

Ohio Police & Fire Pension Fund

Administration and Audit Committee Annual Report

2009

The following report documents the activities of the Ohio Police & Fire Pension Fund (OP&F) Administration and Audit Committee and the OP&F Internal Auditor for the year ending December 31, 2009. This report is categorized into four areas:

- I. Audit Reviews Completed
- II. Special Projects Completed
- III. Summary of Administration/Audit Meetings and Actions Taken
- IV. 2009-2010 Annual Audit Plan

I. Audit Reviews Completed

1. 1099R Process – Audit reviewed the annual 1099R tax form process for retired members and beneficiaries.
2. Investment Accounting – A review of the investment accounting area was performed verifying the transactions are recorded accurately to the financial statements and necessary reconciliations are completed with the manager, custodian, and Treasurer of State.
3. DROP – Audit reviewed the DROP process from the time a member enrolls to the time they withdrawal.
4. 2009 OP&F Business Continuity Test – The objective was to test the business continuity plan and the procedures in place to determine if the OP&F systems could be restored off-site to produce a benefit pension check.
5. 2009 OP&F Disclosure Statements – Audit reviewed the OP&F staff disclosure statements that must be completed by selected staff that focuses on potential conflicts of interest from the previous year.
6. Bank Custody Review – A review of the custodian bank, Huntington National Bank, was conducted in conjunction with Treasurer of State's Office. Investment transactions were reviewed for proper authorization and reconciliations were confirmed to the Treasurer of State documents.

- **May 2009** – The committee approved Trustee travel. Information Services status report was presented. Internal Audit discussed the DROP review and the 2009 OP&F Disclosure Statement review.
- **June 2009** – No Administration Audit Committee meeting.
- **July 2009** – Information Services status report was presented. The committee discussed the voting options for the 2010 Trustee election. The committee was updated on the status of the Financial and Purchasing systems upgrade. Committee reviewed the Administration Audit Charter and the 2009-2010 Committee agenda as well as the Board Governance Policy, Travel Policy and Ethics policy. Internal Auditor presented the audit schedule for 2009-2010. During open discussion, it was requested to have further discussion regarding allowing a retiree board member to serve as Chairman of the full Board of Trustees. Also, the committee requested staff look into other systems' procedures for allowing members to speak at committee meetings.
- **August 2009** – No Administration Audit Committee meeting.
- **September 2009** – The committee approved Trustee travel. Information Services status report was presented. The committee was updated on the voting options for the 2010 Trustee election. Internal Audit presented a memo regarding the transition of the Financial Systems Manager to the Internal Auditor position. During open discussion, the committee discussed the Ohio System's rule on members speaking at board and committee meetings.
- **October 2009** – Committee approved the communications plan. 2010 salary and wages budget and 2010 employee healthcare budget planning was discussed. 2010 budget reviews for Administration, Information Services and Trustees were presented. These were moved to the full Board for review. 2010 Board of Trustee's Meetings and Events Calendar was presented.
- **November 2009** – No Administration Audit Committee meeting.
- **December 2009** – The information services update was presented. The internal auditor presented the results of the 2009 business continuity test as well as updating the committee on the completion of 2009 ethics training and the status of the Accounting system upgrade. The committee approved the 2010 Trustee election materials. The Chairman of the Board of Trustees position was discussed.