

School Employees Retirement System		AUDIT COMMITTEE MINUTES	
Preparer	Megan Robertson	Meeting Date:	December 20, 2023
Committee Chair	Barbra Phillips	Committee roll call was as follows: James Rossler, Barbra Phillips. Absent: Catherine Moss. Also in Attendance: Lisa Reid, Representative of the Ohio Attorney General joined remotely via Zoom, along with members of the public. Plante Moran representatives, Kristin Hunt, Amanda Cronk, and Ashley Raden. SERS Staff Members: Jeff Davis, Joe Marotta, Marni Hall, Richard Stensrud, Karen Roggenkamp, Vatina Gray, Nicole Whitacre, and Megan Robertson.	
Agenda	1. Roll call (R) 2. Approval of September 20, 2023, minutes (R) 3. External Audit Update: Review external auditor's financial statement opinion letter, internal control letter with management's response, and required communications. 4. Internal Audit Update: Chief Audit Officer's Report - Q2 Update on the FY2024 Audit Plan - ORSC Annual Audit Committee Report - Recently Completed Audits, Other Activities Approve modification to Audit Committee Charter (R) 5. Executive session pursuant to R.C. 121.22 (G) (1) to consider the employment of a public employee (R) 6. Audit committee requests and follow-up items 7. Adjournment		
Discussion	The meeting began in open session at 2:30 p.m. <u>Roll Call</u> The SERS regular Audit committee began with a roll call. The committee roll call was as follows: James Rossler, Barbra Phillips. Absent: Catherine Moss. Also in attendance were Lisa Reid, Representative of the Ohio Attorney General joined remotely via Zoom, along with members of the public. Plante Moran representatives, Kristin Hunt, Amanda Cronk, and Ashley Raden. SERS Staff Members: Jeff Davis, Joe Marotta, Marni Hall, Richard Stensrud, Karen Roggenkamp, Vatina Gray, Nicole Whitacre, and Megan Robertson. <u>Approval of Minutes</u> James Rossler moved, and Barbra Phillips seconded the motion to approve the minutes of the Audit Committee meeting held on September 20, 2023. Upon roll call, the vote was as follows: Yea: James Rossler, Barbra Phillips. Absent: Catherine Moss. The motion carried. <u>External Audit Update</u> Marni Hall, CFO, commented on the completed FY23 external audit and introduced representatives from Plante Moran to provide their presentation. Kristin Hunt, Partner, Amanda Cronk, Principal, and Ashley Raden, Senior Manager, were present to discuss		

the completed audit. They discussed the audit timeline and deliverables, audit areas of focus, results of the audit including the audit opinion letter and required communications. A lengthy discussion was held regarding an audit finding. Specifically, a significant deficiency regarding monthly reconciliations. Plante Moran, Ms. Hall and the audit committee discussed the finding in detail. Ms. Hall closed by explaining there is a written plan to respond to the finding that has been shared with CAO, Jeff Davis, including monthly updates that will be reviewed.

Chief Audit Officer's Report

Mr. Davis provided a presentation on the status of his FY2024 Internal Audit Plan for the second quarter. The audits of Investment Incentive Compensation and Conflict of Interest are completed with the reports provided to the committee. The audit of Survivor Benefits is completed, and the report will be issued before the end of December. Planning for an audit of Identify and Access Management is underway. This will be an outsourced audit. The RFP process has started with the RFP to be issued in January 2024. Also, an audit of Purchasing/Contracts has been put on hold until later in the fiscal year.

Ms. Phillips inquired if Mr. Davis needs any consulting time to focus on the Plante Moran audit finding, and Mr. Davis affirmed he has ample time allotted to work on the special project.

The CAO next discussed the draft Audit Committee annual report for the Ohio Retirement Study Council (ORSC). The draft report is substantially complete and will be finalized by the end of December and provided to the executive director for his signature and submission to the ORSC.

Recently completed audits and other activities were also discussed including recent training attended by the CAO. Ms. Phillips asked if Artificial Intelligence (AI) was a topic of concern or interest at the training the CAO attended. Mr. Davis shared there was some discussion surrounding AI and the opportunities. Mr. Davis also mentioned the many steps that have been taken at SERS to address AI that will be covered at the December Technology Committee meeting in detail. SERS Executive Director, Richard Stensrud, closed by commenting there are systems being put into place, a structure philosophy, and a set of rules that will act as a checks and balance, as well as internal and external audit activities that will be responsive to what is put in place.

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

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

The committee convened in executive session at 3:14 p.m.

The committee returned to open session at 3:30 p.m.

	<u>Committee Requests and Follow Up Items</u> There were no requests or follow-up items discussed. The meeting adjourned at 3:31 p.m.		
	Action Items	Assigned Person	Due Date
Action Items	n/a		
Agenda for Next Meeting			

Barbra Phillips, Committee Chair

Richard Stensrud, Secretary