



Summary of the Oversight of STRS Ohio

Updated: Jan. 23, 2023

Legislative Oversight — The Ohio Retirement Study Council (ORSC) is the entity created by the Ohio Legislature to provide legislative oversight of Ohio’s statewide public pension systems (Systems). It is comprised of three senators, three representatives and three governor’s appointees. The ORSC is statutorily required to conduct periodic fiduciary audits and actuarial audits of the Systems. The purpose of a fiduciary performance audit is to critically review and evaluate the organizational design, structure and practices of the Systems. An actuarial audit provides an independent review of the Systems’ consulting actuary. The ORSC also reviews the annual operating budgets for each of the Systems. In addition, the ORSC hires its own independent investment consultant to perform the statutorily required semi-annual performance review of the policies, objectives and criteria of the Systems’ investment programs.

Ohio Auditor of State — STRS Ohio undergoes an annual financial audit, currently performed by the independent public accounting firm, Crowe LLC, under the oversight of the Ohio Auditor of State. The audit covers the financial statements and related notes to the financial statements. STRS Ohio has consistently received a clean opinion that indicates the financial statements were presented fairly in accordance with generally accepted accounting principles. In December 2022, the Ohio Auditor of State’s office released [the report](#) of a special audit of STRS Ohio. The special audit found no evidence of fraud, illegal acts or data manipulation related to the funds held in trust by STRS Ohio for its members.

Ohio Treasurer of State — STRS Ohio’s assets are custodied by the Ohio Treasurer of State.

STRS Ohio Board (Board) — Board members are fiduciaries to the system’s participants and beneficiaries. The board’s retained investment consultant, currently Callan Associates Inc., reviews investment performance results quarterly. Additionally, an investment consultant specializing in alternative investments, currently Cliffwater LLP, reviews investment performance results semi-annually. Both Callan and Cliffwater provide a host of investment consulting services to the board, and both act as fiduciaries under state and federal law.

Internal Audit Team — STRS Ohio’s internal audit team is independent of management and performs operational, financial and compliance audits of all STRS Ohio departments. Internal audit staff has unrestricted access to all STRS Ohio activities and records and reports directly to the board’s Audit Committee.

Internal Performance Team — Investment performance is calculated outside of the Investment Department, by Finance Department staff who report to the chief financial officer.

ACA Compliance Group — ACA completes rigorous testing and validation of the calculation of STRS Ohio's total fund performance and the accuracy of the reporting of that performance. ACA also verifies STRS Ohio's compliance with the investment industry's most stringent reporting practices, the Global Investment Performance Standards, developed by the CFA Institute.

CEM Investment Benchmarking — CEM annually presents a report to the board comparing STRS Ohio's investment costs and performance to those of our peers. The report consistently shows STRS Ohio's performance ranks in the top 25% of our peer group and our investment costs are low compared to our peers. CEM Benchmarking also conducts an annual pension administration survey to measure service levels and costs. The survey shows STRS Ohio's service levels regularly rank at the top of our peer group and costs are below the average of the systems in the study.

2023 State Teachers Retirement System of Ohio · To learn more about STRS Ohio, please visit us at www.strsoh.org.