



# TMRS SOC1 Final Results

June 28 & 29, 2018



# Agenda

**SOC1 Introduction: Typical Parties**

**SOC1 Timeline**

**Contents of a SOC1 Report**

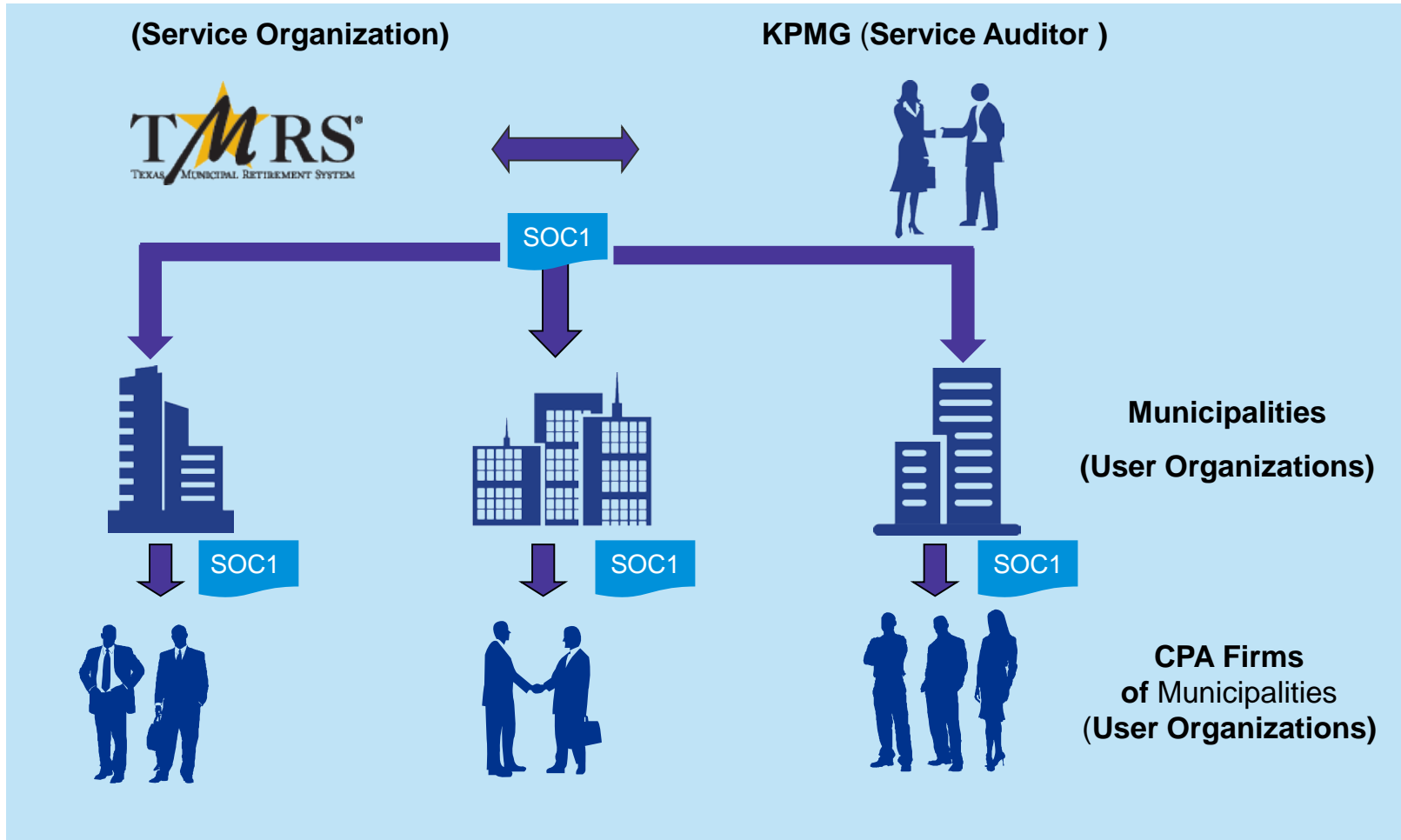
**Results for Process Objectives**

**Results for IT Objectives**

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# SOC1 Intro: Typical Parties



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# SOC1 Timeline

<b>Dates</b>	<b>Activity</b>
<b>May 1, 2017</b>	SOC1 Period Begins
<b>October/November 2017</b>	Interim Testing (Dual Testing)
<b>February/March 2018</b>	Final Testing (Dual Testing)
<b>April 30, 2018</b>	SOC1 Period Ends
<b>June 8, 2018</b>	Release SOC1 Report

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# Content of SOC 1 Report

**Section 1 – Independent service auditor’s report.  
(KPMG’s Opinion)**

**Section 2 – Management’s Assertion**

**Section 3 – Service Organization’s description of controls.**

**Control Framework based on COSO**

- Control Environment
- Risk Assessment
- Information and Communication
- Monitoring
- Control Activities (By Control Objective)

**Section 4 – Information provided by the independent service auditor; includes a description of the service auditor’s tests of operating effectiveness and the results of those tests (Type II report only) and other information that the service auditor feels may be useful to a user organization and their auditors.**

Section	Responsibility
I. Independent Service Auditors’ Report	KPMG
II. Management Assertion	TMRS
III. TMRS Description of Controls and Procedures	TMRS
IV. Control Objectives, Related Controls, and Tests of Operating Effectiveness	KPMG and TMRS

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# Results of Process Objectives

Control Objective	Results
Control Objective 1 – Census Reports	7 controls tested: No exceptions noted.
Control Objective 2 – Contributions	7 controls tested: No exceptions noted.
Control Objective 3 – Income Allocation	2 controls tested: No exceptions noted.
Control Objective 4 – Fund Balances	3 controls tested: No exceptions noted.
Control Objective 5 – Distributions	17 controls tested: Exception noted: <b>5.06:</b> For 1 of 25 annuity payments over \$5k, review by a Member Services Manager was not completed until after payment was sent.
Control Objective 6 – System Changes	4 controls tested: No exceptions noted.
Control Objective 7 – Applications Maintenance	5 controls tested: No exceptions noted.

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# Results of IT Objectives

Control Objective	Results
Control Objective 8 – Logical Access	<p>10 controls tested: Exceptions noted:</p> <p><b>8.07:</b> Two members of the Records department were granted access to create payees in NextGen in error. Access was granted on August 30, 2017 and September 5, 2017, respectively and removed on January 10, 2018. The access was not used to modify or create a payee while it was available.</p> <p><b>8.08:</b> An account for one of four selected terminated users was not disabled upon termination. An employee was terminated on June 23, 2017, however their database account was not disabled until March 23, 2018. The employee’s Active Directory account was disabled upon termination which is required to access the database account.</p>
Control Objective 9 – Backups	4 controls tested: No exceptions noted.
Control Objective 10 – Physical Access	6 controls tested: No exceptions noted.

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# Overall Opinion

The SOC1 opinion was unqualified, noting all 10 control objectives were presented fairly, designed appropriately, and operating effectively.

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# Contacts

## KPMG

- Eddie Holt, SOC1 Partner
- Suzette Longfellow, Audit Partner
- Chris Stone, Director

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Thank you



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