

MINUTES OF THE AUDIT & COMPLIANCE COMMITTEE MEETING  
July 27, 2021

Members Present:

Barbara J.C. Baird, SERS Trustee (via video conference)  
Marvin Becker, Comptroller Designee (via audio conference)

Others in attendance:

Tim Blair, Executive Secretary  
Casey Evans, Chief Internal Auditor (CIA)  
Andrew Van Leer, Internal Auditor  
Debbie Price, Information Technology Manager

The SERS Audit and Compliance Committee met on Tuesday, July 27, 2021, at 9:00 a.m. in the System's Springfield Office. The Committee deferred the approval of the April 27, 2021, committee meeting minutes to the October 26, 2021 meeting.

The Committee began discussing the Internal Audit Charter. CIA Evans gave a general background of the Internal Audit Charter, stating the Internal Audit Charter formally documents the internal audit program's purpose, authority, and accountability. CIA Evans then reviewed the Board of Trustees Responsibilities as it pertains to the Internal Audit Charter and the internal audit function.

The Two-Year Internal Audit Plan was presented to the Committee. CIA Evans discussed the planned Fiscal Year 2022 audits. CIA Evans then asked if there were and business areas the Committee would like internal Audit to focus on. Trustee Baird responded she would like to see audits regarding disability benefits and the SERS call center. Continued progress on the implementation of IT recommendations would also be provided throughout fiscal year 2022. The approval of the internal audit charter and two-year audit plan would be deferred to the October 2021 committee meeting.

The annual risk assessment and several completed audit reports were provided to the Committee prior to the meeting. This included summaries of the auditor's work on the Board of Trustee 2021 Election, testing of active and inactive member account statements, and an audit in progress covering cash receipts and account receivables.

The Committee turned their discussion to a status of IT audit recommendations. IT Division Manager, Debbie Price, attended the meeting and answered various questions pertaining to implementing the identified recommendations and discussed progress made thus far. CIA Evans discussed the various IT security improvements noted since the last Committee meeting and the establishment of a Security Committee that meets bi-weekly to discuss progress in implementing the recommendations and mitigating risks. The most

notable improvement was the implementation of multi-factor authentication (MFA) for various SRS staff. The IT Division will be working to implement to all staff at the retirement system.

No old or new business was heard by the Committee and the meeting was adjourned ahead of the full Board of Trustees meeting at 10 a.m.