SERS Retirement Board Audit Committee
Regular Meeting Agenda
September 16, 2026
2:30 P.M.

Join Zoom Meeting
https://ohsers.zoom.us/j/92094637035?pwd=CkDAAX6MgRwWc5W8Ys29RsIaWsvANu.1

Meeting ID: 920 9463 7035 **Password:** 12345

To join by phone, dial: +1 312 626 6799 US and enter the Meeting ID: **920 9463 7035** and Password: **12345** when prompted.

1. Roll call (R)
2. Approval of June 17, 2026, minutes (R)
3. Internal Audit Update: Chief Audit Officer's Report
    - Q1 Update on the FY2027 Audit Plan
    - Status of Audit Recommendations
    - Recently Completed Audits and Other Activities
4. Annual Confirmation of Internal Audit Independence
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

SCHOOL EMPLOYEES RETIREMENT SYSTEM

AUDIT COMMITTEE

September 16, 2026

_____ P.M.

Roll Call:

Catherine Moss	_____
James Rossler	_____
Aimee Russell	_____

Guests in Attendance:

_____

_____

_____

_____

_____

SCHOOL EMPLOYEES RETIREMENT SYSTEM

APPROVAL OF MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON June 17, 2026

_____moved and _____seconded , the motion to approve the minutes of the Audit Committee meeting held on June 17, 2026.

Upon roll call, the vote was as follows:

ROLL CALL:	YEA	NAY	ABSTAIN
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

School Employees Retirement System	AUDIT COMMITTEE MINUTES		
Preparer	Megan Robertson	**Meeting Date**:	June 17, 2026
Committee Chair	Aimee Russell		
Agenda	1. Roll call (R) 2. Approval of March 18, 2026, minutes (R) 3. External Audit Update: Plante Moran 4. Internal Audit Update: Chief Audit Officer's Report o Q4 Update on the FY2026 Audit Plan o Status of Outstanding Audit Recommendations o Recently Completed Audits and Other Activities o FY2027 Audit Plan 5. Review and approve FY2027 Audit Plan (R) 6. Executive session pursuant to R.C. 121.22 (G) (1) to consider the employment and compensation of a public employee (R) 7. Approval of FY2027 Chief Audit Officer Goals (R) 8. Audit committee requests and follow-up items 9. Adjournment		
Discussion	The meeting began in open session at 2:30 p.m. **Roll Call** The SERS Regular Audit Committee began with a roll call. The committee roll call was as follows: Catherine Moss, James Rossler, and Aimee Russell. Also in attendance via Zoom was Maggie O'Shea, Representative of the Ohio Attorney General, along with members of the public who joined via Zoom. In Person Staff Members: Steve Ritzer, Joe Marotta, Marni Hall, Richard Stensrud, Karen Roggenkamp, Colette Barricks, Nicole Whitacre, Pam Burton, and Megan Robertson. **Approval of Minutes (R)** Catherine Moss moved, and Jamie Rossler seconded the motion to approve the minutes of the Audit Committee meeting held on March 18, 2026. Upon roll call, the vote was as follows: Yea: Catherine Moss, James Rossler, Aimee Russell. The motion carried. **External Audit Update** Steve Ritzer, Chief Audit Officer (CAO), introduced representative Ashey Raden from Plante Moran, who joined virtually to provide a Pre-Audit Communication presentation on the FY2026 external audit. Ms. Raden discussed the audit areas of focus, Plante Moran's responsibilities, approach, materiality concept, and views. Ms. Raden also covered the expected audit timeline and recent accounting standard changes. The Committee had no questions and thanked Ms. Raden for her presentation. **Chief Audit Officer's Report** Next, Mr. Ritzer provided a presentation on the status of the FY2026 Internal Audit Plan for the fourth quarter, reporting that things are on track with the audit plan and sharing		

	highlights on the results of recently completed audits. Mr. Ritzer reported briefly on Continuous Auditing reviews and Audit Recommendations each continue to show positive movement, with outstanding items decreasing and many items scheduled for completion by end of FY2026 and at the start of FY2027 Quarter One. Recently completed audits and other activities were also discussed. Mr. Ritzer closed his update by presenting the proposed FY2027 Audit Plan. There were no comments or questions from the Committee. **Review and approve FY2027 Audit Plan (R)** Catherine Moss moved, and Jamie Rossler seconded the motion that the FY2027 Internal Audit Plan, as discussed at the June 2026 Audit Committee meeting, be approved. Upon roll call, the vote was as follows: Yea: Catherine Moss, James Rossler, Aimee Russell. The motion carried. **Executive session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee (R)** Jamie Rossler 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, James Rossler, Aimee Russell. The motion carried. The committee convened in executive session at 3:11 p.m. The committee returned to open session at 3:33 p.m. **Approval of FY2027 Chief Audit Officer Goals (R)** Jamie Rossler moved, and Catherine Moss seconded the motion to approve the Chief Audit Officer's goals for FY2027. Upon roll call, the vote was as follows: Yea: Catherine Moss, James Rossler, Aimee Russell. The motion carried. **Committee Requests and Follow Up Items** The next audit committee meeting will be on September 16, 2026. There were no requests or follow-up items discussed. The meeting adjourned at 3:33 p.m.

	Action Items	**Assigned Person**	**Due Date**
Action Items	n/a		
Agenda for Next Meeting			

_____ _____

Aimee Russell, Committee Chair H. Ray Higgins, Jr., Secretary

Internal Audit Update

September 2026

Agenda

- **Q1 Update on the FY2027 Audit Plan**
- **Status of Outstanding Audit Recommendations**
- **Recently Completed Audits and Other Activities**
  - Conflict-of-Interest Compliance Update
  - FY2026 Survey Results
  - FY2026 Continuous Audit Testing Results
  - Data Analytics
  - FY2026 QAIP/Workpaper Review Update
  - GAAP to IIA Standards Follow-up

Q1 Update on FY2027 Audit Plan

FY2027 Audit Plan Status

Project	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Progress	Notes
Compliance														
Undue Influence (issued 8.6.26)													100%	issued
Conflicts of Interest													70%	in progress
Investment Incentive Compensation													70%	in progress
Audit														
Identity & Access Management - Finance (FY26) (issued 7.23.26)													100%	issued
Experience Study													30%	in progress
Member Services Team (MST)													0%	
ETF Investments													0%	
Qualified Excess Benefit Arrangement (QEBA)													0%	
IT Change Management													0%	
Investment Compliance with Clearwater													0%	
Health Care Premiums													0%	
Continuous Auditing														
Consulting														
Fiduciary Audit													0%	timing tbd
Health Care Documentation													0%	
Advisory/Other														
Quality Assurance and Improvement Program (QAIP)													100%	complete
ORSC Audit Committee Annual Report													0%	
Fiscal Year 2028 Internal Audit Plan													0%	
Disaster Recovery Plan													0%	
Open Audit Recommendations														
Audit Committee Preparation														
Senior Leadership Team/Director/other meetings														

Identity and Access Management - Finance

Audit Objective

To evaluate the current design and operating effectiveness for access controls related to the applications administered by the Finance department.

Scope

The current access at the time of fieldwork (June 2026) for the following in-scope applications:

- Netsuite (financials)
- Clearwater (investment transactions)
- Adaptive (budgeting)
- Workiva (reporting)
- Blackline (reconciliation)

Conclusion

Internal Audit determined overall management controls for Identity Access Management – Finance were **operating effectively** to achieve the business objective.

Internal Audit did not identify any high or moderate risk audit observations but did identify two low-risk audit observations. The overall conclusion was determined to be **well-controlled.**

Continuous Auditing

Area	Frequency	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accounts payable	bi-monthly		■		☐		☐		☐		☐		☐
Credit card transactions	bi-monthly		■		☐		☐		☐		☐		☐
Member refund testing	quarterly	■			☐			☐			☐		
Bank account changes	quarterly	■			☐			☐			☐		
Address changes	quarterly	■			☐			☐			☐		
Data fix changes	quarterly	■			☐			☐			☐		
Duplicate transactions	quarterly	■			☐			☐			☐		
Disability	quarterly	■			☐			☐			☐		
Vendor/SERS employee comparison	annually						☐						
Badge access	annually									☐			
Review of service credit	annually									☐			
Active employees vs. Active Directory users	annually						☐						
Merit increases	annually												☐

The 13 continuous audit tests are on track for FY2027. Of the 13 areas, five test full populations and eight are sample based.

FY2027 Audit Plan Status

Engagement	Qtr.	Type	Status	Comments
FY2026: Audit				
Identity Access Management - Finance (issued 7/23/26)	n/a	Audit	Completed	
FY2027: Compliance				
Undue Influence (issued 8/6/26)	Q1	Audit	Completed	
Conflicts of Interest	Q2	Audit	In progress	
Investment Incentive Compensation	Q2	Audit	In progress	

FY2027 Audit Plan Status

Engagement	Qtr.	Type	Status	Comments
FY2027: Audit				
Experience Study	Q1 – Q2	Audit	In progress	
Member Services Team (MST)	Q2	Audit	Pending	
ETF Investments	Q2	Audit	Pending	
Qualified Excess Benefit Arrangement (QEBA)	Q3	Audit	Pending	
IT Change Management	Q3	Audit	Pending	
Investment Compliance with Clearwater	Q4	Audit	Pending	
Health Care Premiums	Q4	Audit	Pending	
Continuous Auditing	Q1- Q4	Audit	Ongoing	

FY2027 Audit Plan Status

Engagement	Qtr.	Type	Status	Comments
FY2027: Consulting				
Fiduciary Audit	Q1- Q4	Consulting	Ongoing	
Health Care Documentation	Q3	Consulting	Pending	
FY2027: Advisory/Other				
Quality Assurance and Improvement Program (QAIP)	Q1	Other	Completed	
ORSC Annual Audit Committee Report	Q2 - Q3	Administrative	Pending	Annual Activities for Ohio Retirement Study Council
Fiscal Year 2028 Internal Audit Plan	Q4	Administrative	Pending	
Disaster Recovery Plan	Q2 and Q4	Administrative	Pending	
Open Audit Recommendations	Q1- Q4	Administrative	Ongoing	

Status of Outstanding Audit Recommendations

Status of Audit Recommendations - Overall

Audit	Deficiency	Moderate	Total
External auditor			
Segregation of duties in change mgmt.	1		1
Management requested audits (outsourced) *			
Identity & Access Management		1	1
Internal audit			
Member Self-Service Portal		1	1
Total	**1**	**2**	**3**

* These were audits requested by management and performed by third-parties.

Audit Recommendations Q4 FY2026 to Q1 FY2027

Audit	Q4 FY2026	Change	Q1 FY2027
External audit			
Segregation of duties in change mgmt.	1	0	1
Internal audit			
Purchasing	1	(1)	0
Member Self-Service Portal	1	0	1
Management requested audit (outsourced)*			
Identity & Access Management (note 1)	3	(2)	1
IT Infrastructure *	1	(1)	0
Total	**7**	**(4)**	**3**

Note 1: Management is actively addressing these recommendations through process improvements and software solutions. Evaluation and procurement of tools can cause revised implementation dates.

Status of Audit Recommendations

Member Self-Service Portal

An internal audit of the Member Self-Service Portal was performed in Q3 FY2026. There were two moderate risk recommendations. The details of the audit were discussed in executive session at the March 2026 Audit Committee meeting. One recommendation has been corrected. One recommendation has an implementation date through Q1 FY2027.

Identity & Access Management

An outsourced audit of Identity and Access Management was completed in Q4 FY2024. The details of the audit were discussed in executive session at the June 2024 Audit Committee meeting. There were six moderate risk recommendations. Five recommendations corrected to date. One recommendation has a revised implementation date through Q1 FY2027.

Recently Completed Audits and Other Activities

Recently Completed Audits and Other Activities

Recently Completed Audits

- Two audits/reviews completed since the last committee meeting:
  - Identity Access Management – Finance Audit (Audit – see Attachment A). No high or moderate issues noted.
  - Undue Influence (Compliance review – see Attachment B). No issues noted.

Other Activities

- Conflict-of-Interest Compliance Project Update (Board member/ED ethics disclosure filings)
- Advisory/Consulting Services
  - (Risk) Weekly team meetings, fiduciary self-assessment meetings
  - (Executive) Weekly Senior Leadership meetings, Monthly Director meetings, Information Governance committee, AI Oversight committee
- Optional Audit Committee Training (Attachment C)
- FY2026 Audit Survey Results
- FY2026 Continuous Audit Testing Results
- Data Analytics
- QAIP/Workpaper Review Update (Attachment D)
- GAP Assessment Follow-up

FY2026 Summary – Audit Survey Results

Below is a summary of the FY2026 audit survey results.

Audit	Average Rating* (1-5)	Survey Comments
RMD	5	“I was kept in the loop throughout the audit process”
MSS Portal	5	
Purchasing/Contracts	4	“Steve was actively engaged with the team through out the process. As we got busy and were slow to respond, he was helpful in sending us reminders to keep the audit progressing.”
Identity Access Management - Finance	5	
Overall avg.	4.75	

* 5 as the highest level of satisfaction and 1 as the lowest.

FY2026 Summary - Continuous Audit Testing Results

Below is a summary of testing performed in FY2026. This testing utilized Microsoft Excel pivot tables and, in some cases, CoPilot.

Area	Frequency	Population	# of Items Tested in FY26
Accounts payable	Bi-monthly	~650 every two months	60
Credit card transactions	Bi-monthly	~150 every two months	60
Member refund testing	Quarterly	~3,900 each quarter	20
Bank account changes	Quarterly	~8,500 each quarter	20
Address changes	Quarterly	~10,500 each quarter	20
Data fix changes	Quarterly	~40 each quarter	20
Duplicate transactions	Quarterly	~2,000 each quarter	~8,000 **(all)**
Disability	Quarterly	~140 each quarter	8
Vendor/SERS employee comparison	Annually	~ 185 employees ~1,000 vendors	~185 **(all)**
Badge access	Annually	~ 185 associates	~185 **(all)**
Review of service credit	Annually	~479,000	20
Active employees vs. Active Directory users	Annually	~ 185 associates ~ 490 AD accounts	~185 **(all)**
Merit increases	Annually	~ 185 associates	~185 **(all)**

Data Analytics

During FY2026, continuous audit testing resulted in 13 tests, with 5 of those tests examining the entire population.

How to Expand Testing?

For the 8 tests that currently use a sampling approach, how do we expand testing coverage to include larger sample sizes or full populations? How do we add additional tests to continuous auditing?

Options

- Data Analytics Tool - What do other pension systems use?
- Inhouse – Expand current reports from SMART.

Data Analytics – Peer Feedback

Below is peer feedback on whether the pension plan has a data analytics team and what data analytics tools are used by each system, with SERS included for comparison.

Plan's Total Assets	Data Analytics Team?	Excel	CoPilot	SAS	Power BI	Power Automate	Tableau	Toad
<$25B								
$9.8B	No	√						
$10.2B	No	√						
$21B	No	√			√*	√*		
$22B	No	√	√					
SERS - $23B	**No**	√	√					
$39B	No	√						
>$50B								
$87B	Yes	√					√	√
$143B	Yes	√			√			
$295B	Yes	√	√	√				

* This pension's audit team is beginning to setup Microsoft's Power Apps suite (Power BI, Automate, etc.)

Note: Peer feedback was that dedicated resources are needed to operate the moderate to complex rated data analytic tools.

Data Analytics - Tools

Below is a list of options for data analytic tools.

Option	Ease of use	Cost	Notes
Excel Power Query	Easy	Low	Best for quick, ad-hoc analysis and data transformation
Python	Moderate	Low	Ideal for custom solutions, advanced analytics, needs skilled staff. A member of the SERS ERM team has experience with this product.
SAS (Statistical Analysis System)	Complex	High	Powerful software suite used for data management, statistical analysis, and data visualization.
Power BI	Complex	Moderate	Best for dashboarding, governed reporting, and traceability
Power Automate	Moderate	Moderate-High	Enables users to connect to various data sources, transform data, and create interactive dashboards.
Tableau	Complex	High	Excellent for interactive visual analytics and executive dashboards
Toad	Complex	Moderate	Comprehensive data analytics tool designed for database developers, administrators, and data analysts. Manages analysis between relational and non-relational databases.

Key factors considered are the overall ease of use—including the user interface, the complexity of learning the system, whether specialized training is necessary, as well as the cost, implementation process, and ongoing maintenance.

Data Analytics – Next Steps

Current State

There are ~700 data tables for SMART. To access this data, customized reports must be created or changed via the IT department. The IT department has limited resources and needs to balance these requests with other ongoing projects.

Future State

The Technology 2.0 roadmap includes the creation of a data warehouse, or a centralized repository of SMART data. The data warehouse is estimated to be ~18-24 months out. The data warehouse will allow for a data analytics tool to access the SMART data in real time.

Next Steps

Continue to build-out the use of CoPilot, the use of Excel analytic tools, or the use of an internal resource that uses Python (data analytics tool).

As the data warehouse is created, provide updates to the Audit Committee.

FY2026 QAIP/Workpaper Review Update

Background

Given that the CAO is a one-person audit department, there is risk that documentation doesn't support the audit conclusions.

Action Plan

The CAO engaged a CAO at another Ohio pension plan to perform a workpaper review for projects completed in FY2026. This review began at the end of July and concluded on August 21.

Results

Overall, the workpapers provided reasonable and appropriate support for the audit objectives, scope, findings, and conclusions. See attachment D for additional detail.

GAP Assessment to IIA's Global Standards - Follow-up

A gap assessment was performed in February 2026 to identify differences in the current IA practices compared to the IIA Global Standards. Below is an update for the five identified gaps.

Five GAPs were identified which include:

1) **Gap**: Although a SERS **Internal Audit Operations Manual** exists, it has not been updated since August 2024. Consequently, with the IIA's Global Internal Audit Standards becoming effective in January 2025, the manual does not currently align with these standards.

   Response: Complete - The SERS Internal Audit Operations Manual has been updated.

2) **Gap**: Although there is an **internal audit function mandate** included in the Internal Audit Charter, there should be a discussion at least annually of the internal audit mandate with the Audit Committee.

   Response: Complete - Discussed the audit mandate in the June 2026 Audit Committee meeting.

3) **Gap**: The **Internal Audit budget** is not specifically discussed with the Audit Committee. However, it is part of the overall SERS operating budget, which is reviewed and approved by the full Board.

   Response: Complete – Discussed the FY2027 draft IA budget in the June 2026 Audit Committee meeting.

4) **Gap**: A **Quality Assessment Improvement Plan (QAIP)** has not been conducted in the past 24 months.

   Response: Complete - Have a resource perform a QAIP in 2026. A peer pension plan performed a workpaper review.

5) **Gap:** At present, there is no current **IA strategic plan.**

   Response: Complete - Discussed the IA Strategic Plan in the March 2026 Audit Committee meeting.

Q & A

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

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 9/3/2026

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:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____

IN EXECUTIVE SESSION AT _____ A.M./P.M.

RETURN TO OPEN SESSION _____ A.M. / P.M.

AUDIT COMMITTEE REQUESTS AND FOLLOW-UP ITEMS

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

Internal Audit Department

To: SERS Audit Committee, Board of Trustees

cc: Ray Higgins, Executive Director
Karen Roggenkamp, Deputy Executive Director
Joe Marotta, General Counsel

From: Steven Ritzer, Chief Audit Officer

Date: August 6, 2026

Re: FY26 Undue Influence Certification Report – Compliance Review

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Background

In May 2013, Funston Advisory Services issued a report based on their review of SERS' Investment Operations. Included were recommendations for:

- An annual report certifying key SERS staff performed their job duties without undue influence from senior staff or Trustee members.
- Certification results be provided to Board of Trustees due to their co-fiduciary responsibility for each other.
- Chief Audit Officer be responsible for the undue influence certification process due to the position's independence and reporting relationship to the Board of Trustees.
- Copies of employee certifications be sent to the Chief Risk Officer to reduce the potential for undue influence on the Chief Audit Officer.

Scope and Objectives

The purpose of this review was to independently verify key SERS staff performed their job duties in good faith according to SERS policies and reaffirm no one had attempted to coerce their work or influence their job performance.

This compliance review is an annual project based on the FY2027 Internal Audit Plan. The time period examined was FY2026 (July 1, 2025 – June 30, 2026).

Procedures

Annually, an undue influence statement is sent by the Chief Audit Officer to key SERS staff in an effort to detect any coercion of that employee's job performance in accordance with SERS policies. An example of the *SERS Statement Regarding Undue Influence* certification form is enclosed as Attachment A.

The following SERS personnel received this form:

- Executive Director
- Deputy Executive Director
- Chief Investment Officer, Assistant Director of Investments and all Investment Officers
- General Counsel and all Legal Department Attorneys (including Privacy Officer)
- Directors of Administrative Services, Member Services, and Health Care Services
- Chief Financial Officer
- Chief Technology Officer
- Chief Risk Officer
- Assistant Director - Information Security (information security officer)
- Risk Management and Compliance Analyst (investment compliance analyst)
- Assistant Director – Financial Accounting (leads Investment Accounting)
- Chief Audit Officer

Each form was modified to include the position's professional standards of conduct. SERS' staff completed the forms and returned them to the Chief Audit Officer by July 16, 2026. If any personnel resign from SERS during the fiscal year, they are asked to review and sign the undue influence form as part of the off-boarding process.

To reduce the potential for undue influence on the Chief Audit Officer, the Chief Risk Officer separately reviewed the completed forms.

Conclusion

The Chief Audit Officer and Chief Risk Officer reviewed the submitted undue influence forms and determined they were properly filed with no instances reported on the 27 forms submitted.

Please contact the Chief Audit Officer if you have any questions regarding this compliance report.

Attachment A:

SERS Employee Statement Regarding Undue Influence

CHIEF INVESTMENT OFFICER / ALL INVESTMENT OFFICERS & ANALYSTS

I, _____, hereby certify that I have read and am familiar with SERS fiduciary standards, governing documents, investment guidelines and standards of conduct that apply to me including: Ohio Ethics Law, Chapter 3309 of the Ohio Revised Code, and the Chartered Financial Analyst Institute Code of Ethics and Standards of Professional Conduct.

I also certify, for the period from July 1, 2025 through June 30, 2026, that I am not aware of any situation where a SERS executive, board member, other employee, external third party, or any person acting under such person's direction, has attempted to directly or indirectly coerce, manipulate, mislead, or improperly influence me or another SERS employee to (i) materially depart from the honest and good faith performance of duties in accordance with approved SERS policies, guidelines and procedures; or (ii) withhold required disclosures or provide materially inaccurate, incomplete or misleading information to the Board of Trustees, in each case except as set forth below. I certify that I have not attempted to exert such improper influence on another SERS employee, agent, or board member, except as disclosed below.

[Please list all exceptions or check "None."]

I also certify I will promptly report in writing to the Board Chair and/or Executive Director any change in circumstances which causes me to believe this certification has become inaccurate.

Signed: _____

Position: _____

Date: _____

Talk: Ethics, Code of Conduct, and Conflicts of Interest

By Keith Johnson

Slide 1. Ethics, Code of Conduct, and Conflicts of Interest

Narrative

Welcome to the Talk on "Ethics, Codes of Conduct, and Conflicts of Interest." This is Keith Johnson. I'm a retired attorney and have over 35 years of experience working with public pension plans. I led the Institutional Investor Legal Services Group at a national law firm and represented public pension funds across the country. Before joining the law firm, I served as General Counsel at the State of Wisconsin Investment Board.

In this Talk, we will discuss public pension plan ethics codes and standards of conduct. First, it's important to know that details can vary between plans. So, this Talk will cover only fundamental concepts.

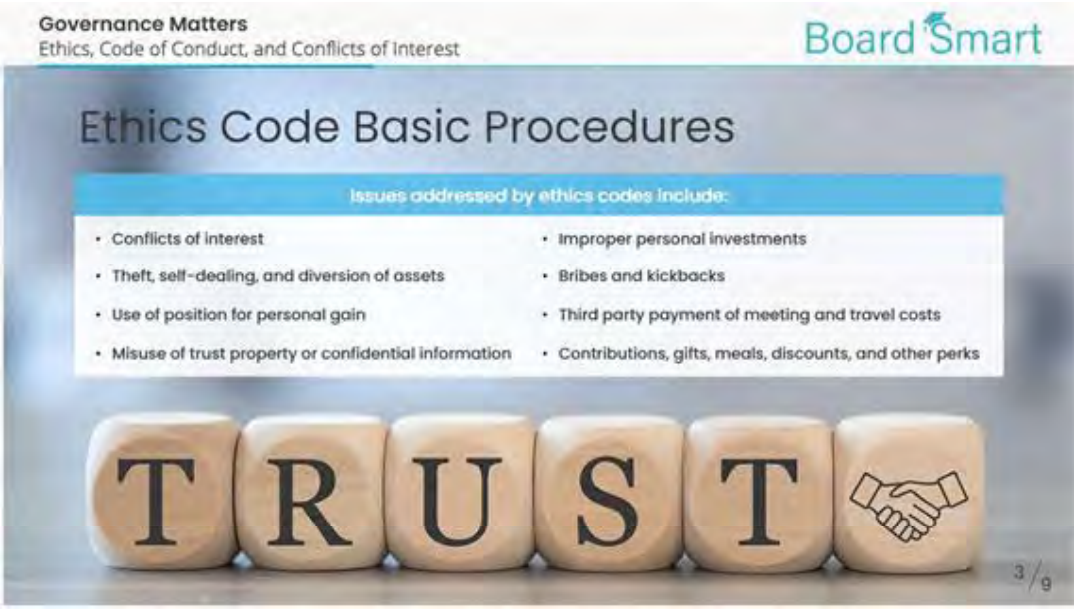
Second, the fiduciary duty of loyalty to plan participants imposes strict standards of conduct. Managing other peoples' money involves inherent conflicts of interest between fund participants and their fiduciary agents. The fiduciary duty of loyalty is intended to protect plan participants from theft, self-dealing, and misuse of assets by the people who control their pension savings.

Loyalty obligations and ethical standards seek to minimize the potential for abuse of the discretion held by plan fiduciaries. That is why pension standards of conduct are stricter than the standards applied to corporate directors and to other public officials.

Finally, ethics codes and standards of conduct set fiduciary duty guardrails to keep trustees and executives from straying into misconduct. However, the application of ethical rules to specific situations is often complicated. Fiduciaries need to have expert advice available and use it.

Slide 2. Ethics Code Basic Principles

Graphic



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Let's take a look at the basic principles which are covered in most public pension fund ethics codes. They are often the same as the ethics provisions which apply to other public officials. For some plans, they are set out in a separate ethics code. Sometimes both special pension

fund and standard government codes apply. In any event, ethical standards of conduct and related procedures are intended to promote fiduciary duty compliance and foster stakeholder trust.

Second, the main issues covered in most ethics codes typically include:

- Conflicts of interest
- Theft, self-dealing, or diversion of assets to an unauthorized person or unrelated cause
- Use of a pension fund position or powers for personal gain
- Misuse of trust property or confidential information
- Improper personal investments made alongside the fund or with proprietary information
- Solicitation or receipt of bribes or kickbacks
- Third party payment of personal conference, meeting or travel expenses, and
- Receipt of political contributions, gifts, meals, discounts, or other perks from a service provider or other interested party. This may even extend to situations which could imply some official favor might be granted in return.

These last two bullet points tend to get some public pension fiduciaries into trouble, as they are not intuitive and are more restrictive than what is often allowed for corporate directors and other public sector officials.

Slide 3. Ethics Code Basic Procedures

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Now, let's review basic procedures. First, periodic public reporting of private interests of public officials fosters transparency and accountability. Those are important commodities for investor fiduciaries. The types of disclosures required generally include:

- Sources of income
- Property or investment transactions and ownership interests
- Business interests and leadership positions
- Creditors and debts, as well as
- Gifts, gratuities, expense reimbursements and other payments received

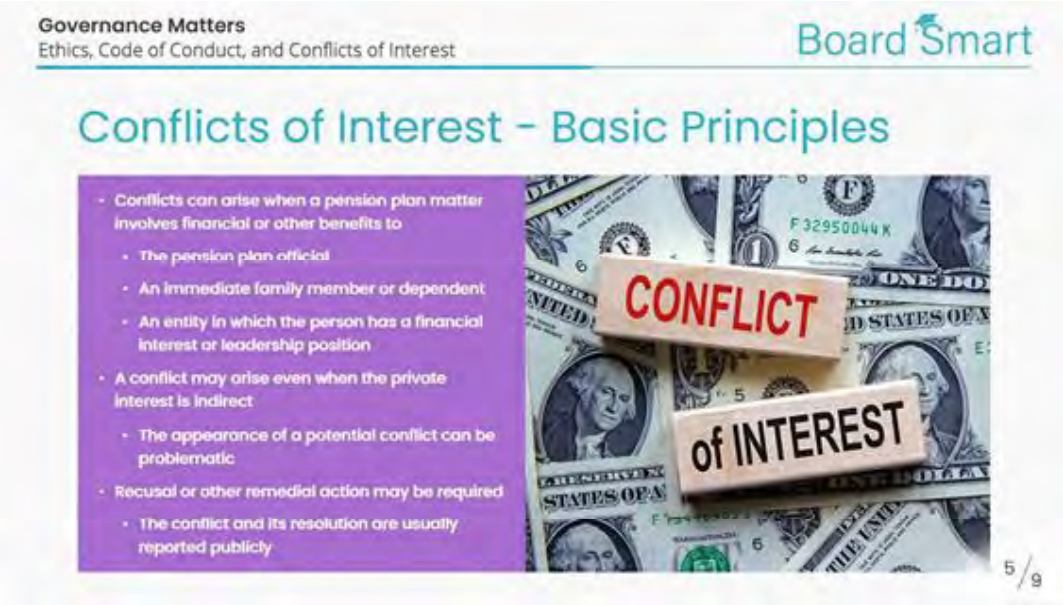
Compliance monitoring is typically done by the independent ethics agency or by the pension plan's compliance officer or auditors. Monitoring entities may also have enforcement authority. Sometimes, enforcement actions are referred to a separate official, like the Attorney General or a local prosecutor. Compliance is very important for pension fiduciaries, especially given the potential for personal fines and even criminal penalties.

Finally, onboarding education for new officials, as well as periodic refresher sessions, are essential to ensure that pension trustees and executives understand their obligations. Most public pension funds also provide access to confidential expert advice on application of ethics rules, as they can be confusing. There may be several sources of advice available, often

including the independent ethics agency, internal legal or external fiduciary counsel and pension fund compliance staff.

Slide 4. Conflicts of Interest - Basic Principles

Graphic



Narrative

Next, it is important to understand the basic principles which govern conflicts of interest. Conflicts can arise when a pension plan matter involves financial or other benefits for the pension plan official, an immediate family member or dependent, or an entity in which one of them has a financial interest or leadership position.

A conflict may arise even when the private interest is indirect, and just the appearance of a potential conflict can often be problematic.

In some instances, recusal from discussion and from any action on the matter is required. Occasionally, some other remedial action may be needed. Finally, public disclosure of the conflict and reporting on its resolution is often mandated.

Slide 5. Compliance Issue Examples

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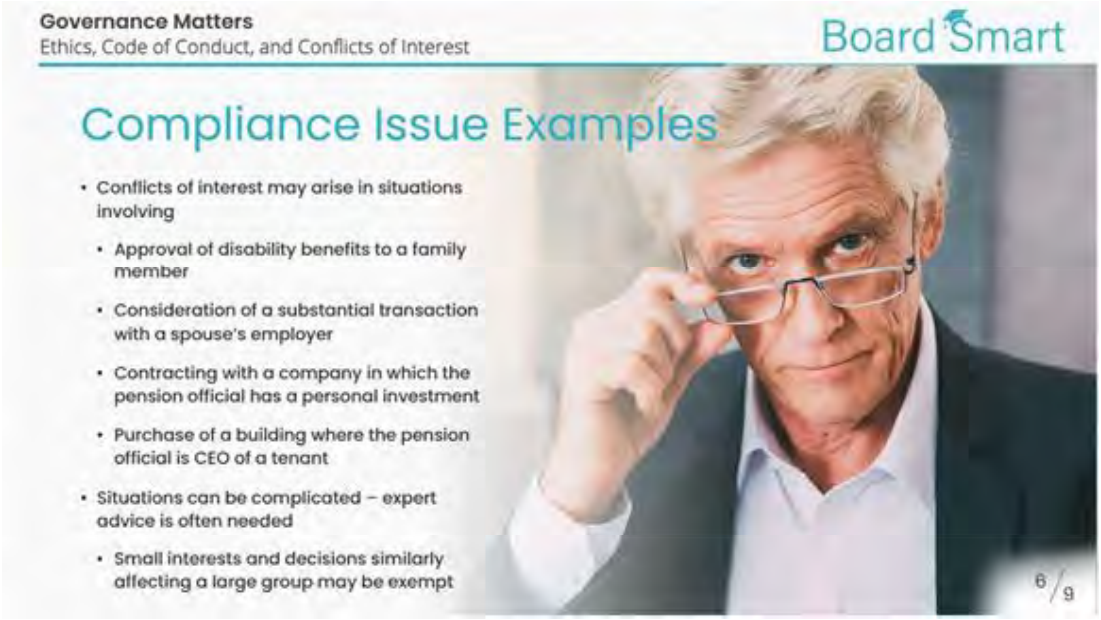

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The potential complexity involved in applying conflict of interest standards to specific situations can be illustrated by some examples. For instance, conflicts of interest may be present in situations involving:

- Approval of disability benefits to a family member
- Consideration of a transaction with a spouse's employer
- Contracting with a company in which the pension official is invested
- Purchase of a building where the pension official is CEO of a tenant

Some situations can raise tricky questions, and expert advice is often needed. In fact, small private interests and decisions that similarly affect a large group of persons may not actually create a conflict of interest under some codes.

Depending on the facts, some of the above examples on this slide might or might not be determined to involve a prohibited conflict of interest. Nevertheless, removing oneself from participation in a matter that could be perceived by others to involve a disqualifying conflict is often advisable.

Slide 6. Other Related Standards of Conduct

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There are also other standards of conduct contained in regulatory provisions outside of a pension plan's ethics code. Some individuals could be subject to separate standards which apply to their profession. For example, this could be relevant for attorneys, accountants, and actuaries.

Other regulatory provisions with standards of conduct include:

- Securities and Exchange Commission "Pay to Play" prohibitions which limit political contributions to elected officials who are also pension trustees or executives. The SEC regulation even covers elected officials who have authority to appoint pension trustees.
- There are prohibitions on diversion of pension trust assets to other uses which are contained in the Internal Revenue Code. Violations of these rules could result in revocation of a public pension fund's Federal tax-exempt status.
- State and local laws often impose limits or disclosure requirements on political contributions.
- Federal securities law limits trading in publicly listed securities while in possession of material non-public information. Insider trading violations could even result in imposition of sanctions on the pension system as the violator's employer.
- State and local criminal laws on misconduct in public office may also apply when a pension official uses his or her position to obtain a personal benefit.

Finally, co-fiduciary duties prohibit ignoring a fellow fiduciary's ethical breach. Turning a blind eye to a violation will not protect a pension official from responsibility.

Slide 7. Summary

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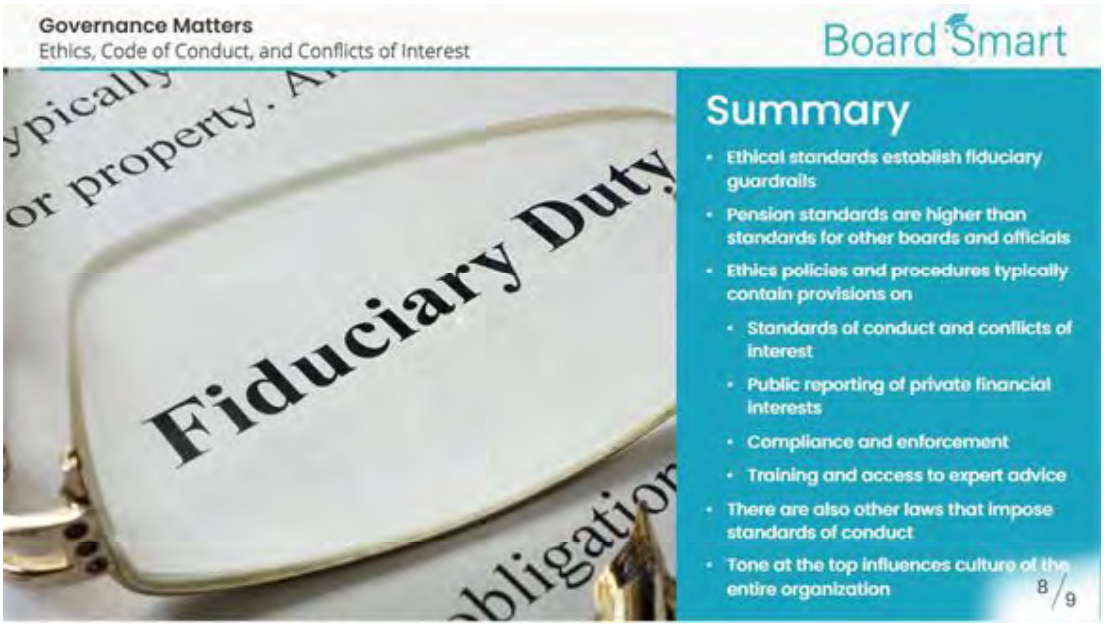

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In summary, there are five major points that public pension officials should keep in mind. First, ethical standards implement the duty of loyalty and establish fiduciary conduct guardrails. Pension standards are also stricter than standards applied to other boards and officials.

In addition, ethics policies and procedures typically address:

- Standards of conduct and conflicts of interest
- Public reporting of private financial interests
- Compliance and enforcement of ethical standards, as well as
- Training and access to expert advice to help covered officials meet the standards which apply to them.

In addition, there are laws outside of pension fund ethics codes that impose standards of conduct on public pension officials. Penalties for violations can be severe.

Finally, tone at the top of a pension plan can influence culture of the entire organization. An ethical culture can help improve governance practices that, in turn, enhance fund performance and reduce the liability exposure of fiduciaries. As a result, maintaining an ethical culture is an important tool in the investor fiduciary's toolbox.

M E M O R A N D U M

Date: August 21, 2026

To: School Employees Retirement System of Ohio Audit Committee

From: Caren R. Sparks, CPA, CIA, CISA, CITP, CFE, CGMA
Ohio Police & Fire Pension Fund Chief Audit Executive

Subject: FY 2026 Independent Workpaper Review

Executive Summary

At the request of Steven Ritzer, Chief Audit Officer, an independent review was conducted of selected internal audit workpapers to evaluate conformance with the Global Internal Audit Standards, adherence to Internal Audit Department methodology, the quality of audit documentation, the sufficiency of supporting evidence, and the extent to which audit conclusions were adequately supported.

Based on the workpapers reviewed, the documentation generally demonstrated conformance with the Global Internal Audit Standards and the School Employees Retirement System of Ohio's Internal Audit Department methodology. Overall, the workpapers provided reasonable and appropriate support for the audit objectives, scope, findings, and conclusions.

Given the unique challenges associated with operating a single-auditor function, the consistency, organization, and quality of the workpapers are particularly commendable. The documentation reflects a strong commitment to professionalism, accountability, and diligence in the execution of audit responsibilities.

Please feel free to contact me if you have any questions or require additional information.