



January 31, 2011

Mr. Aristotle Hutras, Director
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506

Dear Mr. Hutras:

In accordance with Ohio Revised Code Section 5505.111, I am providing this report on the Internal Audit activities of Highway Patrol Retirement System during 2010.

Consistent with past practice, Kennedy Cottrell Richards, LLC, the independent auditing firm selected by the Auditor of State, performed a financial audit of HPRS. The auditors did not note any significant deficiencies or material weaknesses in internal control or any material instances of noncompliance.

Prior to the commencement of the audit, HPRS staff met with the auditors to discuss additional internal control and compliance issues that were targeted for review.

Conflicts of Interest

The auditors sent confirmation letters and made various inquiries to sixty-one HPRS vendors to determine whether any HPRS Trustee or staff member had an inappropriate financial or business relationship with a vendor of the system.

Insurance and Bonding

The auditors reviewed the appropriateness of errors and omissions insurance coverage for trustees and staff. They also considered whether appropriate bonding was maintained, including the statutory bond required for the Treasurer of State. Finally, the auditors considered the adequacy of liability protection relative to the facilities owned and operated by HPRS.

Licensing and Reporting

The auditors reviewed whether appropriate licensing was maintained for the Chief Investment Officer and whether the reporting requirements for the Ohio Ethics Commission were met.

Internal Operational Policies

The auditors reviewed internal travel policies and tested expense reports submitted by trustees and staff.

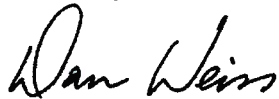
Fiduciary Duties

The auditors reviewed compliance with qualification requirements for appointed trustees, new active member enrollment, certification of the employer rate to OBM, and ethics training for trustees and staff.

Early in 2010, the staff and Audit Committee began a search for a part-time internal auditor that would perform the functions required by ORC Section 5505.111. The search culminated in the selection of a candidate; however, a background check uncovered a misrepresentation on the candidate's resume. The staff and Audit Committee resolved to engage in a new search, which is pending.

If you have any questions, please contact me.

Sincerely,



Dan Weiss, CPA, JD

Executive Director/Chief Investment Officer

direct dial 614.430.3555

dweiss@ohprs.org