



February 4, 2019

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
30 E. Broad Street, 2nd 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 2018. Once again, HPRS retained the Summit County Internal Audit Department (IAD) to perform internal audit services in 2018. IAD's reports were presented to the HPRS Audit Committee and the HPRS Board on December 20, 2018.

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 21, 2018, 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 2018 and took the following actions:

- February 15, 2018: 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 IAD to perform the 2018 internal audit. It also reviewed and approved all trustees' expense reports for compliance with HPRS policies.
- June 21, 2018: Schneider Downs presented its audit of the 2017 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.
- December 20, 2018: Captain (ret.) Lester Reel was elected Committee Chair and Sergeant Jeremy Mendenhall was elected Vice-Chair. The committee accepted the 2018 internal audit report as presented by Summit County IAD. The committee 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 2018 Annual Audit Report

(Submitted to ORSC February 4, 2019)

Closed Audits: Recommendations

Audit Area	Risk Rating	Scope	Recommendations	Management's Response	Implemented	Implementation or Target Implementation
Benefits	Mod.	Review files and conduct interviews to gain an understanding of the assessment of health care premiums, COLA, and single life annuity calculation processes.	Formal written procedures over the single life annuity calculation and review process should be created/updated, approved by the HPRS board, and disseminated to employees responsible for performing the process. This will help to ensure that proper procedures are in place and consistently followed within the agency.	HPRS staff will undergo a procedure documentation/update project in 2019 to ensure that all procedures are in a written format for staff training and succession purposes. Procedures will be disseminated to all responsible staff, however they do not require approval by the HPRS Board	No	Dec-19
Comments: None						

Closed Audits: No Recommendations

Audit Area	Risk Rating	Scope	Management's Response
Purchasing & Expenditures	Mod.	Review policies, procedures, and conduct interviews to gain an understanding of the purchasing and expenditures process.	N/A

Procurement Card	Mod.	Review policies, procedures, and conduct interviews to gain an understanding of the procurement card process	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
- Tpr. Brice Nihiser, Representative for Active Members
- Cpt. (ret.) Lester Reel, Representative for Retirees
- Col. Paul Pride, Statutory Representative