



Status of Audit Recommendations

March 10, 2021

From the Director

Internal Audit (IA) has completed procedures to monitor and report on the status of management action plans (MAPs) to address open audit recommendations. Implementation status was based on management's self-assessment and IA's review of supporting documentation to corroborate the self-assessment. Supporting documentation included, but was not limited to, revised documented policies/procedures, worksheets, management status reports and reconciliations. Audit work was not performed to verify the effectiveness of management actions implemented to determine if controls were working as intended. Future audit engagements in these areas will confirm the effectiveness of the controls implemented.

Results are detailed in the subsequent pages.

Sincerely,

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MAP Implementation Status and Summary

Management Action Plan (MAP) implementation status is designated by the following levels:

- **Implemented** – Sufficient and appropriate evidence to support all reported management action items
- **Partially Implemented** – Management has implemented some management action items but not all to fully address reported risk
- **No Action Taken** – No management action taken and/or evidence provided to support management action
- **Management Acceptance** – Executive management has accepted the risk of not fully implementing reported management action plan.

The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

Institute of Internal Auditors standard 2500.A1

Summary Status of Report Recommendations

Internal Audit Report	Observation #	Implementation Status	Recommendation	Management Actions Completed
Disability Retirements (2016-06) Customer Benefits	1	Implemented	Evaluate the acceptability of risk exposure caused by control gaps.	<ul style="list-style-type: none"> Out of state members receiving this benefit are required to report annually any new employment, including employer name and other information <p>Previously implemented:</p> <ul style="list-style-type: none"> Risk assessment performed Application revised to include certification that member understands re-certification is possible Medical Board Certification Form revised to include indication that new medical evaluation should be completed
HealthSelect of Texas ^(R) (2018-05) Group Benefits	1	Implemented	Establish performance measures and periodically communicate results to Board.	Additional performance measures were developed and communicated to the Board at the March 2020 meeting.
Temporary Workers Contract Management (2019-02) Human Resources	1	Partially Implemented	Align HR procedures and Information Security policies. Review criminal history requirements.	<ul style="list-style-type: none"> Remaining—complete alignment of ERS policies related to background screening <p>Previously implemented:</p> <ul style="list-style-type: none"> All FBI background checks are performed by ERS vendor to ensure the ability to access and retain the information.