

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

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

*All or part of the September 20, 2024, 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 20, 2024, 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 20, 2024 – 8:00 a.m.

1. Call roll of Committee members.
2. Approve minutes of July 2024 Audit, Compliance and Ethics Committee meeting
– Ms. Brittny Allred, Chair
3. Receive State Auditor’s Office’s (SAO) Presentations– Michael Clayton and Fabienne Robin, SAO:
 - A. Results of the Audit of TRS’ Fiscal Year 2023 Pension Liability; and
 - B. Other Post-Employment Benefits (OPEB) Liability Schedules.
4. Receive SAO’s presentation on the planned audit of TRS’ Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024 – Michael Clayton and Robert Pagenkopf, SAO.
5. Receive Crowe LLP’s presentation on the planned financial audit of TRS Investment Company (TRICOT) – Kevin Smith and Michelle Buss, Crowe LLP
6. Receive an overview of TRS Compliance and reports including those related to ethics and fraud, conflicts of interest, and investment policies – Heather Traeger, Chris Bowlin, Elena Barreiro and Michael Schaff.
7. Receive an overview of the new IIA Global Internal Audit Standards – Katie Linczer

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.

8. Consider recommending to the Board of Trustees adoption of the following: – Amanda Jenami:
 - A. Proposed revisions to the Audit Charter
 - B. Internal Audit’s Strategic Plan and Proposed Performance Objectives for Fiscal Year 2025
 - C. Proposed Audit Plan for Fiscal Year 2025
9. Receive an update on Internal Audit’s Data Analytics Program – Jonathan O’Reilly
10. Receive Internal Audit reports:
 - A. Review of Risk Parity Portfolio Operations – Nathan Ward and Mark Telschow
 - B. Review of Contract Oversight (IMD) – Amanda Jenami, Cui Rye and Kristi Vorce
 - C. Update on Prior Audit Recommendations – Jonathan O’Reilly
 - D. Review of Cyber Controls – Chris Cutler, and Kristi Glasgall; Koonal Bose, Accenture
 - E. Review of Cybersecurity Response Program – Brian Browder and Kristi Glasgall.
11. 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 – Brittney Allred., Amanda Jenami and Heather Traeger

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