STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

275 East Broad Street
Columbus, OH 43215-3771
614-227-4090
www.strsoh.org

March 27, 2026

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
30 E. Broad St.
2nd Floor
Columbus, OH 43215

Dear Bethany:

Pursuant to Substitute Senate Bill 133 and as required by Section 3307.044 of the Ohio Revised Code, enclosed is a report of the actions of the Audit Committee of the State Teachers Retirement Board for calendar year 2025.

Please don't hesitate to contact me if you have any questions.

Sincerely,

Steve Toole
Executive Director

Enclosure

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275 East Broad Street
Columbus, OH 43215-3771
888-227-7877
www.strsoh.org

March 27, 2026

The Ohio Retirement Study Council
77 South High Street, 21st Floor
Columbus, Ohio 43215

Re: STRS Ohio Audit Committee Reports – 2025 Activities

As required by Section 3307.044 of the Ohio Revised Code, this report outlines the activities of the STRS Ohio Audit Committee and the STRS Ohio Internal Audit Department for the year ending 2025. Specifically, the report summarizes audit reviews completed during 2025, Audit Committee meetings and actions, the 2026 Internal Audit Plan, and the updated Internal Audit Charter.

Audit Committee members at the August 2025 meeting were Harkness (Chair/Active Member), Sellers (Active Member), Jones (Retired Member), Falls (Appointee), and Sautter-Beal (Appointed). Audit Committee members at the December 2025 meeting were Harkness (Chair/Active Member), Falls (Appointee), Jones (Retired Member), and Sautter-Beal (Appointed).

Audit Reviews Completed During 2025

The attached 2025 Internal Audit Summary lists the audits performed, the scope of each, the recommendations to management, management's responses, and expected implementation dates. The Internal Audit Summaries were provided to all STRS Ohio Board Members in March, August, and December of 2025.

STRS Ohio Audit Committee Meetings and Actions

The Audit Committee met on August 21, 2025, at 8:32 a.m. and was called to order by the committee chair. Committee members taking part were Mr. Harkness, Ms. Sellers, Ms. Falls, Ms. Jones, and Ms. Sautter-Beal. Also in attendance were board members Ms. Everidge-Frey and Dr. Fichtenbaum.

Staff present included Steve Toole, Robert Vance, Stacey Wideman, Christina Elliott, Aaron DiCenzo, Sandra Lee Branch, Phil Licata, Bonnie Wild, and Wendie Ballard.

The chair recognized Mr. Harkness for a report from the Audit Committee. Mr. Harkness reported that the committee met on Thursday, August 21, 2025, and that the external auditors, Crowe, LLC, and ACA Group, found no issues to report to the board. There were no recommendations from the August meeting.

The Audit Committee met on December 10, 2025, at 3:32 p.m. and was called to order by the committee chair. Committee members taking part were Mr. Harkness, Ms. Falls, Ms. Jones, and Ms. Sautter-Beal. Also in attendance were board members Dr. Fichtenbaum and Ms. Everidge-Frey.

Staff present included Steve Toole, Robert Vance, Aaron DiCenzo, Christina Elliott, Stacey Wideman, Sandra Lee Branch, Phil Licata, Bonnie Wild, Suzi Morton, and Wendie Ballard.

The chair recognized Mr. Harkness for a report from the Audit Committee. Mr. Harkness reported that the audit committee met on Wednesday, December 10, 2025, and reviewed the 2025 Internal Audit Summary, the 2026 Internal Audit Plan, and the internal audit charter.

The committee recommended approval of the 2026 Internal Audit Plan, and Mr. Harkness so moved. Upon roll call the vote was as follows: Mr. Harkness, yes; Mr. Allison, yes; Ms. Sautter-Beal, yes; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Ms. Flanigan, yes; Ms. Everidge-Frey, absent; Ms. Jones, yes; Ms. Sellers, absent; Mr. Smith, yes. The motion carried.

The committee recommended approval of the Internal Audit Charter, and Mr. Harkness so moved. Upon roll call the vote was as follows: Mr. Harkness, yes; Mr. Allison, yes; Ms. Sautter-Beal, yes; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Ms. Flanigan, yes; Ms. Everidge-Frey, absent; Ms. Jones, yes; Ms. Sellers, absent; Mr. Smith, yes. The motion carried.

Mr. Harkness reported that the date of the next committee meeting is yet to be determined.

Special Reviews / Projects

Internal Audit received no requests for supplemental reviews from the Audit Committee or management. See the 2025 Internal Audit Summary, "Other Audit Related Activity" section, for additional departmental activities.

2026 Internal Audit Plan and Charter Update

The STRS Ohio Board approved the 2026 Internal Audit Plan and Internal Audit Charter on December 11, 2025. The approved plan and updated charter are enclosed.

If you have any questions or need additional information, please call me at (614) 227-4046.

Respectfully submitted,

Robert L. Vance
MBA, MSA
Chief Audit Executive
Enclosures

2026 Internal Audit Plan

49-105, 12/25/0

INTERNAL AUDIT DEPARTMENT

Mission Statement

To work in partnership with associates to conduct value-added independent appraisals of policies and procedures to contribute to the continuous improvement of STRS Ohio.

Vision Statement

To be recognized as an innovative department that, through independent appraisals and partnered solutions, strives for quality enhancements and the elimination of non-value-added processes.

To create an environment that encourages teamwork, innovation, open communication, empowerment and personal and professional growth.

Guiding Principles

To achieve our mission and vision, we will:

- Prepare a comprehensive, practical, planned program of audit coverage consistent with STRS Ohio's mission, vision and guiding principles.
- Perform audits in compliance with the International Standards for the Professional Practice of Internal Auditing.
- Verify the adequacy and effectiveness of STRS Ohio's systems of administrative, operating and financial controls.
- Understand the associates' business from their perspective.
- Produce objective, clear, concise, constructive and timely reports.
- Maintain contemporary professional proficiency through continuing education and training.
- Seek to continuously improve our team, tools and processes.
- Develop professional expertise for potential career opportunities within STRS Ohio.

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2026 INTERNAL AUDIT SCHEDULE*

Audit Area	Description of Audit Area	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Quality Assurance and Improvement Program: Internal Audit	Ongoing Administrative Performance Reviews External Quality Assessment Review Response												
Board/Audit Committee Support	Reviews Performed to the Request of the Board/ Audit Committee												
Internal Audit Recommendation Follow-Up	Document and Report on Recommendation Compliance												
Fiduciary Audit Support/Response	Recommendation Consultation Implementation Tracking & Reporting Compliance Support												
Board Reporting Verification (Funston Recommendation)	Key Board Reporting Independent Verification												
Annual Statements	Accuracy of Member Information Accuracy of Statement Information External Controls Segregation of Duties												
Petty Cash	Sufficiency of Documented Policies and Procedures Safeguarding of Cash Appropriate Use Reconciliation Replenishment Process Monitoring Segregation of Duties												
IT: System Development Life Cycle and Quality Assurance Process (SDLC/QA)	Governance and Policy Compliance with Industry Standards SDLC Process Effectiveness Quality Assurance Practices Operational Readiness Access and Security Controls Court-Ordered Deductions												
Purchasing Service Credit	STaRS System Access Certifications and Cost Calculation Member Applications Posting of Payments Coordination with Finance/Employers Refunds of Lump-Sum Purchased Service Free Military Service Credit												
Flexible Spending Programs	Sufficiency of Documented Policies and Procedures Compliance with IRS Requirements Eligibility, Benefits, Contributions Open Enrollment Monitoring												
Investment Policies/Guidelines Review	Sufficiency of Documented Policies and Procedures Synchronization of Governing Documentation Compliance												
Cash Movement	Sufficiency of Documented Policies and Procedures Authorizations Segregation of Duties Delegation of Authority Approval Thresholds Recording Reconciliation Reporting												

*Audit scopes may be edited at the discretion of Internal Audit Department staff to appropriately address risks/concerns identified at the time of the audit. Audit Committee/board requests may also result in changes.

2026 INTERNAL AUDIT SCHEDULE*

Audit Area	Description of Audit Area	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
IT: NICE CXone Platform	User Access Management					■	■	■					
	System Configuration					■	■	■					
	Change Management					■	■	■					
	Data Security and Privacy					■	■	■					
	Operations and Monitoring					■	■	■					
HRS: Educational Assistance	Sufficiency of Documented Policies and Procedures							■					
	Compliance with IRS Requirements							■					
	Eligibility							■					
	Benefit Limitations							■					
	Monitoring							■					
Non-DB Retirement Plans	NRS Contract Compliance							■	■				
	Accuracy of Participant Transactions and Accounts							■	■				
Investment Performance/PBI Review	Sufficiency of Documented Policies and Procedures									■	■		
	Key-Person Risk									■	■		
	Associate Eligibility									■	■		
	Segregation of Duties									■	■		
	External, Independent Services									■	■		
	Independent Recalculations									■	■		
IT: Artificial Intelligence (AI)	Sufficiency of Documented Policies and Procedures										■	■	
	AI Approval Process										■	■	
	AI Monitoring Process										■	■	
Board Expenses	Sufficiency of Documented Policies and Procedures											■	
	Preapproval of Travel and Follow-up											■	
	Segregation of Duties											■	
	Key Person Risk											■	
	Accuracy											■	
	Reasonableness											■	
	Prohibitions											■	
	Travel Limitations											■	
SWIFT — Customer Security Program (CSP)	Internet Access Restrictions											■	■
	Protection of Critical Systems											■	■
	Reduce Attack Surface and Vulnerabilities											■	■
	Physical Security											■	■
	Access Management											■	■
	Incident Response											■	■

*Audit scopes may be edited at the discretion of Internal Audit Department staff to appropriately address risks/concerns identified at the time of the audit. Audit Committee/board requests may also result in changes.

RISK FACTORS

RISK FACTOR	RISK FACTOR DESCRIPTION	WEIGHTING
A	Adequacy and Effectiveness of the System of Internal Controls	9
B	Major Changes in Technology, Operations, the Organization or the Economy	8
C	Dates and Results of Previous Audits	7
D	Recent or Relevant Changes in Key Personnel	6
E	Complexity or Volatility of Activities	5
F	Asset Size or Transaction Volume	4

RISK ASSESSMENT SCALE

The risk assessment scale is a 9-point system with graduations of risk as follows:

RISK FACTOR DESCRIPTION	SCORE
Extremely Risky	9
Very Risky	7
Risky	5*
Slightly Risky	3
Not Risky	1

* If no previous audit was performed, the auditable area was assessed a 5 — Risky.

ASSIGNMENT OF RISK RATING

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
ADMINISTRATION							
Associate Travel Expenses	2	1	1	2	1	1	8
Attendance Reporting	4	2	2	2	2	2	14
Benefit Payment Process	2	2	1	2	3	3	13
Board Expenses	2	1	1	2	1	1	8
Fixed Assets-Computer Equipment	3	4	2	3	3	4	19
Flexible Spending Plans	2	2	2	2	3	2	13
HRS: Associate Payroll	2	2	2	3	2	2	13
HRS: Associate Separations	3	2	4	3	2	2	16
HRS: Educational Assistance	2	2	2	2	2	2	12
HRS: Exit Interview Management	1	1	5	1	1	1	10
Insurance/Risk Management	2	2	1	2	3	3	13
Legal: Contract Management	3	2	3	2	4	5	19
Legal: OEC Reporting	1	2	1	2	2	1	9
Legal: Records Management	2	2	4	1	2	3	14
Other Staff Expenses	2	1	1	1	1	1	7
Personal Investment Disclosure	1	1	2	2	3	2	11
Purchasing Practices	3	2	3	2	2	3	15
STRS Ohio Self Insurance Plan	3	2	3	2	3	3	16
Third Party Relationships: Administration	3	3	5	3	3	4	21
Unused Sick and Vacation Leave	2	1	2	2	2	1	10

* See Page 3 for risk factors.

ASSIGNMENT OF RISK RATING

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
FINANCE							
Accounts Payable	2	1	1	1	2	2	9
Administrative Services: Postage	2	2	2	1	2	3	12
Administrative Services: Security & Safety	3	2	5	1	1	1	13
Annual Reporting	2	3	2	2	2	2	13
Building Services: Maintenance	3	2	3	2	2	2	14
Cash Movement	5	5	5	5	5	5	30
Contribution Reporting	1	3	1	1	3	5	14
Financial Reporting (STRS Ohio)	2	2	2	2	3	4	15
Fixed Assets	3	2	3	3	2	2	15
Investment Accounting	3	5	5	1	5	5	24
Member Income Taxes	1	1	2	3	3	5	15
Member Withdrawals	2	1	2	2	2	2	11
Petty Cash/Café Operations	2	2	2	3	1	1	11
Purchasing Service Credit by Payroll Deduction	2	2	2	2	2	3	13
Tax Management	3	5	5	1	3	4	21
Third Party Relationships: Finance	3	3	5	4	3	4	22

* See Page 3 for risk factors.

ASSIGNMENT OF RISK RATING

Audit Area	Risk Factors* A	B	C	D	E	F	Total
INFORMATION TECHNOLOGY SERVICES							
Active Directory/Azure	5	3	5	1	3	3	20
Business Continuity Plan	3	3	3	3	5	3	20
Cloud Computing/Infrastructure	4	5	5	3	5	3	25
Compliance: B.Y.O.D.	4	3	4	1	4	3	19
Data Analytics	5	3	5	1	5	3	22
Data Loss Prevention (DLP)	3	3	3	1	3	3	16
Data Management	5	3	5	1	3	3	20
Data Privacy	4	3	4	4	2	3	20
Data Warehouse	5	3	5	1	5	3	22
Database Security	3	3	3	1	4	3	17
Email Security	3	3	3	3	5	3	20
External Partners/Assessments	3	3	3	1	4	5	19
Firewall Security	5	3	3	1	5	3	20
I.T. Artificial Intelligence (AI)	5	5	5	5	5	5	30
I.T. Cloud/CASB	3	3	3	1	3	3	16
I.T. NICE CXone Platform	5	5	5	5	5	5	30
I.T. Operations	3	3	3	1	3	3	16
I.T. Security: Change Control	4	7	3	3	3	3	23
I.T. Security: Cyber Vulnerabilities	4	4	5	1	5	3	22
I.T. Security: Logical/Physical Access	3	3	3	1	5	3	18
I.T. Security: MRI	3	3	3	1	3	3	16
I.T. Security: SimCorp Dimension	5	5	5	5	5	5	30
I.T. Security: WorkDay	3	3	3	3	4	3	19
I.T. Systems Development Lifecycle and Quality Assurance Process (SDLC/QA)	5	5	5	5	5	5	30
I.T. Vendor Contract Management	3	3	3	1	5	3	18
Incident Response Plan	5	3	5	1	2	3	19
Intrusion Protection System (IPS)	5	3	5	1	5	3	22
Manage Requests	3	3	3	1	3	3	16
Network Security	5	5	5	3	5	3	26
Project Management (IT Projects)	4	3	3	3	3	3	19
Social Engineering	5	3	3	1	5	3	20
SWIFT — Customer Security Program (CSP)	5	5	5	5	5	5	30
Web Security	3	3	3	1	5	3	18
Wireless Security	4	3	3	3	3	3	19

* See Page 3 for risk factors.

ASSIGNMENT OF RISK RATING

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
INVESTMENTS							
Alternative Investments	3	3	2	4	5	4	21
Brokers/CSA/Research	4	3	2	2	3	4	18
Compliance	4	5	5	1	4	4	23
Consultants	5	3	5	1	4	3	21
Custodians/Record Keepers	5	5	5	1	4	3	23
Derivatives	4	4	3	2	5	3	21
Domestic Equities	2	3	2	3	2	4	16
External Management	5	3	5	3	3	3	22
Fixed Income	1	3	1	1	3	4	13
International Investing	3	3	2	3	3	4	18
Investment Operations	5	5	5	5	3	4	27
Investment Performance (PBI Review)	2	2	2	3	3	2	14
Investment Policies/Guidelines	5	5	5	5	5	5	30
Liquidity Reserves	2	4	1	3	2	3	15
Proxy Voting	2	2	1	3	2	3	13
Real Estate	3	3	3	3	3	3	18
Securities Lending	2	3	2	3	3	4	17
Trading	4	3	2	1	3	4	17

* See Page 3 for risk factors.

ASSIGNMENT OF RISK RATING

Audit Area	Risk Factors* A	B	C	D	E	F	Total
MEMBER BENEFITS							
Annual Statements	2	3	2	2	2	2	13
Death Match	3	3	3	1	5	5	20
Defined Contribution Plan	2	2	2	2	2	3	13
Disability Benefits	3	2	2	3	2	3	15
Health Care	3	2	2	3	3	4	17
Member Benefits Processing	3	3	2	2	2	2	14
Member Records Management	2	3	2	2	2	2	13
Member Services Center	2	2	2	1	2	2	11
Purchasing Service Credit	2	3	2	2	2	2	13
Recipient Benefits Processing	2	2	3	2	3	3	15
Reemployed Retirees	2	3	2	2	2	2	13
Service Retirement Benefits	2	3	2	4	2	3	16
Survivor Benefits	1	3	1	1	3	4	13
Third Party Relationships: Member Benefits	3	3	5	4	3	4	22

* See Page 3 for risk factors.

RISK FACTORS WEIGHTED

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
ADMINISTRATION							
Associate Travel Expenses	18	8	7	12	5	4	54
Attendance Reporting	36	16	14	12	10	8	96
Benefit Payment Process	18	16	7	12	15	12	80
Board Expenses	18	8	7	12	5	4	54
Fixed Assets-Computer Equipment	27	32	14	18	15	16	122
Flexible Spending Plans	18	16	14	12	15	8	83
HRS: Associate Payroll	18	16	14	18	10	8	84
HRS: Associate Separations	27	16	28	18	10	8	107
HRS: Educational Assistance	18	16	14	12	10	8	78
HRS: Exit Interview Management	9	8	35	6	5	4	67
Insurance/Risk Management	18	16	7	12	15	12	80
Legal: Contract Management	27	16	21	12	20	20	116
Legal: OEC Reporting	9	16	7	12	10	4	58
Legal: Records Management	18	16	28	6	10	12	90
Other Staff Expenses	18	8	7	6	5	4	48
Personal Investment Disclosure	9	8	14	12	15	8	66
Purchasing Practices	27	16	21	12	10	12	98
STRS Ohio Self Insurance Plan	27	16	21	12	15	12	103
Third Party Relationships: Administration	27	24	35	18	15	16	135
Unused Sick and Vacation Leave	18	8	14	12	10	4	66

* See Page 4 for the Risk Assessment Scale.

RISK FACTORS WEIGHTED

Audit Area	Risk Factors* A	B	C	D	E	F	Total
FINANCE							
Accounts Payable	18	8	7	6	10	8	57
Administrative Services: Postage	18	16	14	6	10	12	76
Administrative Services: Security & Safety	27	16	35	6	5	4	93
Annual Reporting	18	24	14	12	10	8	86
Building Services: Maintenance	27	16	21	12	10	8	94
Cash Movement	45	40	35	30	25	20	195
Contribution Reporting	9	24	7	6	15	20	81
Financial Reporting (STRS Ohio)	18	16	14	12	15	16	91
Fixed Assets	27	16	21	18	10	8	100
Investment Accounting	27	40	35	6	25	20	153
Member Income Taxes	9	8	14	18	15	20	84
Member Withdrawals	18	8	14	12	10	8	70
Petty Cash/Café Operations	18	16	14	18	5	4	75
Purchasing Service Credit by Payroll Deduction	18	16	14	12	10	12	82
Tax Management	27	40	35	6	15	16	139
Third Party Relationships: Finance	27	24	35	24	15	16	141

* See Page 4 for the Risk Assessment Scale.

RISK FACTORS WEIGHTED

Audit Area	Risk Factors* A	B	C	D	E	F	Total
INFORMATION TECHNOLOGY SERVICES							
Active Directory/Azure	45	24	35	6	15	12	137
Business Continuity Plan	27	24	21	18	25	12	127
Cloud Computing/Infrastructure	36	40	35	18	25	12	166
Compliance: B.Y.O.D.	36	24	28	6	20	12	126
Data Analytics	45	24	35	6	25	12	147
Data Loss Prevention (DLP)	27	24	21	6	15	12	105
Data Management	45	24	35	6	15	12	137
Data Privacy	36	24	28	24	10	12	134
Data Warehouse	45	24	35	6	25	12	147
Database Security	27	24	21	6	20	12	110
Email Security	27	24	21	18	25	12	127
External Partners/Assessments	27	24	21	6	20	20	118
Firewall Security	45	24	21	6	25	12	133
I.T. Artificial Intelligence (AI)	45	40	35	30	25	20	195
I.T. Cloud/CASB	27	24	21	6	15	12	105
I.T. NICE CXone Platform	45	40	35	30	25	20	195
I.T. Operations	27	24	21	6	15	12	105
I.T. Security: Change Control	36	56	21	18	15	12	158
I.T. Security: Cyber Vulnerabilities	36	32	35	6	25	12	146
I.T. Security: Logical/Physical Access	27	24	21	6	25	12	115
I.T. Security: MRI	27	24	21	6	15	12	105
I.T. Security: SimCorp Dimension	45	40	35	30	25	20	195
I.T. Security: WorkDay	27	24	21	18	20	12	122
I.T. Systems Development Lifecycle and Quality Assurance Process (SDLC/QA)	45	40	35	30	25	20	195
I.T. Vendor Contract Management	27	24	21	6	25	12	115
Incident Response Plan	45	24	35	6	10	12	132
Intrusion Protection System (IPS)	45	24	35	6	25	12	147
Manage Requests	27	24	21	6	15	12	105
Network Security	45	40	35	18	25	12	175
Project Management (IT Projects)	36	24	21	18	15	12	126
Social Engineering	45	24	21	6	25	12	133
SWIFT - Customer Security Program (CSP)	45	40	35	30	25	20	195
Web Security	27	24	21	6	25	12	115
Wireless Security	36	24	21	18	15	12	126

* See Page 4 for the Risk Assessment Scale.

RISK FACTORS WEIGHTED

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
INVESTMENTS							
Alternative Investments	27	24	14	24	25	16	130
Brokers/CSA/Research	36	24	14	12	15	16	117
Compliance	36	40	35	6	20	16	153
Consultants	45	24	35	6	20	12	142
Custodians/Record Keepers	45	40	35	6	20	12	158
Derivatives	36	32	21	12	25	12	138
Domestic Equities	18	24	14	18	10	16	100
External Management	45	24	35	18	15	12	149
Fixed Income	9	24	7	6	15	16	77
International Investing	27	24	14	18	15	16	114
Investment Operations	45	40	35	30	15	16	181
Investment Performance (PBI Review)	18	16	14	18	15	8	89
Investment Policies/Guidelines	45	40	35	30	25	20	195
Liquidity Reserves	18	32	7	18	10	12	97
Proxy Voting	18	16	7	18	10	12	81
Real Estate	27	24	21	18	15	12	117
Securities Lending	18	24	14	18	15	16	105
Trading	36	24	14	6	15	16	111

* See Page 4 for the Risk Assessment Scale.

RISK FACTORS WEIGHTED

	Risk Factors*						
Audit Area	**A**	**B**	**C**	**D**	**E**	**F**	**Total**
MEMBER BENEFITS							
Annual Statements	18	24	14	12	10	8	86
Death Match	27	24	21	6	25	20	123
Defined Contribution Plan	18	16	14	12	10	12	82
Disability Benefits	27	16	14	18	10	12	97
Health Care	27	16	14	18	15	16	106
Member Benefits Processing	27	24	14	12	10	8	95
Member Records Management	18	24	14	12	10	8	86
Member Services Center	18	16	14	6	10	8	72
Purchasing Service Credit	18	24	14	12	10	8	86
Recipient Benefits Processing	18	16	21	12	15	12	94
Reemployed Retirees	18	24	14	12	10	8	86
Service Retirement Benefits	18	24	14	24	10	12	102
Survivor Benefits	9	24	7	6	15	16	77
Third Party Relationships: Member Benefits	27	24	35	24	15	16	141

* See Page 4 for the Risk Assessment Scale.

2026 INTERNAL AUDIT WORK PLAN

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Risk Codes
I.T. Cloud/CASB	HIGH	ITS	105	2021		F, I, C, O, PS
I.T. Security: Cyber Vulnerabilities	HIGH	ITS	146	2019		F, I, C, O, PS
International Investing	HIGH	I	114	2020		F, I, C, O
Domestic Equities	HIGH	I	100	2024		F, I, C, O
Real Estate	HIGH	I	117	2020		F, I, C, O
Investment Policies/ Guidelines	HIGH	I	195	N/A	2026	F, I, C, O, PS
Derivatives	HIGH	I	138	2019		F, I, C, O, PS
I.T. Artificial Intelligence (AI)	HIGH	ITS	195	N/A	2026	
Alternative Investments	HIGH	I	130	2021		F, I, C, O
Fixed Income	HIGH	I	77	2021		F, I, C, O
Liquidity Reserves	HIGH	I	97	2024		F, I, C, O
Board Expenses	HIGH	A	54	2025	2026	I, C, O, PS
I.T. Security: SimCorp Dimension	HIGH	ITS	195	2025		F, I, C, O, PS
Network Security	HIGH	ITS	175	2024		F, I, C, O, PS
Cloud Computing/ Infrastructure	HIGH	ITS	166	2022		F, I, C, O, PS
SWIFT — Customer Security Program (CSP)	HIGH	ITS	195	2025	2026	F, I, C, O, PS
Legal: Contract Management	HIGH	A	116	2025		F, I, C, O, PS
I.T. NICE CXone Platform	HIGH	ITS	195	N/A	2026	F, I, C, O, PS
Investment Accounting	HIGH	F	153	N/A		F, I, C, O, PS
Cash Movement	HIGH	F	195	N/A	2026	F, I, C, O, PS
Investment Operations	HIGH	F	181	N/A		F, I, C, O
Compliance	HIGH	I	153	N/A		F, I, C, O
Compliance: B.Y.O.D.	MED.	ITS	126	2022		F, I, C, O, PS

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2026 INTERNAL AUDIT WORK PLAN

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Risk Codes
Database Security	MED.	ITS	110	2020		F, I, C, O, PS
I.T. Vendor Contract Management	MED.	ITS	115	2020		F, I, C, O, PS
I.T. Operations	MED.	ITS	105	2025		F, I, C, O, PS
I.T. Security: Change Control	MED.	ITS	158	2024		F, I, C, O, PS
I.T. Security: Logical/Physical Access	MED.	ITS	115	2024		F, I, C, O, PS
I.T. Systems Development Lifecycle and Quality Assurance Process (SDLC/ QA)	HIGH	ITS	195	N/A	2026	F, I, C, O, PS
I.T. Security: WorkDay	HIGH	ITS	122	N/A		F, I, C, O, PS
Business Continuity Plan	MED.	A	127	2024		F, I, C, O
Financial Reporting (STRS Ohio)	MED.	F	91	2018		I, C, O
Service Retirement Benefits	MED.	MB	102	2023		I, C, O
Annual Statements	MED.	MB	86	2021	2026	I, C, O
Health Care	MED.	MB	106	2024		I, C, O
Contribution Reporting	MED.	F	81	2020		I, C, O
Annual Reporting	MED.	F	86	2020		I, C, O
Defined Contribution Plan (Non-DB)	MED.	MB	82	2020	2026	F, I, C, O, PS
Risk Management/Insurance	MED.	A	80	2023		F, I, C, O
Accounts Payable	MED.	F	57	2023		I, C, O
Data Analytics	MED.	ITS	147	N/A		F, I, C, O, PS
Data Management	MED.	ITS	137	N/A		F, I, C, O, PS
Data Privacy	MED.	ITS	134	2024		F, I, C, O, PS
Data Warehouse	MED.	ITS	147	N/A		F, I, C, O, PS

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2026 INTERNAL AUDIT WORK PLAN

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Risk Codes
Data Loss Prevention (DLP)	MED.	ITS	105	N/A		F, I, C, O, PS
Email Security	MED.	ITS	127	N/A		F, I, C, O, PS
External Partners/ Assessments	MED.	ITS	118	N/A		F, I, C, O, PS
Firewall Security	MED.	ITS	133	2022		F, I, C, O, PS
Incident Response Plan	MED.	ITS	132	2025		F, I, C, O, PS
Intrusion Protection System (IPS)	MED.	ITS	147	N/A		F, I, C, O, PS
Manage Requests	MED.	ITS	105	N/A		F, I, C, O, PS
Project Management (IT Project)	MED.	ITS	126	N/A		F, I, C, O, PS
Social Engineering	MED.	ITS	133	N/A		F, I, C, O, PS
Web Security	MED.	ITS	115	N/A		F, I, C, O, PS
Wireless Security	MED.	ITS	126	N/A		F, I, C, O, PS
Third Party Relationships: Member Benefits	MED.	MB	141	N/A		F, I, C, O, PS
Third Party Relationships: Finance	MED.	F	141	N/A		F, I, C, O, PS
Third Party Relationships: Administration	MED.	A	135	N/A		F, I, C, O, PS
Active Directory/Azure	MED.	ITS	137	N/A		F, I, C, O, PS
Legal: Records Management	MED.	A	90	2024		F, I, C, O, PS
Tax Management	MED.	F	139	N/A		F, I, C, O, PS
Trading	MED.	I	111	2024		F, I, C, O
External Management	MED.	I	149	N/A		F, I, C, O
Custodians/Record Keepers	MED.	I	158	N/A		F, I, C, O
Consultants	MED.	I	142	N/A		F, I, C, O
Brokers/CSA/Research	MED.	I	117	2024		F, I, C, O

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2026 INTERNAL AUDIT WORK PLAN

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Risk Codes
I.T. Security: MRI	LOW	ITS	105	2020		F, I, C, O, PS
Benefit Payment Process	LOW	A	80	2021		I, C, O
Member Income Taxes	LOW	F	84	2022		I, C, O
Fixed Assets-Computer Equipment	LOW	A	122	2018		I, C, O
Reemployed Retirees	LOW	MB	86	2021		I, C, O
STRS Ohio Self Insurance Plan	LOW	A	103	2020		I, C, O
Securities Lending	LOW	I	105	2021		I, C, O
Fixed Assets	LOW	F	100	2025		I, C, O
Personal Investment Disclosure	LOW	A	66	2022		I, C
Disability Benefits	LOW	MB	97	2024		I, C, O
Member Services Center	LOW	MB	72	2021		C, O
Purchasing SC by Payroll Deduction	LOW	F	82	2019	2026	I, C, O
Purchasing Practices	LOW	A	98	2019		I, C, O, PS
Survivor Benefits	LOW	MB	77	2022		I, C, O
Member Records Management	LOW	MB	86	2020		C, O
Building Services: Maintenance	LOW	A	94	2025		I, C, O
Administrative Services: Postage	LOW	A	76	2018		I, C, O
Flexible Spending Programs	LOW	A	83	2019	2026	I, C, O
Attendance Reporting	LOW	A	96	2018		I, C, O
HRS: Associate Payroll	LOW	A	84	2020		I, C, O

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2026 INTERNAL AUDIT WORK PLAN

Audit Area	Priority	Dept.	Risk Score	Last Audit	Estimated Audit Date	Risk Codes
Member Benefits Processing	LOW	MB	95	2025		I, C, O
Investment Performance (PBI Review)	LOW	I	89	2025	2026	I, C, O
Member Withdrawals	LOW	F	70	2022		I, C, O
HRS: Educational Assistance	LOW	A	78	2019	2026	I, C, O
HRS: Associate Separations	LOW	A	107	2024		F, I, C, O, PS
Petty Cash	LOW	F	75	2017	2026	I, C, O, PS
Purchasing Service Credit	LOW	MB	86	2020		I, C, O
Unused Sick and Vacation Leave	LOW	A	66	2019		I, C, O
Associate Travel Expenses	LOW	A	54	2023		I, C, O, PS
Other Staff Expenses	LOW	A	48	2021		I, C, O, PS
Legal: OEC Reporting	LOW	A	58	2020		I, C, O, PS
Proxy Voting	LOW	I	81	2025		I, C, PS
HRS: Exit Interview Management	LOW	A	67	2024		F, I, C, O, PS
Administrative Services: Security & Safety	LOW	F	93	N/A		C, O, PS
Recipient Benefits Processing	LOW	MB	94	N/A		F, I, C, O, PS
Death Match	LOW	MB	123	2022		F, I, C, O, PS

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2025 Annual Audit Report

Current Year Completed Audits with Recommendations and Management Response

Audit Area	Scope	Recommendation, Risk Rating, and Summarized Finding	Management's Response	Recommendation Status	Previous/ Anticipated Implementation Date
Building Services: Maintenance	Sufficiency of/Compliance with Documented Policies and Procedures	Review and update policies and procedures annually and confirm completeness with the Deputy Executive Director, Finance.	Agree	No	June 2026
	Compliance: Purchasing Associate Training Preventative Maintenance	Require quality assurance activities to be conducted in accordance with documented procedures, and require appropriate confirmation of completeness and backup training. Risk Rating: Low Summarized Finding(s): Policies and procedures review and update frequency is insufficient. Quality assurance activities were not taking place in accordance with established procedures.	Agree	No	June 2026
		Comments: N/A			
Domestic Equities	Written Policies and Procedures External Management Fees Segregation of Duties	Review department-specific procedures related to external manager fee calculations at least annually to confirm processes are updated, sufficiently detailed and electronically stored in a central and easily accessible electronic file.	Agree	No	June 2026
	Board Reporting Accuracy Key Person Risk	Ensure all staff recalculating public market fees are provided with detailed monthly 5/3rd statement and internal notifications regarding contributions, withdrawals, worthless holdings, etc. Risk Rating: Low Summarized Finding(s): External management fee procedures required updating to match current processes. Staff required more complete, detailed information to recalculate public market fees.	Agree	No	March 2026
		Comments: N/A			

IT Data Privacy	Privacy Training and Awareness Data Management and Collection Data Security 3rd Party Compliance and Contract Agreements	For disability case communications, include standardized language referencing Ohio Revised Code section 3307.20 regarding data confidentiality and ownership. Risk Rating: Low Summarized Finding(s): Data handling best/better practices include confidentiality statements when transmitting sensitive member data.	Agree	Yes	July 2025
		Comments: N/A			

Prior Years Completed Audits with Updates to Recommendations and Management Response

Audit Area	Scope	Recommendation, Risk Rating, and Summarized Finding	Management's Response	Recommendation Status	Previous/ Anticipated Implementation Date
Board Expenses (2023)	General Compliance with/Sufficiency of Policies/Procedures Pre-Approval of Travel & Follow-Up Segregation of Duties Key Person Risk Expenses: - Accuracy - Reasonableness - Prohibitions	Develop a fully trained backup for the Executive Coordinator position. Risk Rating: Low Summarized Finding(s): Insufficient backup may lead to disruption of the coordination of STRS Ohio Board-related activities	Agree	Yes	November 2025
		Comments: N/A			
Death Match	Policies and Procedures Death Monitoring Overpayments Collections Write-Offs	Ensure procedures are complete, annually reviewed and updated. Consider a supplemental death match audit every three to five years in addition to current vendor reviews. Consider adjusting POL (Proof of Life) letters with a beneficiary plan of payment less than Joint & Survivor Same. Consider reducing manual processing aspects of the benefits claims process. Risk Rating: Low *Summarized Finding(s) (Outstanding Item): Variances in vendor performance were identified and led to the determination that a supplemental review was needed.	Agree Agree Agree Agree	Yes No Yes Yes	April 2023 *January 2026 April 2023 April 2025
		Comments: N/A			

Securities Lending	Written Policies and Procedures Compliance Collateral Income and Expenses Securities Lending Contract Prior Recommendations Financial Reporting Segregation of Duties Key Person Risk	Staff should review the existing department specific securities lending procedures at least annually. Annually review securities lending compliance checks to ensure thorough testing of new or updated policies and guidelines, as approved, and in their entirety. Develop a documented approval process for the Approved Borrowers List similar to that of the Approved Issuers List. Increase interim compliance testing in key areas of the securities lending program to ensure the lending agent adheres to agreed-upon guidelines throughout each monthly reporting period. Review BNY contracts to ensure all current negotiations are represented. Initiate documented cross-training and backup support for the Senior Officer, Investment Policies position to mitigate potential key-person risk. Risk Rating: Medium *Summarized Finding: A key-person risk consideration resulted in the identification of insufficient backup/support for the Senior Officer, Investment Policies position.	Agree Agree Agree Agree Agree Agree	Yes Yes Yes Yes Yes Yes	September 2024 November 2024 November 2022 December 2024 November 2024 *November 2025
		Comments: N/A			

Completed Audits with No Recommendations

Audit Area	Scope
Associate Separations	Sufficiency of Policies and Procedures Termination of Physical Access Termination of Systems Access Property Collection General Compliance Exit Interview Process Key-Person Risk
	Comments: N/A

Cybersecurity Incident Response Plan Review	Incident Preparation Detection Analysis Containment Eradication Recovery Follow-up Tools and Techniques Reporting
	Comments: N/A
Investment Performance/PBI Review	Sufficiency of Documented Policies and Procedures Key-Person Risk Associate Eligibility Compliance with PBI Policy Segregation Duties External Independent Services Independent Reconciliations
	Comments: N/A
IT Operations	Batch Job Processing and Monitoring of Jobs/Deviation Backup and Recovery Problem/Issue Management
	Comments: N/A
Legal: Contract Management	Sufficiency of Documented Procedures Compliance
	Comments: N/A
Legal: Records Management	Sufficiency of Documented Procedures Compliance with Legal/Regulatory Requirements Proper Retention or Destruction of Records Proper Records Classification Awareness Training Adequacy of Program Activities Documentation and Reporting
	Comments: N/A

Post-Retirement Benefits Processing	Sufficiency of Policies and Procedures Single Life Annuity Expiration Joint and Survivor Annuity Expiration Annuity Certain Expiration Overpayments and Collections Court-Ordered Deductions
	Comments: N/A
Proxy Voting	Sufficiency of Policies and Procedures Accuracy of Vendor Payments Accuracy of Votes (Performance Monitoring) Proper Board Notification
	Comments: N/A

Active Audits

Audit Area	Scope	Target Completion
Board Expenses (2025)	Sufficiency of Documented Policies and Procedures Preapproval of Travel and Follow-up Segregation of Duties Key-Person Risk Expense Processing Travel Limitations	December 2025
Fixed Assets	Sufficiency of Policies and Procedures Tracking Reporting Monitoring Depreciation Disposition	December 2025
I.T. Security: Simcorp Dimension Cloud Application Review	Logical Access Controls Configuration Controls Data Integrity and Accuracy Change Management Process Operational Controls Disaster Recovery Business Continuity Shared Responsibility Model Adherence	January 2026

SWIFT - Customer Security Program (CSP)	Environment Security Access Control Detection and Response	December 2025

Plan Edits

Audit plans are produced annually. Subsequent events may warrant reevaluation of the need to perform a scheduled audit (change/cancel/postpone) or to perform additional audit work (audit plan additions). Reconsidered audits are below.

Area	Rationale
Alternative Investments	The asset allocation adjustments approved in the Annual Investment Plan in June 2025, split Alternative Investments into three distinct asset classes: private equity, private credit and liquid alternatives. The new allocations currently have a three-year phase-in period, ending April 1, 2028. Internal Audit will work with relevant stakeholders to strategize on the appropriate timing and approach to review these areas to effectively assess planned processes and controls.
Custodians/Record Keepers	The Finance Dept. is currently exploring options to employ a master recordkeeper. This potential change warranted a reconsideration of the previously planned audit. Future consideration will focus on the service provider onboarding stage to ensure strong controls and processes are in place.
Derivatives	The Finance Dept. is currently reviewing enhancements to SimCorp, the investment management platform, that include processing derivatives and other automations. Due to these potential changes, Internal Audit will work with relevant stakeholders to strategize on the appropriate timing and approach to review these areas to effectively assess planned processes and controls.

Other Audit-Related Activity

Area	Subject/Project	Description
Multi-Departmental	STRS Ohio Disaster Recovery	Participate in disaster recovery testing review. Strategize on business and human resources.
Multi-Departmental	Organizational Risk Assessment	Participate in multi-department risk identification/mitigation efforts.
I.T.S.	ITS Table Top Reviews	Participate in incident response/ransomware preparedness activities.

Composition of Audit Committee at end of reporting year:

Michael Harkness, Chair/Contributing Member
Alison Falls, Appointee
Lynn Sauter Beal, Appointee
Elizabeth Jones, Retired Teacher Member
Julie Sellers, Contributing Member

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO ("STRS OHIO") INTERNAL AUDIT CHARTER

I. MISSION

The mission of the Internal Audit Department ("IAD") is to provide independent, objective assurance and consulting services designed to add value and improve STRS Ohio's operations. The IAD helps STRS Ohio achieve its objectives by applying a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes. The IAD provides a range of quality, independent internal auditing services to the Audit Committee, management and other stakeholders. The IAD strives to be a trusted advisor, providing insights and recommendations to enhance organizational value.

II. SCOPE OF ACTIVITIES

The scope of work of the IAD is to determine whether STRS Ohio's network of risk management (internal controls and governance processes, as designed and represented by management) is adequate and functioning to ensure:

- STRS Ohio programs operate in alignment with management standards and comply with applicable laws, regulations, policies and industry practices.
- Risks are effectively identified, assessed and managed through appropriate controls.
- Operations and processes support STRS Ohio's mission and objectives and are executed as intended.
- Information systems produce reliable, accurate and trustworthy data for decision-making.
- Policies and procedures are current, effective and aligned with organizational needs.
- Resources are used efficiently, safeguarded appropriately and acquired economically.
- A culture of quality and continuous improvement is embedded in STRS Ohio's control environment.

Opportunities for improving risk management, internal controls, governance and STRS Ohio's effectiveness and image may be identified during audits. This information will be communicated to the Audit Committee and the appropriate levels of management.

III. AUTHORITY

The IAD derives its authority from the Ohio Revised Code 3307.044. STRS Ohio established the IAD in accordance with applicable laws and regulations, corporate governance standards and leading industry practices. The Audit Committee will approve this Charter and all future amendments.

The CAE and designated audit staff have unrestricted access to all of STRS Ohio's functions, records, files, information systems, physical properties and any other item relevant to the function, process, issue or department under review. The CAE and designated audit staff have the authority to obtain the necessary information and explanations from any employee. The CAE is authorized to determine the scope of audit engagements, perform procedures and communicate results.

The CAE reports functionally to the Audit Committee. The Audit Committee is responsible for the hiring, retention, termination and remuneration of the CAE. The CAE is delegated the authority to manage the IAD, allocate resources, establish project schedules, select audit subjects, determine the scope of work, and hire, retain, train and terminate internal audit staff, consistent with established administrative processes and budgetary approvals. The CAE provides administrative updates to the Executive Director (ED), who shall facilitate non-IAD staff participation and compliance where appropriate.

The CAE and internal audit staff are not authorized to perform operational duties for STRS Ohio and/or its affiliates and contractors. Internal auditors are generally prohibited from assessing specific operations for which they had responsibility within the previous year. Where the CAE has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

IV. ACCESS

All employees of STRS Ohio are required to assist the IAD staff in fulfilling its official duties. Where feasible, contracts with vendors shall include STRS Ohio's audit or right-to-review language, enabling STRS Ohio's internal auditors, other auditors and reviewers to access relevant records and information. Documents and information given to the IAD shall be managed in the same prudent and confidential manner as those employees normally accountable for them.

The CAE shall ensure that internal audit staff are adequately trained in the handling and safeguarding of confidential information.

V. INDEPENDENCE, OBJECTIVITY, HONESTY AND PROFESSIONAL COURAGE

The IAD must be independent, and internal auditors must perform their work with objectivity, honesty and professional courage.

- *Organizational Independence*: The IAD will be free from conditions that threaten the ability of internal auditors to fulfill internal audit responsibilities in an unbiased manner. To achieve this, the IAD reports to the CAE, who, functionally, reports to the Audit Committee. The CAE has unrestricted access to the Audit Committee and the STRS Ohio Board, including private

meetings without management present, to discuss audit policies, findings, recommendations, follow-up, issues and other matters, as necessary.

- *Individual Objectivity*: Internal auditors must maintain an impartial, unbiased attitude and avoid conflicts of interest. The CAE will periodically discuss standards of professional audit independence and objectivity with the Audit Committee.
- *Individual Honesty and Professional Courage*: Internal auditors must perform their work with honesty and professional courage. Internal auditors must be truthful, accurate, clear, open and respectful in all professional relationships and communications, even when expressing skepticism or offering an opposing viewpoint. Internal auditors must not make false, misleading or deceptive statements, nor conceal or omit findings or other pertinent information from communications. Internal auditors must disclose all material facts known to them that, if not disclosed, could affect the organization's ability to make well-informed decisions. Internal auditors must exhibit professional courage by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations.
- *Impairment of Independence and Objectivity*: The CAE will discuss potential impairments to independence and objectivity, conflicts of interest, and their mitigation, with the Audit Committee, as necessary. If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to the appropriate parties. The nature of the disclosure will depend on the impairment. The IAD will annually certify to the Audit Committee that they have no actual or perceived conflicts of interest that would impair their objectivity or independence.

VI. RESPONSIBILITIES AND ACCOUNTABILITY

The CAE is responsible for the following to meet the mission, objectives and scope of this Charter and the IAD:

- Select, train, develop and retain a competent internal audit staff who collectively have the abilities, knowledge, skills, experience and expertise necessary to accomplish the mission, objectives and scope of this Charter. Provide opportunities and support for staff obtaining professional training, examinations, and certifications.
- The chief audit executive must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable.
- Establish and ensure adherence to relevant policies and procedures for conducting IAD activities according to STRS Ohio's policies, Internal Audit Charter, direction provided by the Audit Committee and professional standards described in Section VII. Any such conflicts will be resolved or otherwise communicated to management and the Audit Committee.
- Perform an annual risk assessment. Develop and implement a flexible annual audit plan ("audit plan") using an appropriate risk-based methodology, including any risks or concerns identified by management, and submit the audit plan to the Audit Committee for review and approval. The audit plan will include some unassigned hours to provide flexibility for changing conditions. Performance of the audit plan, including any significant interim changes and resource limitations, will be periodically reviewed and reported to management and the Audit Committee. The audit plan may be updated if necessary.
- Prepare a budget that supports the successful implementation of the audit plan.

- Perform independent analyses of significant operations to evaluate the adequacy and effectiveness of existing systems of internal control and the quality of performance (economy, efficiency, and effectiveness) in conducting its business objectives.
- Establish and maintain a follow-up system to monitor the disposition of results communicated to management and ensure that management actions have been effectively implemented or that management has accepted the risk of not acting.
- Issue periodic reports to the Audit Committee and management summarizing results of assurance and consulting services.
- Assess periodically whether the purpose, authority and responsibility, as defined in this IAD Charter, continue to be adequate to enable the IAD to accomplish its mission, objectives and scope. The result of this periodic assessment should be communicated to the Audit Committee and the ED.
- Consider the scope of work of the external auditors, consultants, advisors and regulators, as appropriate, for the purpose of providing optimal audit coverage to STRS Ohio at a reasonable overall cost.
- As appropriate, provide consulting services to management that add value and improve STRS Ohio's governance, risk management and control processes without assuming management responsibility.
- Assist in the investigation of suspected fraudulent activities within STRS Ohio and notify the Audit Committee, the ED and other management, as appropriate, of the results.
- Inform the Audit Committee and management of significant risk exposures and control issues, including fraud risks, governance issues and other significant matters.
- Inform the Audit Committee and management of emerging trends and leading industry practices in internal auditing.
- Attend all Audit Committee meetings, and ensure attendance of additional audit staff, as appropriate.

VII. PROFESSIONAL STANDARDS & GUIDANCE

The IAD will perform its duties in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), including the following:

- IIA's International Standards for the Professional Practice of Internal Auditing (Standards).
- The IIA's Code of Ethics.
- The IIA's Definition of Internal Auditing.
- The IIA's Topical Requirements for Assurance Services

The IAD will also consider other relevant professional standards and guidance, as applicable, including those promulgated by the Information Systems Audit and Control Association (ISACA), the American Institute of Certified Public Accountants (AICPA), the United States Government Accountability Office (GAO), the Public Company Accounting Oversight Board (PCAOB), the Institute of Management Accountants (IMA) and the Association of Certified Fraud Examiners (ACFE).

VIII. RELATIONSHIP TO RISK MANAGEMENT AND INTERNAL CONTROL PROGRAMS

The Board has overall responsibility for ensuring that risks are managed. Management is responsible for implementing and operating risk management and internal control systems. The IAD provides independent and objective assurance and advisory services to evaluate and improve the effectiveness of STRS Ohio's risk management and internal control systems. Internal audit's role is distinct from that of management; internal auditors do not assume management responsibilities.

IX. PROCUREMENT OF OUTSIDE EXPERTISE

The CAE may obtain the expertise of people or firms outside of the IAD when necessary. The CAE will evaluate the competence, independence and objectivity of external service providers. When expertise is obtained from within STRS Ohio, care must be taken to avoid conflicts of interest.

When expertise is obtained from outside STRS Ohio, the CAE will:

- Determine the scope of work of the external service provider to ensure it is appropriate for the internal audit activity.
- Document the scope of work, professional standards to be used, deliverables, deadlines and other relevant matters in an engagement letter or contract.
- Inform the Audit Committee about the use of an external service provider.

X. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The IAD will maintain a Quality Assurance and Improvement Program (QAIP) that includes both internal and external assessments. The QAIP is designed to evaluate the IAD's conformance with the IIA's Standards and the effectiveness and efficiency of the internal audit activities. The CAE is responsible for ongoing monitoring of IAD's performance and identifying opportunities for improvement.

- Internal Assessments: Ongoing monitoring and periodic self-assessments will be conducted to evaluate the adequacy and effectiveness of the IAD's processes and their compliance with the Standards and the Code of Ethics.
- External Assessments: An external assessment will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.

The results of the QAIP will be communicated to the Audit Committee and senior management.

XI. APPROVAL/SIGNATURES

This IAD Charter was adopted by the Audit Committee on December 10, 2025, and approved. This IAD Charter is effective and is hereby signed by the following people who have authority and/or responsibilities under this Charter:

Chair, Audit Committee: Date: 2/17/26

Chief Audit Executive: Date: 2/17/26

Chief Executive Officer: Date: 2/17/2026

Revised: 12/2025