

275 East Broad Street
Columbus, OH 43215-3771
614-227-4090
www.strsoh.org

March 15, 2013

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
88 E. Broad St., Suite 1175
Columbus, OH 43215

RETIREMENT BOARD CHAIR
MARK HILL

RETIREMENT BOARD VICE CHAIR
DALE PRICE

EXECUTIVE DIRECTOR
MICHAEL J. NEHF

Dear Bethany:

Pursuant to Substitute Senate Bill 133 and as required by Section 3307.044 of the Ohio Revised Code, enclosed is a report of the actions of the Audit Committee of the State Teachers Retirement Board for calendar year 2012.

Please don't hesitate to contact me if you have any questions.

Sincerely,



Michael J. Nehf
Executive Director

Enclosure

AUDIT COMMITTEE ANNUAL REPORT

Audit Committee Members:

Mark Hill, *Chair*
Tim Myers, *Vice Chair*
Craig Brooks
Taiyia Hayden
Bob Stein
Dale Price, *Non-voting observer*

To: Ohio Retirement Study Council (ORSC)
Subject: STRS Ohio Audit Committee Report – 2012
Date: March 15, 2013

As required by Section 3307.044 of the Ohio Revised Code, the following report outlines the activities of the STRS Ohio Audit Committee and the STRS Ohio Internal Audit Department for the year ending Dec. 31, 2012. This report outlines the following: audit reviews completed during 2012; STRS Ohio Audit Committee meetings and actions; special reviews completed during 2012; and the 2013 Internal Audit Plan. Audit Committee members during 2012 were Mark Hill (Chair), Tim Myers (Vice Chair), Craig Brooks, Taiyia Hayden, Bob Stein, and Dale Price (non-voting observer).

Audit Reviews Completed During 2012

The attached 2012 Internal Audit Summary lists audits performed, scope for each audit, recommendations to management, management's response and expected implementation dates. The Internal Audit Summaries were mailed to all State Teachers Retirement Board Members in March, May, August and December 2012.

STRS Ohio Audit Committee Meetings and Actions

May 17, 2012 — The Audit Committee met on May 17, 2012. Committee members Mr. McGreevey, Mr. Brooks, Ms. Hayden, Mr. Hill and Mr. Stein were present. Board members Mr. Childs, Ms. Correthers, Ms. Burch, Mr. Price, and Mr. Myers were also in attendance. Staff present included Mr. Nehf, Mr. Slater, Mr. Tackett, and Mr. Vance.

Mr. Tackett presented copies of the written request and justification for the addition of a staff ITS Auditor. The purpose of the addition is to move the Audit Department into compliance with governing standards related to adequacy of coverage by having a qualified, independent, ITS Auditor on staff. The Audit Committee inquired about current limitations of the Audit Department and the associated risks. Mr. Slater provided background information on the types of external ITS reviews that have been performed (to assess the ITS Department) to address any Audit Committee concerns of potential risks and exposures.

Ms. Hayden moved, and Mr. Brooks seconded, the motion to approve the hiring of the ITS Auditor. Upon roll call the vote was as follows: Ms. Hayden: yes; Mr. Brooks: yes; Mr. Stein: yes; Mr. McGreevy: yes. Motion

discussion and clarification of the auditors' roles in the ERM process and the process for evaluating departmental risk rankings of Internal Audit and the rankings listed in the presentations by other departments. Risks that were inherent to auditors were highlighted.

Finally, Mr. Slater updated the committee on this year's planning meeting with the financial statement auditors, CliftonLarsonAllen.

Aug. 16, 2012 — The Audit Committee met on Aug. 16, 2012. Committee members Mr. McGreevy, Mr. Brooks, Ms. Hayden and Mr. Stein were present. Board members Ms. Correthers, Mr. Hill, Mr. Price, Mr. Myers and Mr. Mayerfield were also in attendance. Staff present included Mr. Nehf, Mr. Slater, Mr. Tackett, Mr. Snyder and Mr. Vance.

Kevin Rohrs of CliftonLarsonAllen, presented a summary of their plan for the 2011-12 financial statement audit and tentative schedule for issuing an audit report and management letter. Their overall risk assessment on this engagement is moderate, and CliftonLarsonAllen has identified investments, contributions, benefit payments and actuarial assumptions as critical audit areas. The final audit report, including management letter, will be presented to the Audit Committee in December. The full audit plan is appended on Pages 5 through 9.

The meeting adjourned at approximately 9:30 a.m.

Dec. 13, 2012 — The Audit Committee met on Dec. 13, 2012, at 9 a.m. Committee members Mr. Hill, Mr. Myers, Mr. Brooks and Mr. Stein were in attendance. Committee member, Ms. Hayden, was absent. Board members, Mr. Price, Mr. Mayerfield, and Mr. McGreevy and senior staff members were present.

The Committee reviewed and discussed the 2012 Internal Audit Summary as presented. The Internal Audit Department reported there were no material weaknesses in internal controls and that there was full cooperation from STRS Ohio management. Management has accepted all audit recommendations and is in various stages of action-planning or implementation.

The Committee was informed of the hiring of the new ITS Audit Specialist for the Internal Audit Department (as an update to previous Audit Committee staffing discussions) and the Internal Audit Plan for 2013 was presented for review and discussion. There were no suggested changes.

Mr. Stein moved, seconded by Ms. Hayden, to enter executive session under authority of Division (G)(5) of section 121.22 of the Revised Code for the purpose of discussing matters required to be kept confidential by federal law or state statute.

Upon roll call the vote was as follows: Mr. Stein, yes; Ms. Hayden, yes; Mr. Brooks, yes; Mr. Myers, yes; and Mr. Hill, yes. Motion carried.

The Committee entered into executive session to hear a report from the external auditors, CliftonLarsonAllen, on the results of their audit of the STRS Ohio financial statements for the fiscal year ended June 30, 2012.

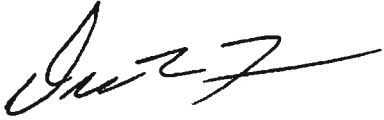
Public session resumed and the Audit Committee meeting was adjourned at 10:02 a.m.

Special Reviews/Projects

The 2013 Internal Audit Plan was approved by the Retirement Board on Dec. 13, 2012. A copy of the 2013 Plan is enclosed.

If you have any questions or need further information, please feel free to call me at (614) 227-2821.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David S. Tackett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David S. Tackett, CFA, CPA, CIA
Chief Audit Executive



2012 Internal Audit Summary

Audit Area	Scope	Recommendations	Management's Response	Implemented	Implementation Date or Targeted Implementation Date
Closed Audits					
Accounts Payable*	Vendor Approval Process Vendor Payment History Segregation of Duties	Audit Did Not Result in Recommendations	N/A	N/A	N/A
Attendance Reporting*	Accuracy of Database Compliance with Policies	Periodically validate the accuracy of data being sent the HRS to manage attendance	Agree	Yes	4/30/2012
Board Expenses 2011*	Pre-approval of Travel Timeliness/Accuracy of Reimbursements Compliance with Board Policies	Audit Did Not Result in Recommendations	N/A	N/A	N/A
Board Expenses 2012	Pre-approval of Travel Timeliness/Accuracy of Reimbursements Compliance with Board Policies	Audit Did Not Result in Recommendations	N/A	N/A	N/A
Business Continuity Plan*	Compliance Monitoring & Testing	Audit Did Not Result in Recommendations	N/A	N/A	N/A
Child Care Center*	Compliance with State Licensing State Inspections	Develop a formal, written process for granting access to the Child Care Center	Agree	Yes	2/2/2012
	Tuition Payments Enrollment	To document efforts to meet STRS Ohio Board goals, establish formal goals, policies, or procedures pertaining to: - % of STRS Ohio children vs. external children - Types of revenues and expenses used to determine cost neutrality (and those that are being excluded)	Agree	Yes	2/2/2012
Derivatives 2011*	Semi-Annual Derivate Exposure Report Currency Forward Settlements Equity Swap Settlements Counterparty Risk	Monitor outcome of Barclay's LIBOR review by regulators and be prepared to determine and document impact on STRS Ohio for potential future action	Agree	N/A	N/A
Disability Benefits*	Reexamination Schedules Medical Invoice Payments Terminated Benefits-Notification	Audit Did Not Result In Recommendations	Agree	Yes	9/14/2012
Financial Reporting*	Role-Based Security/Segregation General Journal Entries Disaster Recovery Process Audit Trail Integrity	Audit Did Not Result In Recommendations	N/A	N/A	N/A

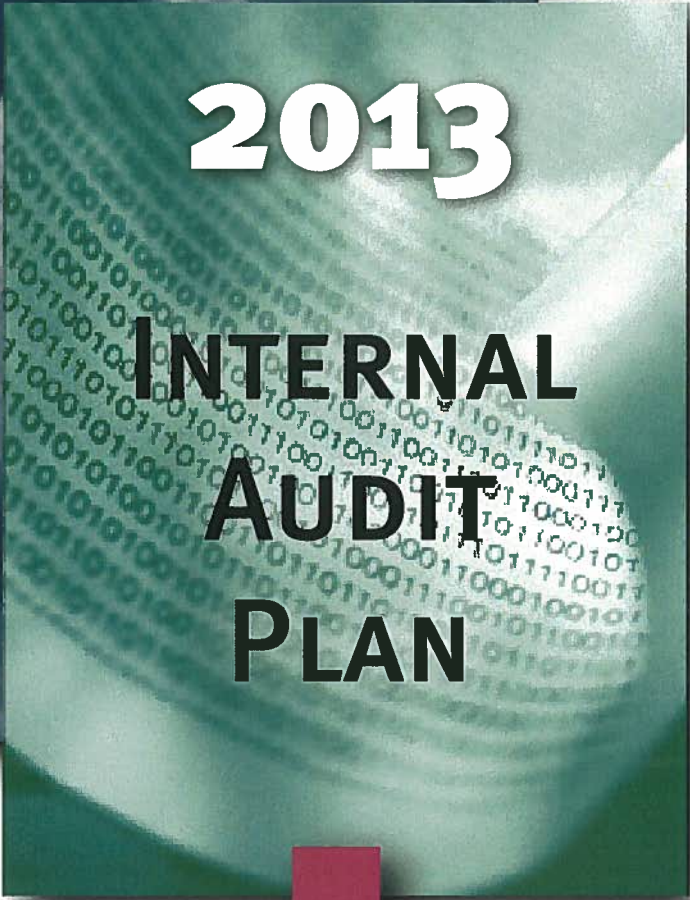
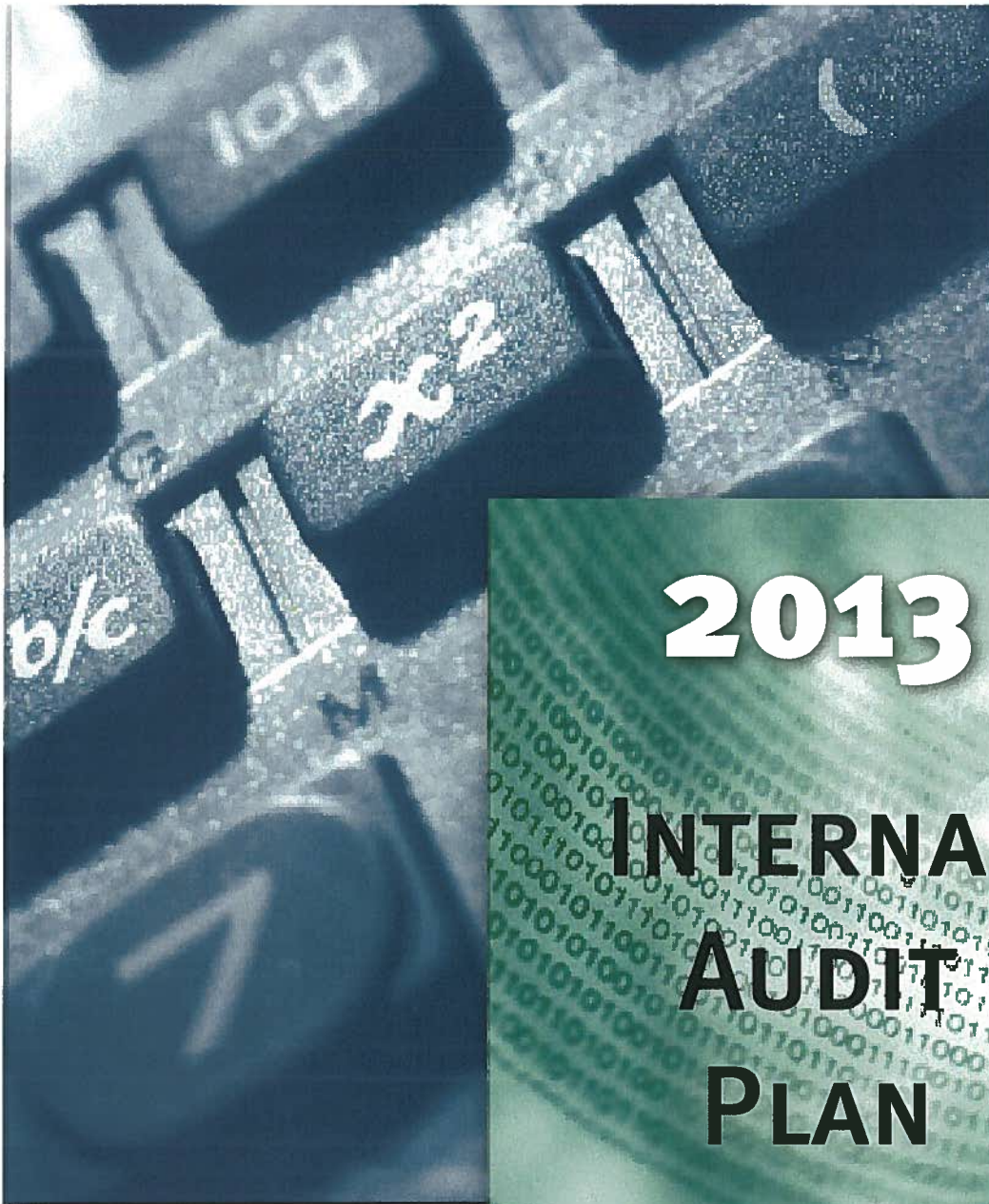
Audit Area	Scope	Recommendations	Management's Response	Implemented	Implementation Date
Fixed-Income Investments*	Due Diligence Approved Brokers Accuracy of Pricing Interest Income Monitoring of External Managers Compliance with Investment Policies	Audit Did Not Result in Recommendations	N/A	N/A	N/A
Internet/Intranet Security*	Policy Appropriateness & Enforcement Systems Access Revocation Virus Protection/Firewall Monitoring Software Monitoring	Develop policies and procedures that address the concerns of Intranet content management and security and make a part of the ERM discussion Review Firewall/Virus monitoring procedures to determine if there are areas where procedures documentation can be created, updated or improved Perform software reconciliations for systems administrators with established and documented regularity and require the adherence to standard software distribution procedures	Agree Agree Agree	No Yes Yes	12/31/2012 07/01/2012 09/01/2012
Liquidity Reserves*	Compliance with Policies Accuracy of Interest Income Quality of Investments Daily Reconciliations	Review the current guidelines to determine if risk control changes are warranted (total holdings % cap)	Agree	Yes	1/1/2012
Member Income Taxes	Withholding Change Reconciliations Tax Interface Reconciliation & G/L Update Segregation of Duties	Research the cost/benefit of allowing members to manage their tax withholdings through the STRS Ohio Internet site	Agree	Long-term Implementation (Audit Closed)	Will be prioritized with other online services as part of the 2012-2013 budget process and STaRS review
Member Withdrawals*	Compliance with ORC Refund Estimates/Payments Non-Zero Accounts 1099R	Finance and ITS develop input controls that notify Refunds Specialists when a member is eligible to retire (Helps to ensure compliance with the O.R.C. requirement of Spousal Consent) Update Member Withdrawal processes to reflect the use of the new STaRS system	Agree Agree	Yes Yes	07/13/2012 07/01/2012
Petty Cash	Cafeteria Cash/Physical Security Cafeteria Deposits Segregation of Duties Cash Reconciliation Petty Cash Disbursements Cafeteria Operations - Ohio Sales Tax	Perform quarterly (random dates) reconciliations of cash balances Document the identity of associates performing cash reconciliations in cash ledger	Final Report Under Mgmt. Review	N/A	N/A
Postage	Compliance with Policies/Procedures Disbursements	Draft Report Under Mgmt. Review	N/A	N/A	N/A
Post-Retirement Benefits*	Death Match Process Annuity Certain Expirations Overpayment/Collections Disbursement Compliance	Audit Did Not Result In Recommendations	N/A	N/A	N/A

Audit Area	Scope	Recommendations	Management's Response	Implemented	Implementation Date
Purchasing Service Credit	STaRS Access Certifications and Cost Calculations Member Applications Posting of Purchased Credit Free Military Service Credit Compliance with Ohio Revised Code	Audit Did Not Result In Recommendations	N/A	N/A	N/A
Records Management	Compliance Imaging - Quality Control Off-Site Storage Facility Inspections Disaster Recovery	Periodically request proof of continued insurance throughout the term of service	Agree	Yes	9/24/2012
Service Retirement Benefits*	Departmental Process Documentation Benefit Calculations Management of Overpayments Segregation of Duties	Enforce proper segregation of duties and restrict Benefit Auditors' access levels to "Read Only" where appropriate Create a retroactive report (back to STaRS activation date) to review new retirement activities and to review changes to existing member records to verify appropriateness Create/use standardized documentation to be used to detail changes to member benefits information I.T.S. and Member Benefits Depts. explore the cost/benefit of providing STRS Ohio members with an online service retirement-application service	Agree Agree Agree Agree	Yes Yes Yes Yes	3/25/2011 05/31/2011 05/31/2011 03/31/2012

Audit Area	Scope	Recommendations	Management's Response	Implemented	Implementation Date
Active Audits					
Alternative Investments 2011	General Partner Review/Monitoring Valuations General Partner Fees Opportunistic/Diversified Investment Program	Organize all documentation supporting the investment decision process, in a logical/structured manner Schedule an external review of Alternative Investments with Cliffwater (due diligence and monitoring) as stated in the Investment Advisor Agreement Establish detailed policies/procedures for monitoring general partners that include documentation of the annual reviews	Agree	No	12/30/2012
			Agree	Yes	1/31/2012
			Agree	No	12/30/2012
Alternative Investments 2012	Opportunistic/Diversified: Due Diligence Monitoring Valuations	Audit In Progress	N/A	N/A	N/A
Annual Statements	Accuracy of Member Information Accuracy and Security of Statements External Contracts Segregation of Duties	Audit Initiates 12/21/2012	N/A	N/A	N/A
Building Maintenance	Purchases of Goods and Services Preventive Maintenance Associate Training Quality Assurance	Audit In Progress	N/A	N/A	N/A
Contribution Reporting	Foundation Management Employee Contribution Management G/L Postings Segregation of Duties Annual Report Management	Audit In Progress	N/A	N/A	N/A
Defined Contribution Plan	Processing Plan Selection Forms NRS Contract Compliance Accuracy of Member Statements Segregation of Duties	Draft Report Under Mgmt. Review	N/A	N/A	N/A
Domestic Equities	Compliance with Investment Policy Monitoring of External Portfolio Managers Investment Management Fees Reporting/Accounting Research Costs Approved Brokers Custodian	Audit In Progress	N/A	N/A	N/A
Early Retirement Incentive Credit	Eligibility Requirements ERI Cost Calculations ERI Internal Accrual Calculations Compliance with Ohio Revised Code	Audit Initiates 12/17/2012	N/A	N/A	N/A

Audit Area	Scope	Recommendations	Management's Response	Implemented	Implementation Date
Enterprise Risk Mgmt.	Review of Risk Management Process Review of Reporting of Key Risks Review of Management of Key Risks	Audit In Progress	N/A	N/A	N/A
Fixed Assets	Tracking, Reporting, and Monitoring Depreciation Disposition	Audit in Progress	N/A	N/A	N/A
Personal Investment Disclosure*	Compliance with Policy Accuracy/Completeness	Changes to the Personal Investment Disclosure process require consultation with the STRS Ohio Legal and Human Resource Services depts. and dissemination to all STRS Ohio associates Management should review the investment disclosure requirements to identify areas that can be improved	Final Report Under Mgmt. Review Final Report Under Mgmt. Review	N/A N/A	N/A N/A
Proxy Voting	Proxy Voting for Passive/Active Investments Compliance with Proxy Voting Policy	Draft Report Under Mgmt. Review	N/A	N/A	N/A
Purchasing Service by Payroll Deduction	Member Applications Processing of Receipts Segregation of Duties Payroll Deduction Refund	Audit In Progress	N/A	N/A	N/A
Reemployed Retirees	Compliance with Ohio Revised Code Violations/Collections Lump-Sum Calculation Input Controls	Audit Initiated	N/A	N/A	N/A
STRS Ohio Self Insurance	Identification/Mitigation of Key Risks Annual Reporting Allocation of Self Insurance Costs	Draft Report Under Mgmt. Review	N/A	N/A	N/A

*Audits were listed as "Under Mgmt. Review", "In Progress", "Audit Initiated", or had not implemented recommendation(s) at the time of the last Annual Audit Summary presentation



Mission Statement

To work in partnership with associates to conduct value-added independent appraisals of policies and procedures to contribute to the continuous improvement of STRS Ohio.

Vision Statement

To be recognized as an innovative department that, through independent appraisals and partnered solutions, strives for quality enhancements and the elimination of non-value-added processes.

To create an environment that encourages teamwork, innovation, open communication, empowerment and personal and professional growth.

Guiding Principles

To achieve our mission and vision, we will:

- Prepare a comprehensive, practical, planned program of audit coverage consistent with STRS Ohio's mission, vision and guiding principles.
- Perform audits in compliance with professional standards.
- Verify the adequacy and effectiveness of STRS Ohio's systems of administrative, operating and financial controls.
- Understand the associates' business from their perspective.
- Produce objective, clear, concise, constructive and timely reports.
- Maintain contemporary professional proficiency through continuing education and training.
- Seek to continuously improve our team, tools and processes.
- Develop professional expertise for potential career opportunities within STRS Ohio.

EXECUTIVE SUMMARY

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DETAILED SUMMARY

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Risk Factor	Risk Factor Description	Weighting
A	Adequacy and Effectiveness of the System of Internal Controls	9
B	Major Changes in Technology, Operations, the Organization or the Economy	8
C	Dates and Results of Previous Audits	7
D	Recent or Relevant Changes in Key Personnel	6
E	Complexity or Volatility of Activities	5
F	Asset Size or Transaction Volume	4

The risk assessment scale is a 9-point system with graduations of risk as follows:

Risk Factor Description	Score
Extremely Risky	9
Very Risky	7
Risky	5*
Slightly Risky	3
Not Risky	1

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
ADMINISTRATION							
Associate Payroll	2	2	2	2	2	3	13
Associate Travel Expenses	2	2	3	2	2	2	13
Attendance Reporting	3	2	3	2	2	3	15
Benefit Payment Process	3	4	3	3	3	3	19
Board Expenses	2	2	2	2	2	2	12
Building Maintenance	2	2	2	2	2	2	12
Business Contingency Plan	3	3	3	3	4	3	19
Child Care Center	2	2	2	2	2	2	12
Educational Assistance Program	2	2	2	2	2	2	12
Fixed Assets — Computer Equipment	3	3	3	3	3	3	18
Flexible Spending Programs	2	2	3	2	2	2	13
Insurance/Risk Management	2	3	2	2	2	2	13
Internet/Intranet	2	3	3	2	3	3	16
Network Security	3	3	3	2	2	2	15
Ohio Ethics Commission Reporting	1	2	1	2	2	1	9
Other Staff Expenses	2	2	3	2	1	1	11
Personal Investment Disclosure	3	2	2	2	2	2	13
Postage	3	2	2	2	2	3	14
Purchasing Practices	3	2	3	2	2	3	15
STRS Ohio Self Insurance Plan	3	3	5	2	3	3	19
Unused Sick and Vacation Leave	2	2	2	2	2	1	11

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
FINANCE							
Accounts Payable	2	2	2	2	2	2	12
Annual Reporting	2	3	2	2	2	2	13
Contribution Reporting	2	3	2	2	2	3	14
Early Retirement Incentive Credit	2	2	2	2	3	2	13
Financial Reporting (STRS Ohio)	3	3	2	2	4	4	18
Fixed Assets	3	2	3	2	2	2	14
Member Income Taxes	4	4	2	2	3	4	19
Member Withdrawals	2	3	2	2	2	2	13
Petty Cash/Café Operations	2	2	2	3	1	1	11
Purchasing Service Credit by Payroll Deduction	2	4	2	2	3	2	15

INVESTMENTS							
Alternative Investments	4	4	3	2	4	4	21
Derivatives	3	4	2	2	4	3	18
Domestic Equities	3	4	2	2	4	5	20
Fixed Income	2	4	2	2	3	3	16
International Investing	4	4	2	3	4	5	22
Investment Performance	2	2	2	2	3	2	13
Liquidity Reserves	2	3	2	2	2	2	13
Proxy Voting	2	2	2	2	2	1	11
Real Estate	3	4	3	2	3	3	18
Securities Lending	2	4	2	2	3	4	17

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
MEMBER BENEFITS							
Annual Statements	3	4	2	2	2	2	15
Benefit Services (Post Retirement)	3	4	2	2	2	2	15
Call Center	2	2	2	2	2	2	12
Defined Contribution Plan	2	2	2	2	2	2	12
Disability Benefits	2	3	2	2	2	2	13
Health Care	3	3	2	2	3	4	17
Member Data Management	3	4	4	2	2	2	17
Member Records Management	2	2	2	2	2	2	12
Purchasing Service Credit	2	3	2	2	3	2	14
Reemployed Retirees	3	4	3	3	2	2	17
Service Retirement Benefits	2	4	2	3	3	4	18
Survivor Benefits	2	3	2	3	2	2	14

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
ADMINISTRATION							
Associate Payroll	18	16	14	12	10	12	82
Associate Travel Expenses	18	16	21	12	10	8	85
Attendance Reporting	27	16	21	12	10	12	98
Benefit Payment Process	27	32	21	18	15	12	125
Board Expenses	18	16	14	12	10	8	78
Building Maintenance	18	16	14	12	10	8	78
Business Contingency Plan	27	24	21	18	20	12	122
Child Care Center	18	16	14	12	10	8	78
Educational Assistance Program	18	16	14	12	10	8	78
Fixed Assets — Computer Equipment	27	24	21	18	15	12	117
Flexible Spending Plans	18	16	21	12	10	8	85
Insurance/Risk Management	18	24	14	12	10	8	86
Internet/Intranet	18	24	21	12	15	12	102
Network Security	27	24	21	12	10	8	102
Ohio Ethics Commission Reporting	9	16	7	12	10	4	58
Other Staff Expenses	18	16	21	12	5	4	76
Personal Investment Disclosure	27	16	14	12	10	8	87
Postage	27	16	14	12	10	12	91
Purchasing Practices	27	16	21	12	10	12	98
STRS Ohio Self Insurance Plan	27	24	35	12	15	12	125
Unused Sick and Vacation Leave	18	16	14	12	10	4	74

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
FINANCE							
Accounts Payable	18	16	14	12	10	8	78
Annual Reporting	18	24	14	12	10	8	86
Contribution Reporting	18	24	14	12	10	12	90
Early Retirement Incentive Credit	18	16	14	12	15	8	83
Financial Reporting (STRS Ohio)	27	24	14	12	20	16	113
Fixed Assets	27	16	21	12	10	8	94
Member Income Taxes	36	32	14	12	15	16	125
Member Withdrawals	18	24	14	12	10	8	86
Petty Cash/Café Operations	18	16	14	18	5	4	75
Purchasing Service Credit by Payroll Deduction	18	32	14	12	15	8	99

INVESTMENTS							
Alternative Investments	36	32	21	12	20	16	137
Derivatives	27	32	14	12	20	12	117
Domestic Equities	27	32	14	12	20	20	125
Fixed Income	18	32	14	12	15	12	103
International Investing	36	32	14	18	20	20	140
Investment Performance	18	16	14	12	15	8	83
Liquidity Reserves	18	24	14	12	10	8	86
Proxy Voting	18	16	14	12	10	4	74
Real Estate	27	32	21	12	15	12	119
Securities Lending	18	32	14	12	15	16	107

Audit Area	Risk Factors*						Total
	A	B	C	D	E	F	
MEMBER BENEFITS							
Annual Statements	27	32	14	12	10	8	103
Benefit Services (Post Retirement)	27	32	14	12	10	8	103
Call Center	18	16	14	12	10	8	78
Defined Contribution Plan	18	16	14	12	10	8	78
Disability Benefits	18	24	14	12	10	8	86
Health Care	27	24	14	12	15	16	108
Member Data Management	27	32	28	12	10	8	117
Member Records Management	18	16	14	12	10	8	78
Purchasing Service Credit	18	24	14	12	15	8	91
Reemployed Retirees	27	32	21	18	10	8	116
Service Retirement Benefits	18	32	14	18	15	16	113
Survivor Benefits	18	24	14	18	10	8	92

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Estimated Audit Hours	Risk Codes
International Investing	HIGH	I	140	2011	Jun-13	160	F, I, C, O
Alternative Investments	HIGH	I	137	2012			F, I, C, O
Domestic Equities	HIGH	I	125	2012			F, I, C, O
Real Estate	HIGH	I	119	2010	Mar-13	320	F, I, C, O
Derivatives	HIGH	I	117	2011	Sep-13	160	F, I, C, O
Fixed Income	HIGH	I	103	2011	Nov-13	120	F, I, C, O
Liquidity Reserves	HIGH	I	86	2011			F, I, C, O
Business Contingency Plan	MED.	A	122	2011			F, I, C, O
Member Data Management	MED.	MB	117	2009	Jan-13	160	PS, C
Financial Reporting (STRS Ohio)	MED.	F	113	2011			I, C, O
Service Retirement Benefits	MED.	MB	113	2010	Sep-13	320	I, C, O
Health Care	MED.	MB	108	2011			I, C, O
Annual Statements	MED.	MB	103	2012			I, C, O
Contribution Reporting	MED.	F	90	2012			I, C, O
Insurance/Risk Management	MED.	A	86	2010	Jul-13	120	F, I, C, O
Annual Reporting	MED.	F	86	2010	Feb-13	160	I, C, O
Accounts Payable	MED.	F	78	2011			I, C, O
Defined Contribution Plan	MED.	MB	78	2012			I, C, O
STRS Ohio Self Insurance Plan	LOW	A	125	2012			I, C, O
Benefit Payment Process	LOW	A	125	2011			I, C, O
Member Income Taxes	LOW	F	125	2011			I, C, O
Fixed Assets-Computer Equipment	LOW	A	117	2012			I, C, O
Reemployed Retirees	LOW	MB	116	2012			I, C, O
Securities Lending	LOW	I	107	2010	Jul-13	160	I, C, O

Risk Codes:

F: Financial = Risk related to financial impact

I: Integrity = Risk related to accuracy of data or asset managed/presented

C: Compliance = Risk related to non-compliance with laws/regulations/internal policies

O: Operational = Risk related to operational efficiencies/inefficiencies

PS: Public Sensitivity = No material financial impact but high public sensitivity

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Estimated Audit Hours	Risk Codes
Benefit Services (Post Retirement)	LOW	MB	103	2011			I, C, O
Internet/Intranet	LOW	A	102	2011			I, C, O
Network Security	LOW	A	102	2010	Jan-13	160	I, C, O
Purchasing Service Credit by Payroll Deduction	LOW	F	99	2012			I, C, O
Purchasing Practices	LOW	A	98	2010	Apr-13	160	I, C, O, PS
Attendance Reporting	LOW	A	98	2010			I, C, O
Fixed Assets	LOW	F	94	2012			I, C, O
Survivor Benefits	LOW	MB	92	2011			I, C, O
Postage	LOW	A	91	2012			I, C, O
Purchasing Service Credit	LOW	MB	91	2012			I, C, O
Personal Investment Disclosure	LOW	A	87	2011			I, C
Member Withdrawals	LOW	F	86	2011			I, C, O
Disability Benefits	LOW	MB	86	2011			I, C, O
Flexible Spending Programs	LOW	A	85	2009	Aug-13	120	I, C, O
Associate Travel Expenses	LOW	A	85	2011			I, C, O, PS
Early Retirement Incentive Credit	LOW	F	83	2012			I, C, O
Investment Performance	LOW	I	83	2012	Aug-13	160	I, C, O
Associate Payroll	LOW	A	82	2010			I, C, O
Board Expenses	LOW	A	78	2012	Jun-13	80	I, C, O, PS
Building Maintenance	LOW	A	78	2012			I, C, O
Educational Assistance Program	LOW	A	78	2009	Nov-13	80	I, C, O
Child Care Center	LOW	A	78	2011			I, C, O
Member Records Management	LOW	MB	78	2012			C, O

Risk Codes:

F: Financial = Risk related to financial impact

I: Integrity = Risk related to accuracy of data or asset managed/presented

C: Compliance = Risk related to non-compliance with laws/regulations/internal policies

O: Operational = Risk related to operational efficiencies/inefficiencies

PS: Public Sensitivity = No material financial impact but high public sensitivity

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Estimated Audit Hours	Risk Codes
Call Center	LOW	MB	78	2008	Oct-13	160	C, O
Other Staff Expenses	LOW	A	76	2009			I, C, O, PS
Petty Cash/Café Operations	LOW	F	75	2012			I, C, O, PS
Unused Sick and Vacation Leave	LOW	A	74	2009	Dec-13	120	I, C, O
Proxy Voting	LOW	I	74	2012			I, C
OEC Reporting	LOW	A	58	2008			I, C, O, PS

Total Hours 2720

Risk Codes:

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