



February 5, 2016

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506

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 2015. Once again, HPRS retained the Summit County Internal Audit Department (IAD) to perform internal audit services in 2015. IAD's reports were presented to the HPRS Audit Committee and the HPRS Board on October 15, 2015.

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 16, 2015, 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 2015 and took the following actions:

- June 16, 2015: Schneider Downs presented its audit of the 2014 financial statements resulting in an unqualified "clean" opinion. No material weaknesses were found and no reportable comments were noted. The Committee reviewed and approved the Audit Committee Charter and Work Plan and reviewed all trustees' expense reports for compliance with HPRS policies.
- October 15, 2015: Lieutenant Andre Swinerton was elected Committee Chair and Staff Lieutenant Heidi Marshall was elected Vice-Chair. The committee accepted the 2015 internal audit report as presented by IAD. It also reviewed 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

Ohio Highway Patrol Retirement System 2016 Annual Audit Report

Closed Audits: Recommendations

Audit Area	Risk Rating ¹	Scope	Recommendations	Management's Response	Implemented	Implementation or Target Implementation
None						
		Comments:				
		Comments:				

¹ 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.

Closed Audits: No Recommendations

Audit Area	Risk Rating	Scope	Management's Response
Health Care Premiums	Moderate	Detail testing was performed to ensure the following groups receiving health care benefits are being assessed the correct monthly health care premium: <ul style="list-style-type: none"> • Non-disabled retirees, spouses and surviving spouses who are not receiving Medicare assistance. • Disabled retirees and spouses who are not receiving Medicare assistance. • Retiree's dependent or surviving children. • Retirees, spouses and surviving spouses who are receiving Medicare assistance. 	N/A
		Comments: No issues were noted.	
Cost-of-Living Adjustments	Moderate	Detail testing was performed to ensure various groups were receiving the correct COLA	N/A
		Comments: No issues were noted.	
Leases	Moderate	A list of all new and renewed leases for 6161 Busch Blvd. property was obtained for the period of 6/1/14 through 8/12/15 and detail testing was performed to ensure the leases were properly executed and signed before the beginning of the lease term.	N/A
		Monthly financial report was obtained to ensure monthly reconciliations are being performed.	N/A

		Comments: No issues were noted.
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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
Information Technology Security	Low/Moderate	Network security	The scope of the engagement included an assessment of HPRS's network security.
Physical security	Low/Moderate	Policies and Procedures	The scope of the engagement included an assessment of HPRS's physical security.

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

- Lt. Andre Swinerton, Representative for Active Members
- S/Lt. Heidi Marshall, Representative for Active Members
- Sgt. Jeremy Mendenhall, Representative for Active Members
- Lt. (ret.) Larry Davis, Representative for Retirees
- Col. Paul Pride, Statutory Representative