



November 18, 2021

To: Board of Trustees

From: Andi Focht-Williams, Internal Audit Manager *Andi Focht-Williams*

Re: Item 4 – Report on Audit Committee’s November 17, 2021 Meeting

Audit Committee Meeting. Committee Chair Bob Scott and Vice Chair Johnny Huizar held a virtual Committee meeting on November 17. Agenda topics included the following items:

Recently Completed Internal Audit Reports.

- *Audit of Compensation Guidance to Cities Report*
I presented the Report’s overall conclusion that TMRS has comprehensive guidance about compensation and staff has detailed resources to assist with questions from cities about compensation. I did identify opportunities to expand the training for cities and improve the visibility of the online guidance. For example, City Services management could add compensation examples to the training and move compensation guidance to a more prominent place on the TMRS website. City Services management agreed to include more detailed compensation information in new training materials for cities and relocated the online guidance to a prominent location on the TMRS website.
- *Framework to Monitor and Report on Organization-wide Risk*
Sandra Vice presented the current framework TMRS has implemented to achieve Strategic Goal 3, Objective D of the 2018-2022 Strategic Plan. The framework involves the Board and all departments and includes setting long-range and annual priorities through the Strategic Plan, Investment Policy Statement and Action Plan; assigning ownership and accountability to Senior Staff; enabling cross-functional collaboration to manage risk continuously; monitoring operational effectiveness by staff and consultants; and reporting results to the Board.

The Reports are in the Resource Center of Diligent under “Internal Audit.”

Status of the 2021-2022 Audit Plan. I am well on the way to completing the biannual audit plan. I have completed the two reports listed above and have one audit in progress. The remaining audits in the Plan will be scheduled for 2022.

2022 Audit Committee Meetings. The Audit Committee confirmed March 9, June 8, September 7 and November 16 as 2022 meeting dates.