OPERS

Ohio Public Employees Retirement System

February 19, 2026

Ms. Bethany Rhodes
Executive Director
Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, OH 43215

Dear Director Rhodes:

Pursuant to R.C. 145.095, please find enclosed the 2025 Annual Audit Committee Report of the OPERS Retirement Board. This report was reviewed with the OPERS Audit Committee during its meeting on November 19, 2025 and approved by the OPERS Retirement Board on November 19, 2025. The report documents the activities of the OPERS Internal Audit Department for 2025 including:

- Current Year Completed Audits with Recommendations
- Prior Year Completed Audits with Updates to Recommendations
- Current Year Completed Audits with No Recommendations
- Active Audits
- Other Audit Related Activity

Also, the OPERS Audit Committee held two (2) meetings during 2025. Following is a summary of the meetings and actions taken:

Meeting Date	Meeting Summary & Action Taken
May 20, 2025	• **Action:** The Audit Committee reviewed, discussed, and approved the 2025 Six Month Internal Audit Plan (July-December). • An executive summary of internal audit initiatives and activities occurring since November 2024 along with the status of outstanding audit recommendations was presented. • Staff from Plante Moran, OPERS' external auditor, discussed the results of the 2024 financial statement audit. • Staff from OPERS presented highlights from the Annual Financial Report for 2024.

Meeting Date	Meeting Summary & Action Taken
November 19, 2025	• **Action:** The Audit Committee reviewed and approved the 2025 Annual Audit Committee Report to be provided to the ORSC. • An executive summary of internal audit initiatives and activities occurring since May 2025 along with the status of outstanding audit recommendations was presented. • **Action:** The Audit Committee reviewed, discussed, and approved the 2026 Six Month Internal Audit Plan (January-June). • Staff from Plante Moran, OPERS' external auditor, discussed the audit plan for the 2025 financial statement audit.

Please let us know if you need additional information.

Sincerely,

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Ohio Public Employees Retirement System
2025 Annual Audit Report

(Submitted to ORSC 02/19/2026)

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
Business Continuity/ Disaster Recovery	Assess the design and effectiveness of controls in place related to the organization's Business Continuity and Disaster Recovery programs.	1. To strengthen the Disaster Recovery Program and recovery plans to ensure its effectiveness, Internal Audit recommends the following: - Finalize the updates to the Disaster Recovery Program by incorporating all newly identified requirements and establish a formal review process to ensure the program remains current and aligned with organizational needs. - Establish a formal review process for all disaster recovery plans. (Mod.)	1. Management has agreed and will implement.	Open	June 2026

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
		2. To enhance the organization's resilience and ensure the effectiveness of Disaster Recovery testing, Internal Audit recommends the following: - Ensure annual testing is performed. - Consider adopting a strategy for updating the Application List priority levels with Business Continuity processes to ensure Disaster Recovery and Business Continuity. - Consider obtaining separate reviews and sign-off for both in-scope and out-of-scope applications prior to testing to ensure applications tested are accurate and complete. (Mod.)	2. Management has agreed and will implement.	Open	June 2026
		3. Internal Audit recommends documenting procedures for updating the OPERS Emergency Response Guide (ERG). (Mod.)	3. Management has agreed and will implement.	Open	May 2026

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
		4. To ensure the effectiveness and resilience of the organization's Business Continuity Program, Internal Audit recommends the following: - Establish a process for ensuring compliance with the Business Continuity plan annual review/update and escalating past due status if needed. - The Organizational Business Programs department should document a Business Continuity plan. - Ensure roles assignments for critical processes are specifically documented. (Mod.)	4. Management has agreed and will implement.	Open	December 2026
		5. Internal Audit recommends the organization consider expanding training and communication efforts beyond the annual review either centrally or through the departments. (Mod.)	5. Management has agreed and will implement.	Open	June 2026
		Comments: Anticipate recommendations #1-5 will be remediated and closed prior to the 2026 Annual OPERS Audit Committee 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
Internal Audit Quality Self-Assessment/Workpaper Review	Perform internal quality review procedures in accordance with the IIA Global Audit standards.	Based on the internal audit workpaper review performed, the following recommendations for improvement we made: a. Consider incorporating specific planning consideration over testing of applicable monitoring and performance metric reporting for each audit. b. Add an item in audit software to confirm there were no scope limitations or to explicitly mention scope limitations that were present. It is currently in our audit manual to address limitations placed in the scope section, however, there is nothing in Workiva indicating this. c. Save documented evidence that kick-off agenda was approved by the director. Add wording to the Workiva step to have the Director of Internal Audit review and approve the scope and objectives. d. Consider whether there should be formal review of the Audit Program by the Director of Internal Audit prior to beginning an engagement. e. Internal Audit should ensure all completed audits in Workiva are archived and locked for editing. (Low)	Management has agreed and will implement.	Closed	N/A
		Comments: None.			

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
Member Assessment (MA) Audit - Alternative Retirement Plan (ARP) Process	Assess the design and effectiveness of controls in place for the ARP processes managed by the Member Assessment department.	1. During testing, it was noted that one of the system workflows that triggers refunds of ARP contributions was not initiating as intended. Additional audit testing confirmed processors were manually processing these refunds so ultimately the refunds were being properly processed. MA should determine why the Review ARP workflow doesn't always launch as intended and work with IT to resolve the workflow functionality to ensure consistency. MA may also wish to consider working with IT to develop exception reports to identify workflow exceptions. (Mod.)	1. Management has agreed and will implement.	Closed	N/A
		2. IA testing identified some exceptions with employers regarding the timeliness and submission of certain documentation associated with the ARP process. Member Assessment should work with Employer Services, or the appropriate team, to consider developing a process to let employers know the OAC/ORC rules and confirm compliance, if this does not exist already. (Low)	2. Management has agreed and will implement.	Open	December 2026
		Comments: None.			

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
Dental/Vision/ Cobra Vendor Audit	Assess the design and effectiveness of controls in place related to OPERS' Dental/Vision/Cobra vendors, to include processing of members claims.	1. One survivor was identified who applied for dental and vision benefits but was never enrolled. It was determined that a work task was not sent to Health Care for processing. Additional survivors were identified through data analysis and it appears the work task for the survivor application form is not working as intended for benefit enrollment processing. Internal Audit recommends ensuring work tasks for survivors applying for benefits are sent to Health Care for processing. Determine how to correct previous accounts with applications for dental/vision and perform an analysis to identify other outstanding recipients who applied for benefits and were not enrolled. (Mod.)	1. Management agreed and implemented.	Closed	N/A

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
		2. During review of vendor management documentation, opportunities to improve communication and escalation among groups was identified. As a best practice and additional check, relevant information that is disclosed in the IT Security Questionnaire should be escalated to ensure timely notification and consideration to relevant OPERS contacts. Consideration should be given if these should be specifically highlighted on the consolidated vendor due diligence form for transparency of communication. Internal Audit also recommends that the Vendor IT Security Questionnaire regarding reportable breaches be required regardless of other reports available. This would add an additional check to the vendor process for reportable items of a sensitive nature. (Low)	1. Management agreed and implemented.	Closed	N/A
		3. Based on the results of the audit testing performed, COBRA premium controls are generally working as intended. However, the processes with Mutual Health Services appear to be manually intensive and potentially more prone to error. OPERS and Mutual Health Services should work together to improve and update reporting so that less manual intervention is needed, and reconciliation is easier to perform. (Low)	3. Management agreed and implemented.	Closed	N/A

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
		Comments: None			
Collateral Management Audit	Assess the design and effectiveness of key controls related to the collateral management process.	1. The internal STIF guidelines detail collateral requirements for repurchase agreements (Repo). Repos are categorized by tier based on the type of collateral held and the cash team currently assigns the tier. From testing performed, there are discrepancies in the tier classification of repurchase agreements assigned by OPERS based on the collateral detailed in the BNY reports. Management should implement procedures and segregation of duties to ensure tiers are appropriately selected in compliance with the guidelines. Management should also consider revising the verbiage in the guidelines for ease of understanding. (Mod.)	1. Management has agreed and will implement.	Open	March 2026

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
		2. Each counterparty involved in swaps has a signed ISDA agreement, which includes a Credit Support Annex (CSA). The CSA outlines the eligible collateral and haircut percentages. These haircuts are programmed into the OPERS investment accounting system for each counterparty. Upon reviewing the accounting system programming, differences were identified between the CSA and the accounting system coding. The incorrect coding did not impact the current collateral balances because the counterparties did not hold the securities that had inaccurate coding. All haircut programming in the investment accounting system should be reviewed in relation to the respective CSA. Investment Accounting should consider establishing a control to implement programming for future counterparties and amendments. (Low)	2. Management agreed and implemented.	Closed	N/A
		3. Investment Accounting should consider implementing and maintaining a tracking document for the futures collateral process. (Low)	3. Management agreed and implemented.	Closed	N/A
		4. Investment Accounting should consider developing a reconciliation process for other portfolios that hold collateral and re-evaluate the swap collateral daily reconciliation process. (Low)	4. Management agreed and implemented.	Closed	N/A

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
		Comments: Anticipate recommendation #1 will be remediated and closed prior to formal ORSC report review.			
Overpayments Audit	Assess the design and effectiveness of controls in place to process member overpayments.	1. Benefit Distribution leadership should review the process for the following enhancements: a. A process should be outlined to operationalize the monitoring of global overpayments b. The guiding "Benefits and Health Care Overpayments Collection procedure" document should be reviewed for updates to the process including but not limited to oversight and monitoring. c. The business should determine how/when processing notes should be utilized in the Overpayment UI and the standard operating procedures (SOPs) for each department should be updated to reflect any changes. (Mod.)	1. Management agreed and implemented.	Closed with partial acceptance (see comments section)	N/A
		2. Based on testing performed, IA recommends that the member letters regarding Overpayments in the system are reviewed to confirm the language in the letters is correct and consistent. When letters are sent manually, IA recommends the letter is thoroughly reviewed to confirm it can be understood from the member's viewpoint. Training opportunities on the use of letters and effective compilation, review, and escalation should also be considered. (Mod.)	2. Management has agreed and will implement.	Open	June 2026

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
		3 - Employer Services tracks employer responsible overpayments manually which had inconsistencies and inaccuracies compared to Compass. 3a. Employer Services should work with IT to determine the possibility of a workflow being generated once an employer pays an overpayment. 3b. Benefits Distribution management should assess what reports or options are available to monitor the status of overpayments to ensure the accurate summarization of information based on overpayment resolution and status. (Mod.)	3. Management agreed and implemented.	Closed	N/A
		4. Finance should update their procedures to reflect recent changes to the reconciliation process including the use of additional reports. Additionally, Finance should work with IT to receive a report of overpayment updates/corrections to reconcile to approvals each month/quarter. (Mod.)	4. Management has agreed and will implement.	Open	March 2026
		Comments: Anticipate recommendation #4 will be remediated and closed prior to the formal ORSC report review and recommendation #2 will be closed prior to the 2026 Annual OPERS Audit Committee report. Recommendation #1 has been remediated with partial acceptance. The reference pertaining to partial acceptance relates to the usage of processing notes specific to recommendation 1.c. Management has opted to not utilize processing notes in processing overpayments across the lines of business and will rely on standard terminology and categorization within the system. As a result, management has chosen to accept the risk associated with balancing the level of detail and documentation maintained associated with these transactions.			

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
Proxy Voting Reconciliations – Follow-up Audit	Assess the design and effectiveness of reconciliation controls associated with proxy voting.	1. Corporate Governance should develop agreed upon definitions for the critical terms used in defining, measuring, and reporting the proxy voting process. Related documentation should be updated accordingly to ensure transparency regarding terminology used.	1. Management agreed and implemented.	Closed	N/A
		2. Internal Audit recommends Corporate Governance review the process currently in place for reconciling and confirming all shares are voted. The process needs enhanced to ensure reconciliation of shares held to shares voted to confirm proxy voting is complete and accurate. Corporate Governance should work with Investment Accounting to leverage current reconciliation processes, vendor relationships, and expertise to develop a thorough and complete process to ensure the reconciliation of shares held to shares voted. (Mod.)	2. Management agreed and implemented.	In process	N/A - at the time of finalizing this report, audit remediation in process of being testing by Internal Audit
		Comments: Anticipate recommendation #2 will be remediated and closed prior to formal ORSC report review.			
Public External Managers	Assess the design and effectiveness of key controls related to public external	1. To ensure that the terminated managers are managed appropriately, the External Public Markets team should update the Public Markets Committee with the liquidation amount. A control should be established to monitor any remaining funds that are not liquidated. (Low)	1. Management has agreed and will implement.	Closed	N/A

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
	manager investments.	2. The External Public Markets team presents the Manager Discussion List (MDL) to the Public Markets Committee Quarterly to show performance of the external managers. Internal Audit noted that during the audit period, there were five external managers excluded during various quarters. This was primarily due to missed new fundings from 2022 and previous exclusion of non-traditional and underlying strategies. Based on review of the latest MDL, all managers are now included. Although the Manager Discussion List is now all-inclusive, the External Public Markets team should consider implementing a control to ensure all funds are included for committee reporting. (Low)	2. Management agreed and implemented.	Closed	N/A

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
		3.a. The Risk Management Team (Team) should update internally documented procedures and supporting documents for the current ODD process. b. The review of the risk score results should be documented by the Team to validate accurate scoring, higher risk managers are escalated, documents are reviewed for any concerns, and documented analysis of the final conclusion is included. c. The Team should consider changing some of the document request timeframes. d. The Team should consider visiting managers that fall outside the specified timeframe and monitor the visitation list to ensure adherence to the agreed cadence, unless deemed not beneficial. e. The Team should ensure all supporting documents received for the ODD process are reviewed and evidenced. A checklist should be considered for all documentation received. Documentation not provided should be escalated to management. The Team should consider additional oversight from management to ensure results are within tolerance. (Mod.)	3. Management agreed and implemented.	In process	N/A - at the time of finalizing this report, audit remediation is in the process of being tested by Internal Audit

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
		4. One slide reported to the board was unable to be fully tied to supporting documentation as the information presented was from an external system and not static. It also included hard coded amounts in some of the formulas that were not referenced. This slide was not presented in detail at the meeting but was included in the materials the board members received. The information reported to the board should be reviewed, validated, and be able to be tied back to supporting data. (Low)	3. Management agreed and implemented.	Closed	N/A
		Comments: None			

Recommendation Status:

Closed: Management has implemented the audit recommendation and it has been validated by Internal Audit

In Process: Management has implemented the audit recommendation and it is in the process of being validated by Internal Audit

Open: Management has not yet implemented the audit recommendation (see anticipated implementation date)

Accepted: Management has chosen to accept the risk of not implementing this audit recommendation (additional discussion to be added in "Comments" section)

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
Reemployed Retirees	Assess the design and effectiveness of controls in place for reemployed retiree processing.	2. Ensure identified accounts related to overpayment cleanup project were corrected in the systems. An analysis of the cleanup project should be documented identifying the issues and root cause. A corrective action plan should be developed to include the status of the project along with achievable deadlines to ensure completeness of the cleanup project and to ensure calculations are accurate and reliable. (Mod.)	2. Management has agreed and implemented.	Closed	N/A
		Comments: None.			
Internal Quality Assessment Review	Perform internal quality review procedures to evaluate conformance with the Institute of Internal Auditors (IIA) Standards.	1. Update the Internal Audit manual to account for the implementation of recently implemented audit. (Low)	1. Management agreed and implemented.	Closed	N/A
		2. The Internal Audit Strategic Plan should be formally documented. (Low)	2. Management agreed and implemented.	Closed	N/A
		Comments: None			

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
Cash and Cash Equivalents Audit	Assess the design and effectiveness of key controls related to investments held in cash and cash equivalents as well as liquidity management.	1. Enhance controls and documentation to identify securities that extend their WAL 3-year Policy limit and ensure Policy language and understanding is clear as to what "addressed in 90 days" means. (Mod.)	1. Management agreed and will implement.	Closed	N/A
		2. Ensure securities that fall outside of guidelines are clearly identified and process/procedures are in place to ensure holdings that fall outside of guidelines are documented on a watchlist, escalated, and evaluated. For consistency, this process should be included in documented procedures. (Mod.)	1. Management agreed and will implement.	Closed	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
		3. While it appears some data issues are being addressed with our risk system vendor, it seems in some cases to be an ongoing issue where the root cause is not being fixed. We recommend working with appropriate vendors to ensure the data is reliable without manual manipulation or correction. Any known issues or workarounds should be appropriately documented for the context and general understanding of all potential users of the data. (Mod.)	3. Management agreed and implemented.	Closed	N/A
		5. Establish a threshold and escalation process for the daily reconciliations. Update procedures for current practice and establish a process to perform the daily reconciliation when the main processor does not perform the daily review. Save screen shots of the bank and GL balance for the weekly reconciliation to indicate the control was performed accurately. (Low)	5. Management agreed and implemented.	Closed	N/A
		Comments: None			

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
Continuous Auditing - Benefits	Assess benefit eligibility – Survivor Benefits	1. System enhancements should be considered within the pension system to flag an account with a warning/alert when a processor pays a beneficiary for the first time for a 2S benefit when they are 22 or older at time of payment or creates a workflow for account review what an account trips the overpayment scenario described (>22 year old beneficiary with a person status of "living" in the system and receiving benefit payments). (High)	1. Management agreed and implemented.	Closed	N/A
		Comments: None			
Accounts Payable Audit	Assess the design and effectiveness of key controls implemented within OPERS accounts payable department.	1. Update the Procurement Policy for recent leadership structure changes to ensure threshold approvals are current. Financial Services should maintain documentation of approval limits for individuals whose limits deviate from the standard expense approval limits documented in the Procurement Policy and these exceptions should be reviewed periodically. (Low)	1. Management agreed and will implement.	Open	June 2026

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
		2. Internal Audit recommends Financial Reporting should consider certain credit card policy enhancements related to the areas of processing, reconciliation and temporary limit increases. (Low)	2. Management agreed and implemented.	Closed	N/A
		3. Given the sensitivity and susceptibility to fraud associated with vendor bank account updates, Financial Reporting should review the bank update changes process in line with those across the industry for potential efficiencies and enhancements to the process to include documented processes and documented confirmation of information from vendor contacts. (Low)	3. Management agreed and implemented.	Closed	N/A
		4. Internal Audit recommends that the Procurement function work with Financial Reporting to document the procedures and any process enhancements associated with purchasing via certain large online vendors. (Low)	4. Management agreed and implemented.	Closed	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
		Comments: Anticipate recommendation #1 will be remediated and closed prior to the 2026 Annual OPERS Audit Committee report.			
Member Directed Processing Audit	Assess the design and effectiveness of controls in place related to the processing of Member Directed Benefits as well as processes outsourced to supporting vendor.	1. Review the current Member Directed vendor contract and begin reporting on performance standards as outlined. Any deviations from what has been agreed to in the contract should be documented. Enhance the review and communication process of the quarterly performance standards provided by the vendor to include sharing with a wider OPERS group that has more direct insight into certain reported metrics. A periodic status meeting between OPERS and the vendor should be considered in order to discuss any questions/concerns, open items, or further performance metric review. (Mod.)	1. Management agreed and implemented.	Closed	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
		2. OPERS should enhance the process of removing access from Member Directed Plan vendor's system for terminated employees as well as the process of considering the level of access current employees have. Consideration should be given to whether access to the Voya system can be managed through an identity and access tool to allow for timely removal of system access. (Mod.)	2. Management agreed and implemented.	Closed	N/A
		Comments: None			
Internally Managed Derivatives (2022)	Assess the design and effectiveness of key controls associated with the use of internally managed derivative instruments	4. OPERS should review counterparty confirmations to understand any additional language included and risk imposed as a result. The confirmation review process should be further documented to include any additional procedures that might be considered necessary to mitigate legal or business risk. (Low)	4. Management agreed and implemented.	Closed	N/A
		Comments: None			

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

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.

Recommendation Status:

Closed: Management has implemented the audit recommendation and it has been validated by Internal Audit

In Process: Management has implemented the audit recommendation and it is in the process of being validated by Internal Audit

Open: Management has not yet implemented the audit recommendation (see anticipated implementation date)

Accepted: Management has chosen to accept the risk of not implementing this audit recommendation (additional discussion to be added in "Comments" section)

Completed Audits with No Recommendations

Audit Area	Scope
Annual Incentive Compensation Audit	Verify the accuracy of the 2024 Incentive Compensation payments.
	Comments: None
Annual Personal Trading Policy Procedures	Risk Assessment and focused testing of the organization's compliance with the Personal Trading Policy.
	Comments: None
Contracts & Procurement Review	Focused testing of compliance with OPERS Procurement Policy.
	Comments: Will perform a full audit of this process at a later date once planned changes and process updates are implemented.

Active Audits

Audit Area	Scope	Target Completion
Investment Risk System – Data Management	Assess the design and effectiveness of controls in place to ensure the completeness and accuracy of data used as part of the Investment Risk System.	December 2025
Compass Access	Testing and confirmation of Internal Audit read-only access in Compass application.	December 2025
Employer Services	Assess the design and effectiveness of key controls related to Employer Services.	February 2026
Member Assessment	Assess the design and effectiveness of controls in place for the processes managed by the Member Assessment department. Areas specifically audited were Data Maintenance, the Alternative Retirement Plan (ARP) process, Estimates, Service Purchase & Payments, Defined Contribution & SSN Corrections, and Refunds (limited). Note that this audit was broken out into micro audits (by area) and some of those audits (specifically the ARP process) have been reported out and those with associated recommendations have been included in the current year completed audits tab.	December 2025
Member Fraud Prevention	Assess the design and effectiveness of controls in place related to the newly established Member Fraud monitoring program.	December 2025
Board Member Elections	Assess the design and effectiveness of key controls related to the board election.	December 2025

Other Audit Related Activity

Area	Subject/Project	Description
Finance/ Benefits/ Health Care/ Investments	Continuous Auditing (On-going)	Individual audit tests/reviews performed throughout the year in various areas including Finance, Benefits, Ethics, Health Care, and Investments.
Various	Risk Management	Review and provide feedback related to the organization's risk management process. Testing of controls in place to assist with mitigating organizational risks identified.
Investments	Private Equity Secondary Sales – Front Office Process Review (Advisory)	Review the key risks, governance practices, and control activities related to the secondary sales process to be executed by the Private Equities investment group (front office only).
Executive/ Other	Third Party Data Sharing/Security Review (Advisory)	Review the processes in place related to the organization's sharing of data with third parties (non-investment related) and controls in place to manage the associated risks.
Investments	Fiduciary Review - Investments (outsourced to a 3rd party)	Perform an external fiduciary assessment to evaluate OPERS fiduciary controls in place related to Investments. No significant fiduciary issues identified from work performed.
Information Technology	IT Security Penetration Testing (outsourced to a third-party firm) - 2024	Conduct testing on externallyand/or internally accessible systems (depending on scope) from the perspective of an outside threat to assess the effectiveness of security controls. Project was completed in 2025
Information Technology	IT Security Penetration Testing (outsourced to a third-party firm) - 2025	Conduct testing on externallyand/or internally accessible systems (depending on scope) from the perspective of an outside threat to assess the effectiveness of security controls. The work is in the planning phase and expected to be finalized in 2026.

Other Audit Related Activity

Area	Subject/Project	Description
Information Technology	IT Risk Assessment (outsourced to a third-party firm)	Perform specific risk assessment over IT functions to drive future IT audit plans. The work is in the planning phase and expected to be finalized in 2026.
Information Technology	IT Security Framework Assessment (outsourced to a third-party firm)	Perform an assessment of OPERS' IT Security processes and controls against the NIST framework.

Composition of Audit Committee at end of reporting year

Stewart Smith (Chair) - Representative for Miscellaneous Employees

Chris Mabe - Representative for State Employees

Kathleen Madden - Director, Department of Administrative Services

Scott Richter - Treasurer Appointed Investment Expert

Tim Steitz - Representative for Retirees