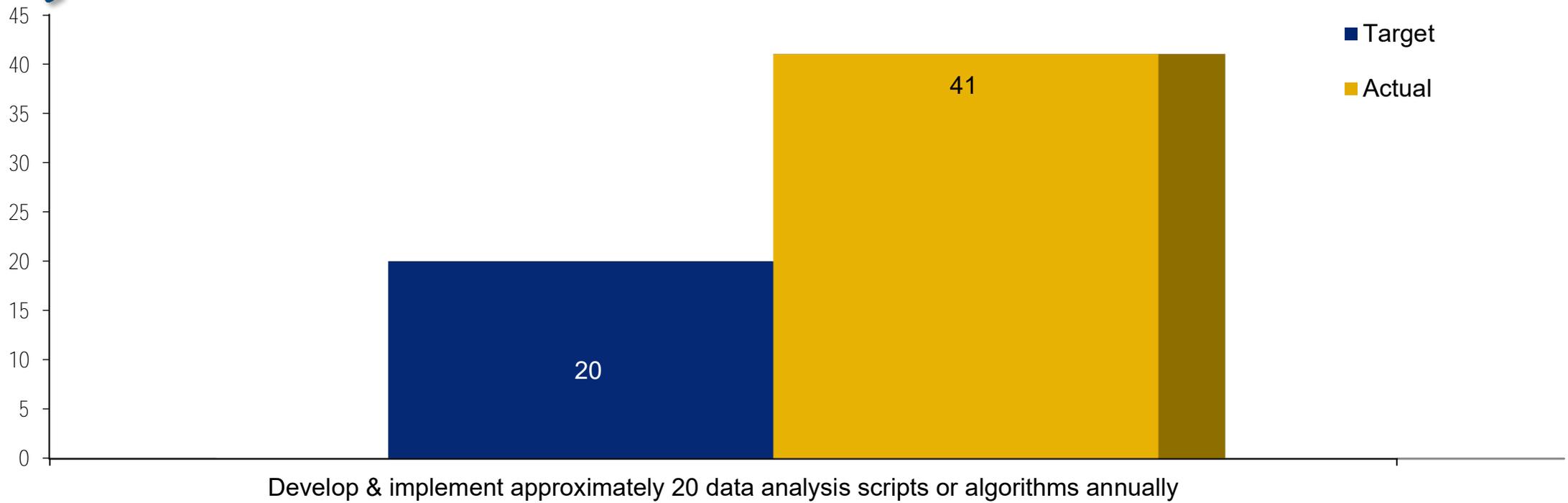


Goal 3: Attract, develop & retain diverse & outstanding talent





Goal 4: Leverage Technology



Advisory Services FY2023

Internal Audit Advisory Services

EXECUTIVE

- Facilitated external audits of the Annual Comprehensive Financial Report, TRICOT Annual Financial Report, and FY22 Other Post-Employee Benefits (OPEB)
- Served on the Risk Oversight Committee
- Served on the ERM Maturity Project Team
- Served on the Enterprise Data Governance Council
- Participated in Enterprise Projects Oversight Committee (EPOC)

INVESTMENT MANAGEMENT DIVISION (IMD)

- Attended Internal Investment Committee (IIC) meetings
- Attended monthly Securities Lending monitoring calls
- Held quarterly collaboration meetings with Investment Compliance and Investment Risk
- Held quarterly collaboration meetings with IMD management

INFORMATION TECHNOLOGY

- Attended Information Security Advisory Team (ISAT) meetings
- Attended Change Management Team (CMT) meetings
- Coordinated IPA (TEAM) activities
- Held collaboration meetings with Chief Information Officer (CIO) and Chief Information Security Officer

BENEFIT SERVICES

- Attended quarterly Employer Advisory Group meetings
- Performed RE data integrity tests via data analytics

FINANCIAL SERVICES

- Performed independent testing and reconciliation of wire activity

HEALTH INSURANCE BENEFITS (HIB)

- Performed independent TEAM testing and reconciliation

Staff Highlights

Cui “Tswey” Rye **Senior Auditor, Operations Audit Services**

Cui joins us with five years of audit experience and 13 years of experience in public and private accounting. For the last six years, Cui served as the Vice President of Finance for a local not-for-profit organization.

Cui is a Certified Public Accountant (CPA) and is a Lean Six Sigma Green Belt. She holds a Master of Science in Accounting from Michigan State University and a Bachelor of Science in Business Administration from University of Texas at Austin.



Brian Browder **Senior IT Auditor, IT Audit**

Brian brings more 10 years of experience in information security, information technology (IT), and IT auditing. Brian is joining us from the Colorado Public Employees' Retirement Association (COPERA), where he has served as an Information Technology Manager for the last eleven months. Prior to that, Brian held a variety roles in technology and security including Information Security Consultant, IT Compliance Manager, and IT Auditor.

Brian is a Certified Information Systems Security Professional (CISSP) and holds a Certificate of Cloud Security Knowledge (CCSK). He holds a Bachelor of Business Administration in Computer Information Systems and Management from Baylor University.





Questions?