

From the Audit Director

We are pleased to submit the Internal Audit Risk Assessment and Proposed Internal Audit Plan for Fiscal Year 2024.

The Texas Internal Auditing Act (Texas Government Code 2102) requires that a risk-based annual audit plan be developed and approved by the Board of Trustees. The Plan is designed to provide coverage of key risks, given the existing staff and approved budget. Key risks were determined based on a systematic approach incorporating management input, Internal Audit analysis and ERS' strategic objectives.

Continuous evaluation of the Plan, based on risks identified, timing of ERS' initiatives and staff availability could result in modifications to the Plan during the year. Amendments to the approved Audit Plan deemed significant will be coordinated with the Executive Director and submitted to the Audit Committee Chair for review and approval.

Sincerely,



Anthony Chavez, CIA, CGAP, CRMA
Director, Internal Audit Division

FY24 Annual Internal Audit Plan

Core Business	Engagement Objective
Investments	<p>Global Credit—Internal High Yield* – determine if investments in global credit securities are in accordance with ERS Investment Policy. (AUDIT)</p> <p>Operational Due Diligence* – determine if reviews of private market general partners ensure proper controls over administration of ERS alternative investments. (AUDIT)</p>
Member Services	<p>Group Benefits Rate Development and Analysis* – assess the effectiveness and efficiency of the rate setting process for group benefit premiums. (AUDIT)</p> <p>Retirement Account Withdrawals Audit* – determine if retirement account withdrawals are processed accurately. (AUDIT)</p>
Information Systems	<p>Change Management Audit – determine if procedures are in place to ensure change management to ERS information systems are properly incorporated. (AUDIT)</p> <p>Portable and Remote Computing Audit – determine if procedures are in place to ensure ERS data is properly safeguarding when accessed remotely. (AUDIT)</p>
Enterprise	<p>Financial Opinion Audit – To opine on whether ERS' fiscal year 2022 annual financial statements are free from material misstatement and in conformity with generally accepted accounting principles. (AUDIT)</p> <p>Ethics Audit* – Determine if the Ethics program provides reasonable assurance of compliance with applicable laws, regulations and ERS policy. (AUDIT)</p>

* Carried over from FY23 Audit Plan