



**SERS Retirement Board Audit Committee Agenda  
Regular Meeting  
September 17, 2025  
2:30 P.M.**

1. Roll call (R)
2. Approval of June 17, 2025 minutes (R)
3. Executive session pursuant to R.C. 121.22 (G) (6) to discuss security matters (R)
4. Internal Audit Update: Chief Audit Officer's Report
  - o Q1 Update on the FY2026 Audit Plan
  - o Status of Outstanding Audit Recommendations
  - o Internal Audit Charter
  - o Recently Completed Audits and Other Activities
5. Annual Confirmation of Internal Audit Independence
6. Executive session pursuant to R.C. 121.22 (G) (1) to consider the employment of a public employee (R)
7. Approve FY2026 Chief Audit Officer Goals (R)
8. Audit committee requests and follow-up items
9. Adjournment

**SCHOOL EMPLOYEES RETIREMENT SYSTEM**

**AUDIT COMMITTEE**

**September 17, 2025**

**2:30 P.M.**

Roll Call:

Catherine Moss	_____
James Rossler	_____
Aimee Russell	_____

Guests in Attendance:

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**SCHOOL EMPLOYEES RETIREMENT SYSTEM**

**APPROVAL OF MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON  
JUNE 17, 2025**

\_\_\_\_\_moved and \_\_\_\_\_seconded the motion to approve the minutes of the Audit Committee meeting held on June 17, 2025.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

School Employees Retirement System		AUDIT COMMITTEE MINUTES	
Preparer	Megan Robertson	Meeting Date:	June 17, 2025
Committee Chair	James Rossler	Committee roll call was as follows: Catherine Moss, James Rossler, Aimee Russell.  <b>Also in Attendance:</b> Maggie O'Shea, Representative of the Ohio Attorney General joined remotely via Zoom, along with members of the public. SERS Board Member: Frank Weglarz. Staff Members: Jeff Davis, Joe Marotta, Marni Hall, Richard Stensrud, Karen Roggenkamp, Vatina Gray, Nicole Whitacre, and Megan Robertson.	
Agenda	<div><div>1. Roll call (R)</div><div>2. Approval of March 19, 2025, and May 27 and 28, 2025 minutes (R-2)</div><div>3. External Audit Update<ul style="list-style-type: none"><li>Plante Moran Audit Presentation</li></ul></div><div>4. Internal Audit Update: Chief Audit Officer's Report<ul style="list-style-type: none"><li>Q4 Update on the FY2025 Audit Plan</li><li>Status of Audit Recommendations</li><li>FY2026 Audit Planning</li><li>FY2026 Audit Plan</li><li>Recently Completed Audits, Other Activities</li></ul></div><div>5. Review and Approve FY2026 Internal Audit Plan (R)</div><div>6. Annual Confirmation of Internal Audit Independence</div><div>7. Executive session pursuant to R.C. 121.22 (G)(1) to consider the employment and compensation of a public employee (R)</div><div>8. Audit committee requests and follow-up items</div><div>9. Adjournment</div></div>		
Discussion	<div>The meeting began in open session at 2:30 p.m.</div> <div><b><u>Roll Call</u></b></div> <div>The SERS Special Audit committee began with a roll call. The committee roll call was as follows: Catherine Moss, James Rossler, and Aimee Russell.</div> <div>Also in attendance was Maggie O'Shea, Representative of the Ohio Attorney General who joined remotely via Zoom, along with members of the public. SERS Board Member: Frank Weglarz. SERS Staff Members: Jeff Davis, Joe Marotta, Marni Hall, Richard Stensrud, Karen Roggenkamp, Vatina Gray, Nicole Whitacre, and Megan Robertson.</div> <div><b><u>Approval of Minutes (R)</u></b></div> <div>Catherine Moss moved, and Aimee Russell seconded the motion to approve the minutes of the Audit Committee meeting held on March 19, 2025. Upon roll call, the vote was as follows: Yea: Catherine Moss, Aimee Russell, James Rossler. The motion carried.</div> <div>Aimee Russell moved, and Catherine Moss seconded the motion to approve the minutes of the Audit Committee meeting held on May 27 and 28, 2025. Upon roll call, the vote was as follows: Yea: Catherine Moss, Aimee Russell, James Rossler. The motion carried.</div>		

#### **External Audit Update**

SERS Chief Audit Officer (CAO), Jeff Davis, introduced SERS Chief Financial Officer (CFO), Marni Hall, and the audit team from Plante Moran for an external audit update. This will be Plante Moran's third year auditing SERS. Kristin Hunt, Engagement Partner and Ashley Raden, Manager, from Plante Moran provided a presentation to the Audit Committee on Pre-Audit Communication, Expected Audit Timeline, and Accounting Standard Changes for fiscal year (FY) 2025.

#### **Chief Audit Officer's Report**

Mr. Davis provided a presentation on the status of his FY2025 Internal Audit Plan for the fourth quarter. The audit plan has been substantially completed, with one audit in process and one audit moved to FY2026.

Mr. Davis also touched briefly on the status of an external audit recommendation related to monthly bank reconciliations. Ms. Hall returned to provide an update on the completed and in progress phases of the corrective action plan.

Recently completed audits and other activities were also briefly discussed.

Mr. Davis continued his presentation by reviewing the FY2026 audit planning and subsequent proposed FY2026 audit plan.

#### **Review and Approve FY2026 Internal Audit Plan**

Catherine Moss moved, and Aimee Russell seconded the motion that the FY2026 Internal Audit Plan, as discussed at the June 2025 Audit Committee meeting, be approved. Upon roll call, the vote was as follows: Yea: Catherine Moss, Aimee Russell, James Rossler. The motion carried.

#### **Executive session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee (R)**

Aimee Russell moved, and Catherine Moss seconded the motion that the Audit Committee convene into Executive Session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee. Upon roll call, the vote was as follows: Yea: Catherine Moss, Aimee Russell, James Rossler. The motion carried.

The committee convened in executive session at 2:59 p.m.

The committee returned to open session at 3:06 p.m.

#### **Annual Confirmation of Internal Audit Independence**

Mr. Davis reported SERS' internal auditors must maintain independence and objectivity in performing their duties. Specifically, the Institute of Internal Auditors (IIA) *Standards* have several requirements that were affirmed by Mr. Davis. There were no issues and no conflicts of interest to report.

	<b><u>Committee Requests and Follow Up Items</u></b>  After questions and discussion, the committee thanked Mr. Davis for his presentation.  The next audit committee meeting will be on September 17, 2025.  There were no requests or follow-up items discussed.  The meeting adjourned at 3:07 p.m.		
	<b>Action Items</b>	<b>Assigned Person</b>	<b>Due Date</b>
<b>Action Items</b>	n/a		
<b>Agenda for Next Meeting</b>			

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James Rossler, Committee Chair

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Richard Stensrud, Secretary

**RESOLUTION FOR EXECUTIVE SESSION**

**(Security Matter)**

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Audit Committee convene in Executive Session pursuant to R.C. 121.22 (G)(6) to discuss security matters.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

**IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M./P.M.**

**RETURN TO OPEN SESSION AT \_\_\_\_\_ A.M. / P.M.**



**INTERNAL AUDIT UPDATE**  
**(Chief Audit Officer's Report)**



# **Internal Audit Update**

## **September 2025**

Steve Ritzer, CAO – Internal Audit

# Agenda



- Status of FY26 Internal Audit Plan
- Status of Audit Recommendations
- Internal Audit Charter
- Recently Completed Audits and Other Activities



# **FY2026 Audit Plan Status**



[illegible]

# FY2026 Audit Plan Status



Engagement	Qtr.	Type	Status	Comments
<b>FY2025: Audit</b>				
IT Infrastructure (issued 8/29/25)	Q4 2025	Audit	Completed	Outsourced Audit
<b>FY2026: Compliance</b>				
Undue Influence (issued 8/8/25)	Q1	Audit	Completed	
Conflict of Interest	Q1	Audit	In Progress	
Investment Incentive Compensation	Q1	Audit	In Progress	

# FY2026 Audit Plan Status



Engagement	Qtr.	Type	Status	Comments
<b>FY2026: Audit</b>				
Required Minimum Distribution	Q2	Audit	Pending	
Self Service Portal/On-Line Activity	Q2 – Q3	Audit	Pending	
HIPAA Compliance	Q3 – Q4	Audit	Pending	Outsourced Audit
Identity and Access Management	Q4	Audit	Pending	
Purchasing/Contracts	Q4	Audit	Pending	
Continuous Auditing	Q1- Q4	Audit	Ongoing	

# FY2026 Audit Plan Status



Engagement	Qtr.	Type	Status	Comments
<b>FY2026: Consulting</b>				
Other Consulting/Special Projects	Q1- Q4	Consulting	Ongoing	
IT Consulting	Q1- Q4	Consulting	Ongoing	
Health Care Medical/Pharmacy Claims	Q3 – Q4	Consulting	Pending	
<b>FY2026: Internal Audit Activities</b>				
Audit Committee Annual Report	Q2	Administrative	Pending	Annual Activities for Ohio Retirement Study Council
Fiscal Year 2027 Internal Audit Plan	Q3 - Q4	Administrative	Pending	
Internal Audit Recommendations Follow-up	Q1- Q4	Administrative	Ongoing	





# Status of Audit Recommendations

# Status of Audit Recommendations - Overall



Audit	Significant Deficiency	High	Moderate	Total
External auditor	1			1
FY2024 Tenant Parking Revenue			1	1
FY2024 Identity & Access Management			5	5
FY2025 IT Infrastructure *		<u>1</u>	<u>5</u>	<u>6</u>
Total	<u>1</u>	<u>1</u>	<u>11</u>	<u>13</u>

\* Discussed in detail during September 2025 Executive Session

# Status of Audit Recommendations – External Audit



Rating	Risk	Recommendation Summary	Department	Responsible Executive/ Director	Action Plan Due Date
Significant Deficiency	Bank Reconciliations Incomplete	Plante Moran recommended that SERS ensure month-end cash reconciliations are prepared and reviewed timely each month to ensure there is no misappropriation of assets.	Finance	Marni Hall, CFO	TBD

## Status:

- Finance has fully implemented the bank reconciliation remediation plan
- SMART GL Enhancement project phase 1 was completed in October 2024, which synced the GL transaction dates with the bank transaction dates
- SMART GL Enhancement project phase 2 was completed in April 2025, which corrected GL transactions on voided deposits and adjusted the credit entry for daily and recurring benefit payments
- SMART GL Enhancement project phase 3 is being designed with implementation expected Q1 FY2026. This phase address the associated GL transactions for credit memos.
- Accumulated SMART transactions not producing GL entries, were posted in April 2025
- All bank accounts are now reconciled on a month lag with correcting entries posted as found
- Plante Moran will review reconciliations early in the audit to close out the significant deficiency
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# Status of Audit Recommendations – Building Services



Rating	Risk	Recommendation Summary	Department	Responsible Executive/ Director	Action Plan Due Date/Status
Moderate	Policy and Procedure	Management should develop policies and procedures to govern the processes involved in handling tenant revenues and other areas of OSERS operations. Documented procedures should include contract management, invoicing/billing, monitoring, and reporting processes.	Building Services – Tenant and Parking Revenue	Mike McManaway	Q4 FY2026  Progress has been made. Documentation is being incorporated into an overall Building Services manual.

# Status of Audit Recommendations – Identity and Access Management



- An outsourced audit of Identity and Access Management was performed in FY2024.
- The details of the audit were discussed in executive session at the June 2024 Audit Committee meeting.
- There were six moderate risk recommendations.
- Progress in implementing corrective action is underway.
- 1 recommendation has been corrected.
- 5 recommendations have revised implementation dates through Q2 FY2026.

# Status of Audit Recommendations – IT Infrastructure



- An outsourced audit of IT Infrastructure was performed in FY2025.
- The details of the audit were discussed in executive session at the September 2025 Audit Committee meeting.
- There were two high and five moderate risk recommendations.
- Progress in implementing corrective action is underway.
- 1 recommendation has been corrected.
- 6 recommendations have revised implementation dates through Q4 FY2026.



# Internal Audit Charter



# Internal Audit Charter



The Internal Audit Operations Manual states that the Charter needs reviewed when there is a change of SERS' CAO.

- 2025 Changes:
  - Change in CAO in July 2025
  - New standards - The IIA issued revised standards that became effective January 2025. These standards are a set of principles-based requirements that guide internal auditing.
  - Internal Audit Charter was reviewed in March 2025 to reflect new standards
- Response:
  - CAO compared the Internal Audit Charter to the new IIA standards noting no changes needed to the charter.





# **Recently Completed Audits and Other Activities**

# Recently Completed Audits and Other Activities



- Two audits/projects completed since the last committee meeting:
  - Undue Influence (Attachment A). No issues noted.
  - IT Infrastructure (Outsourced)
- Continuous Auditing
  - Accounts Payable
  - Credit Cards
- One Addition to Audit Plan: IA Strategic Plan
  - IIA Standard 9.2 Internal Audit Strategy excerpt:
    - *“The Chief Audit Executive must develop and implement a strategy for the internal audit function that supports the strategic objectives of the organization and aligns with the expectations of the board, senior management and key stakeholders.”*



# Q & A

## **ANNUAL CONFIRMATION OF INTERNAL AUDIT INDEPENDENCE**

Confirmation of Independence and Objectivity Form



# Internal Audit Department

## Confirmation of Independence and Objectivity Form

SERS' internal auditors must maintain independence and objectivity in performing their duties. Specifically, the Institute of Internal Auditors (IIA) *Standards* require:

- **1100 – Independence and Objectivity:** The internal audit activity must be independent, and internal auditors must be objective in performing their work.
- **1110 – Organizational Independence:** The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.
- **1112 – Chief Audit Executive Roles Beyond Internal Auditing:** Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.
- **1120 – Individual Objectivity:** Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.
- **1130 – Impairment to Independence or Objectivity:** If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.
  - **1130.A1** – Internal auditors must refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.
  - **1130.A2** – Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by a party outside the internal audit activity.
  - **1130.C1** – Internal auditors may provide consulting services relating to operations for which they had previous responsibilities.
  - **1130.C2** – If internal auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure must be made to the engagement client prior to accepting the engagement.

The Chief Audit Officer (CAO) must be aware of, and evaluate whether, any impairments to organizational independence or individual objectivity exist. The CAO will annually submit a Confirmation of Independence and Objectivity Form to SERS' General Counsel and Director - Human Resources, since they are best suited to evaluate and determine whether real or perceived conflicts of interest exist. Details of an impairment, as well as the nature of the impairment, will be discussed with the Audit Committee to ensure proper disclosure and consideration of independence and objectivity concerns.

The CAO must also evaluate whether others providing internal audit services within SERS (internal or external resources) have any independence or objectivity impairments. Any such impairments identified will be evaluated by the CAO in conformity with the above mentioned *Standards*.

The CAO will consult with the General Counsel to determine whether circumstances of the individual case impair the independence of the SERS internal auditor or create the appearance of impairment. If so, the internal auditor may be restricted from any participation in the audit in question. As a SERS internal auditor or vendor providing internal audit services, you must annually confirm during June, by submitting the attached form, that you have no impairment of independence or objectivity in conducting your work. Any changes throughout the year must be updated on a new form.



# Internal Audit Department

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**Please answer the following:**

Do you have an immediate family member (parent, sibling, spouse, children, in-laws, stepfather/mother, stepsiblings) or an extended family member (aunts, uncles, grandparents, grandchildren, cousins, spouse's extended family, or close friend/associate) employed by SERS?

☒ **No**   ☐ **Yes** (List family member, position, and job duties, as applicable:)

N/A

Are you aware of any SERS-contracted vendors in which you or an immediate or extended family member maintain a business or working relationship?

☒ **No**   ☐ **Yes** (List vendor, self or applicable family member, and job duties, as applicable:)

N/A

Have you been employed within SERS in a role outside of internal audit within the past 12 months?

☒ **No**   ☐ **Yes** (List the SERS department, position held, and date of separation, as applicable)

N/A

Please list any current outside employment (e.g. part-time, teaching, etc.) or indicate "None":

None.

Are you seeking/being considered for employment within SERS or at a SERS-contracted vendor?

☒ **No**   ☐ **Yes** (Indicate the SERS position or vendor under consideration)

I am not aware of any circumstances that may impair, or that may lead others to question, my independence or objectivity as Chief Audit Officer, except as indicated above. I understand that I am also responsible to make timely written notification to SERS' Audit Committee, General Counsel, and Director – Human Resources in the event that any other circumstance arises that may impair, or appear to impair, my independence and objectivity.

**Employee Name:**     Steven E. Ritzer 9/3/2025

**RESOLUTION FOR EXECUTIVE SESSION**

**(Personnel Matter)**

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Audit Committee convene in Executive Session pursuant to R.C. 121.22 (G)(1) to consider the employment of a public employee.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

**IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M./P.M.**

**RETURN TO OPEN SESSION \_\_\_\_\_ A.M. / P.M.**



**SERS AUDIT COMMITTEE – APPROVAL OF CHIEF AUDIT OFFICER GOALS FOR FY 2026**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion to approve the Chief Audit Officer’s goals for FY 2026.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

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### **ADJOURNMENT**

\_\_\_\_\_ moved that the Audit Committee adjourn to meet at its next regularly scheduled audit committee meeting.

The meeting adjourned at \_\_\_\_\_ p.m.

\_\_\_\_\_  
Aimee Russell, Audit Committee Chair