



February 28, 2022

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
30 E. Broad Street, 2nd Floor
Columbus, Ohio 43215

Dear Ms. Rhodes:

In accordance with Ohio Revised Code Section 5505.111, I am providing this report on the internal audit activities of Highway Patrol Retirement System (HPRS) during 2021. Once again, HPRS retained the Summit County Internal Audit Department (IAD) to perform internal audit services in 2021. IAD's reports were presented to the HPRS Audit Committee and the HPRS Board on December 16, 2021.

In addition to the internal audit, Rea & Associates, the independent auditing firm selected by the Auditor of State, performed a financial audit of HPRS. On June 17, 2021, Rea & Associates presented its audit report to the Audit Committee, giving HPRS an unmodified opinion. The report noted no deficiencies in HPRS' internal controls.

The HPRS Audit Committee met on the following dates in 2021 and took the following actions:

- June 17, 2021: The committee reviewed and approved the Audit Committee Charter and Work Plan. The committee voted to recommend to the board the re-hiring of Summit County IAD to perform the 2021 internal audit. Rea & Associates presented its audit of the 2020 financial statements, resulting in an unmodified "clean" opinion. No material weaknesses or significant deficiencies were found, and no reportable comments were noted. The committee lastly reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- December 16, 2021: Sergeant Brice Nihiser was elected Committee Chair and Trooper Derek Malone was elected Vice-Chair. The committee accepted the 2021 internal audit report as presented by Summit County IAD. The committee also approved the Accounting Policy & Procedures (Internal Controls) manual. The committee reviewed and approved all trustees' expense reports for compliance with HPRS policies.

If you have any questions, please contact me.

Sincerely,

Carl Roark
Executive Director
direct dial 614.430.3557
c.roark@ohprs.org

State Highway Patrol Retirement System 2021 Annual Audit Report

(Submitted to ORSC February 28, 2022)

Closed Audits: Recommendations

Audit Area	Risk Rating	Scope	Recommendations	Management's Response	Implemented	Implementation or Target Implementation
Benefit Eligibility	Mod	Obtain and review current policies and procedures; meet with appropriate personnel to obtain an understanding of the current processes and procedures; compare those existing processes to the policies and procedures manual for consistency, noting all exceptions; document and test for compliance; investigate discrepancies and summarize results; make recommendations where appropriate	14 of 71 dependants who were enrolled in dental or vision coverage only were missing birth certificates. IAD recommended that HPRS obtain birth certificates for all dependants, not only those not enrolled in medical coverage. This will help to ensure only eligible dependants are receiving HPRS coverage and that procedures are followed consistently	HPRS management immediately implemented the policy to obtain birth certificates for all eligible dependants enrolling in any health care program. HPRS staff obtained all 14 missing certificates noted in the audit	Immediate	Immediate

Closed Audits: No Recommendations

Audit Area	Risk Rating	Scope	Management's Response
Investment Management Fees Calculation	Mod	Obtain and review current policies and procedures; meet with appropriate personnel to obtain an understanding of the current processes and procedures; compare those existing processes to the policies and procedures manual for consistency, noting all exceptions; document and test for compliance; investigate discrepancies and summarize results; make recommendations where appropriate	N/A

Health Care Premiums	Low	Obtain and review current policies and procedures; meet with appropriate personnel to obtain an understanding of the current processes and procedures; compare those existing processes to the policies and procedures manual for consistency, noting all exceptions; document and test for compliance; investigate discrepancies and summarize results; make recommendations where appropriate	N/A
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Active Audits

Audit Area	Risk Rating	Scope	Target Completion
N/A			

Other Audit Related Activity

Area	Risk Rating	Subject/Project	Description
N/A			

Risk Rating Levels:

High: Requires Immediate attention and remediation.

Moderate (Mod.): Requires near-term attention.

Low: Improvements possible but does not require attention in immediate or near-term.

Composition of Audit Committee at end of reporting year (R.C. 5505.111)

Sgt. Brice Nihiser, Representative for Active Members, Chair

Tpr. Derek Malone, Representative for Active Members, Vice-Chair

Tpr. Cynitha Wilt, Representative for Active Members

Sgt (ret.) Michael Kasler, Representative for Retirees

Col. Richard Fambro, Statutory Representative