



February 1, 2018

Ms. Bethany Rhodes, Director  
Ohio Retirement Study Council  
30 E. Broad Street, 2<sup>nd</sup> 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 2017. Once again, HPRS retained the Summit County Internal Audit Department (IAD) to perform internal audit services in 2017. IAD's reports were presented to the HPRS Audit Committee and the HPRS Board on December 14, 2017.

In addition to the internal audit, Schneider Downs, the independent auditing firm selected by the Auditor of State, performed a financial audit of HPRS. On June 22, 2017, Schneider Downs presented its audit report to the Audit Committee, giving HPRS a clean opinion. The report noted no deficiencies in HPRS' internal controls.

The HPRS Audit Committee met on the following dates in 2017 and took the following actions:

- February 16, 2017: 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 Internal Audit Department to perform the 2017 internal audit. It also reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- April 20, 2017: The committee reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- June 22, 2017: Schneider Downs presented its audit of the 2016 financial statements, resulting in an unqualified "clean" opinion. No material weaknesses were found and no reportable comments were noted. The committee reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- October 19, 2017: Captain (ret.) Lester Reel was elected Committee Chair and Lieutenant Andre Swinerton was elected Vice-Chair. The committee reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- December 14, 2017: The committee accepted the 2017 internal audit report as presented by IAD. It also reviewed and approved all trustees' expense reports for compliance with HPRS policies.

If you have any questions, please contact me.

Sincerely,

Mark R. Atkeson  
*Executive Director*  
direct dial 614.430.3557  
matkeson@ohprs.org

# State Highway Patrol Retirement System 2017 Annual Audit Report

(Submitted to ORSC February 1, 2018)

## Closed Audits: Recommendations

| Audit Area          | Risk Rating | Scope                                                                                                                                                                                   | Recommendations                                                                                                                          | Management's Response                                                                                                                                                                                                             | Implemented | Implementation or Target Implementation |
|---------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------|
| Benefit Eligibility | Mod.        | Review files of retirees and surviving spouses to determine whether appropriate supporting documentation was on file to support eligibility of dependents to enroll in HPRS healthcare. | HPRS should obtain the marriage and birth certificates for retirees or consider termination of dependents from HPRS health care coverage | Staff will follow up with those members who have not submitted the required documentation. Further, HPRS will continue to require submission of this documentation when members retire or sign dependents up for HPRS healthcare. | Yes         | Dec-17                                  |
| Comments: None      |             |                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                   |             |                                         |

## Closed Audits: No Recommendations

| Audit Area                      | Risk Rating | Scope                                                                                                     | Management's Response |
|---------------------------------|-------------|-----------------------------------------------------------------------------------------------------------|-----------------------|
| Benefit Eligibility             | Mod.        | Review list of disabled married retirees under age 60 and searched court records for evidence of divorce. | N/A                   |
| Comments: No issues were noted. |             |                                                                                                           |                       |

## 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)**

Lt. Andre Swinerton, Representative for Active Members

Sgt. Jeremy Mendenhall, Representative for Active Members

S/Lt. Matthew Them, Representative for Active Members

Cpt. (ret.) Lester Reel, Representative for Retirees

Col. Paul Pride, Statutory Representative