

Public Agenda Item #4

Presentation of Internal Audit Administrative Items

December 7, 2021

Tony Chavez, Director of Internal Audit

Tressie Landry, Audit Manager

Annual Internal Audit Review

Provide confidence auditors are performing job effectively based on standards, best practices and Board expectations.

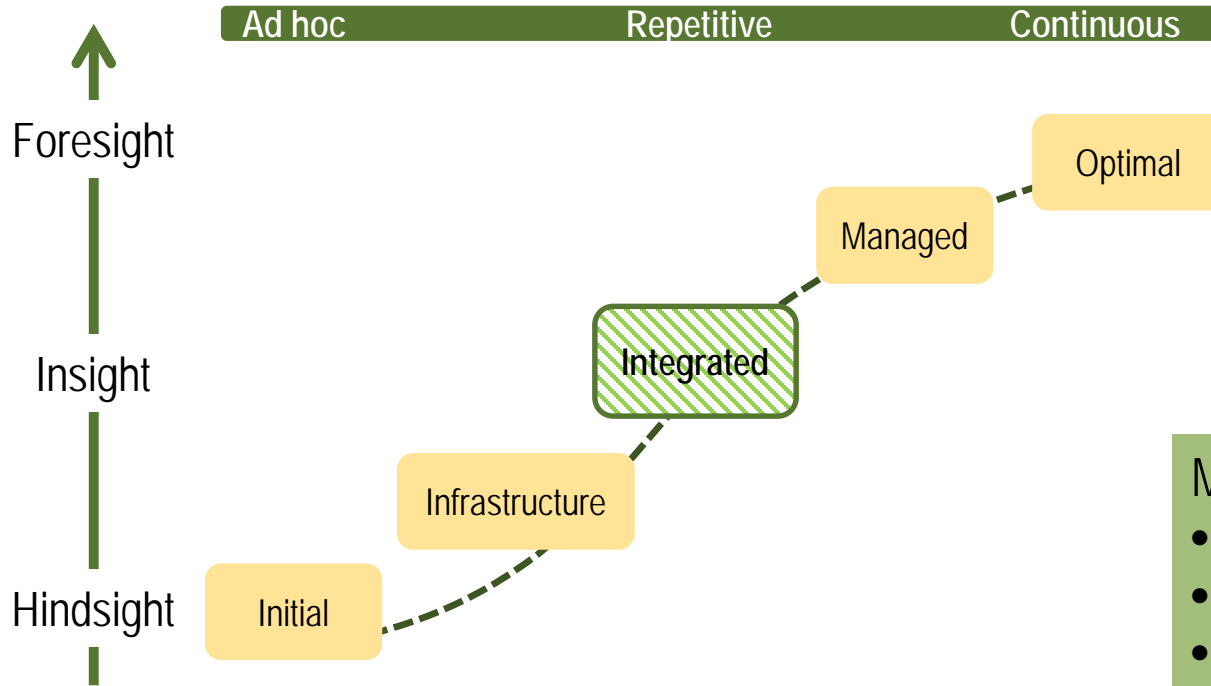
- Enhance understanding of IA's effectiveness and efficiency
- Gain reassurance of IA's efforts in supporting strategic objectives
- Receive valuable update on key considerations
- Identify insights to improve the IA function

Assessment Process



- Annual Board Review and Discussion
- Quality Assurance Self-Evaluation (Internal and External)
- Performance Measures
- Internal Audit Assessment Tool for Audit Committees

ERS Internal Audit Maturity



Maturity Attributes:

- Effectiveness
- Sustainability
- Efficiency

Internal Audit Strategic Plan

Mission: Internal Audit provides independent and objective assurance on the effectiveness of controls and operations to meet ERS' strategic directions.

IA Strategic Goals:

1. Enhance Professional **Practices**
2. Enhance **Performance** Management and Accountability
3. Grow **People** Management



*Process to ensure following requirements and standards.
Assurance over agency performance.*

- Strong governance structure (Charter, Reporting, Quality Assurance)
- Established audit methodology (Key deliverables, milestone meetings)
- Participated as peer review team lead
- Participated in UT Internal Audit course project
- Better clarify consulting engagements
- Improve IT risk assessments

Audit staff professional development. Team Qualifications and Composition

- 100% Certification (4 – CIA, 2 – CGAP, 1 – CRMA, 1 – CFE)
- Leverage co-source auditors for IT expertise (CISA, CISSP)
- Access to continuing education (40 hours total, emphasis on core business)
- Two resignations (Auditor, Investment Compliance Officer)
- Increase diversity in experience levels

Enhance Performance Management



*Provide quality results efficiently.
Informed decision making.*

*Has IA had a positive impact on the organization since the last assessment?
Were matters IA brought to the Board's attention relevant?*

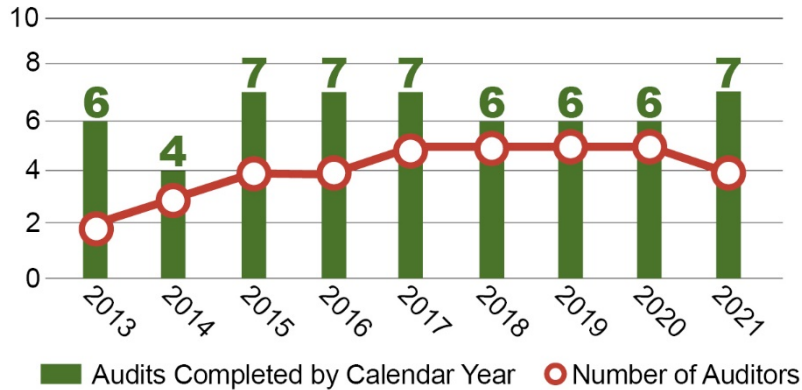
- Alignment between audit plan/engagements and ERS strategic objectives and risks
- Audit report revisions for improved clarity regarding program risks/impact

Enhance Performance Management

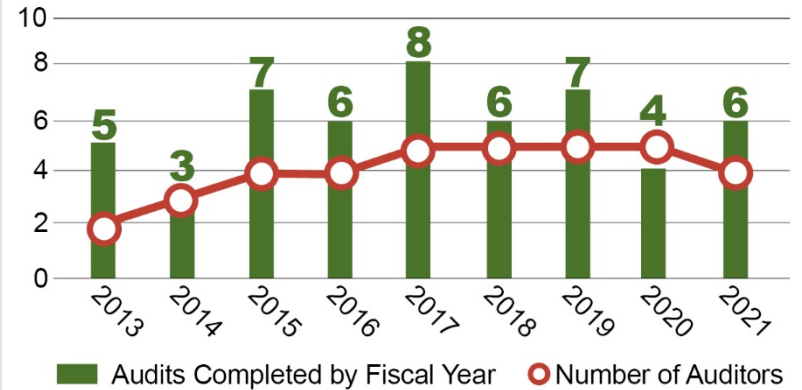


Is the audit plan organized so that issues can be detected in a timely fashion and audits can be completed as expected?

Audits Completed by Calendar Year with Count of Staff



Audits Completed by Fiscal Year with Count of Staff



Return to Office



- Effective August 2021
- Hybrid model (Minimum two days/week; encourage three)
- All staff in the office one designated day a week
- All milestone meetings to be in-person with virtual option available made to attendees
- Strongly encourage audit interviews be held in-person when possible
- 100% staff compliance with agency protocols
- Policy is subject to change

Questions?