










August 2024 Audit and Risk Committee meeting

Schedule	Friday, August 30, 2024 10:15 AM — 10:30 AM CDT
Venue	4700 Mueller Blvd., Suite 100, Austin, TX
Organizer	Sarah McCleary

Agenda

1. Call roll of Committee members	1
Presented by Michael Benson	
📄 Item #1 Summary.docx	2
<hr/>	
2. Review order of business and meeting objectives	3
Presented by Michael Benson	
📄 Item #2 Summary.docx	4
<hr/>	
3. Receive public comments	5
Presented by Michael Benson	
📄 Item #3 Summary.docx	6
<hr/>	
4. Consider approval of the June 13, 2024 Audit and Risk Committee minutes	7
Presented by Michael Benson	
📄 Item #4 Summary.docx	8
📄 2024 06 13 Audit and Risk Committee Minutes.docx	9
<hr/>	
5. Receive report on financial audit service provider	12
Presented by Russell Nash	
📄 Agenda Item #5 Summary.docx	13
📄 Staff Report on CLA.docx	14

6.	Receive reports on the COAERS Enterprise Risk Management Program including the risk categories of adaptability, reputational, mission, and governance Presented by Christopher Hanson	16
	 Item #6 Summary.docx	17
	 06A1 Staff Report on Adaptability, Reputational, Mission, and Governace Risks.docx	18
	 06A2 Staff Presentation Adaptability, Reputational, Mission, and Governance Risks.pptx	21
<hr/>		
7.	Receive report on cybersecurity A. Convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices B. Reconvene into open session to take action as determined appropriate regarding security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices Presented by Amy Kelley	44
	 Item #7 Summary.docx	45
	 07 Cybersecurity Risk_Audit Q3_2024 CONFIDENTIAL.pptx	46
<hr/>		
8.	Receive report on the second quarter 2024 unaudited financial statements Presented by Yun Quintanilla	57
	 Item #8 Summary.docx	58
	 Unaudited Q2 2024 Financial Statements.pdf	59
<hr/>		
9.	Review key meeting takeaways and call for future agenda items Presented by Michael Benson	61
	 Item #9 Summary.docx	62
	 2024 Audit and Risk Committee Work Plan.docx	63
<hr/>		

1. Call roll of Committee members

Presented by Michael Benson



**COMMITTEE MEETING
Agenda Item Information Sheet**

AGENDA ITEM 1:
Call roll of Committee members

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

2. Review order of business and meeting objectives

Presented by Michael Benson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 2:

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

1. In its oversight capacity, the Committee will review a report on COAERS' financial statement auditor, CliftonLarsonAllen.
2. The Committee will receive its quarterly report on the COAERS Enterprise Risk Management Program with focus on the risk categories of adaptability, reputational, mission, and governance.
3. The Committee will receive a report on the unaudited financial statements as of June 30.
4. The Committee will receive a report related to COAERS information and cybersecurity program.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

3. Receive public comments

Presented by Michael Benson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 3: Receive public comments

AGENDA ITEM OBJECTIVE

This standing agenda item allows System members and members of the public the opportunity to provide comments to the Board.

ITEM SUMMARY

The Chair will recognize any person who wishes to comment for up to three minutes per person.

RELEVANCE TO STRATEGIC PLAN/CORE COMPETENCIES

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

4. Consider approval of the June 13, 2024
Audit and Risk Committee minutes
Presented by Michael Benson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 4:

Consider approval of the June 13, 2024 Audit and Risk Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Audit and Risk Committee meeting.

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the June 13, 2024 Audit and Risk Committee meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

ATTACHMENT

1. Draft minutes of June 13, 2024 Audit and Risk Committee meeting



CITY OF AUSTIN
EMPLOYEES' RETIREMENT SYSTEM

Audit and Risk Committee meeting
MINUTES

Public Meeting held in-person and videoconference
Pursuant to Texas Govt. Code 551.127
4700 Mueller Blvd., Suite 100, Austin, TX
Thursday, June 13, 2024

Committee Members
Present/(Absent)

Michael Benson, Committee
Chair †
Michael Granof
Dick Lavine†
Chris Noak
Anthony Ross

Guests:

Paige Saenz, General Counsel
Bhakti Patel, CLA

* Present telephonically
† Present via videoconference

Other Board Trustees
Present/(Absent)

Kelly Crook
(Yuejiao Liu)
(Leslie Pool)
(Brad Sinclair)
Diana Thomas
(Ed Van Eenoo)

Others Present

Staff:
Christopher Hanson
Sarah McCleary
Russell Nash
Jenni Bonds
Yun Quintanilla
Mehrin Rahman
David Kushner*
Amy Kelley
Cathy Edwards*
Deverett Morrow*

1 Call roll of Committee members

Committee Vice Chair Chris Noak called the meeting to order at 10:46 a.m. The following Committee members were present in person: Noak, Granof, and Ross. The following Committee members were present via videoconference: Lavine and Benson.

2 Review order of business and meeting objectives

Committee Vice Chair Noak reviewed the order of business and meeting objectives with the Committee. There were no changes to the order of business for the meeting.

3 Receive public comments

Committee Vice Chair Noak asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

4 Consider approval of the March 6, 2024 Audit and Risk Committee minutes

Committee Vice Chair Noak asked the Committee to review the Audit and Risk Committee minutes. Mr. Michael Granof moved approval of the March 6, 2024 minutes as presented. Mr. Anthony Ross noted one correction needed regarding attendance. Mr. Granof amended his motion to read “as revised”, Mr. Ross seconded, and the motion passed unanimously.

5 Discuss and consider acceptance of financial statement audit report as of December 31, 2023

Ms. Bhakti Patel from CliftonLarsonAllen (CLA) presented the results of the December 31, 2023 financial statement audit. Ms. Patel reported to the Committee that CLA issued an unmodified opinion on the financial statements and the schedule of pension amounts. She further stated that CLA found no material weaknesses and no significant deficiencies during the 2023 audit. Ms. Patel reviewed significant accounting policies used by COAERS and reported that there were no unusual transactions.

Mr. Granof moved to refer to the Board acceptance of the December 31, 2023 financial statements and auditor’s report from CLA and to direct Staff to place this item on the consent agenda. Mr. Ross seconded, and the motion passed unanimously.

6 Discuss and consider Travel Reimbursement Policy

Mr. Russell Nash presented two proposed changes to the Travel Reimbursement policy: one was to codify that the policy would be reviewed at least every three years; one was to allow COAERS to pay for some main cabin upgrades when business class travel is not authorized.

Mr. Ross moved to refer to the Board for approval the Travel Reimbursement Policy, with direction to Staff to place this item on the consent agenda. Mr. Granof seconded, and the motion passed unanimously.

7 Receive report on COAERS Enterprise Risk Management program including the following:**7A: Risk categories of personnel, physical, and legislative**

Mr. Christopher Hanson presented a report on the Enterprise Risk Management program and highlighted the three categories of the Enterprise Risk Management program within the report which were under review at this Committee meeting including personnel, physical, and legislative.

**7B: Cybersecurity risk category and information security program
Convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices**

Trustees convened into Executive Session at 11:17 a.m.

Reconvene into open session to take action as determined appropriate regarding security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices

The Board reconvened into open session at 11:29 a.m.

8 Receive report on the first quarter 2024 unaudited financial statements

Ms. Yun Quintanilla presented the March 31, 2024 unaudited financial statements.

9 Review key meeting takeaways and call for future agenda items

Committee Vice Chair Noak summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no further items to address, the meeting adjourned at 11:32 a.m.

5. Receive report on financial audit service provider

Presented by Russell Nash



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 5: Receive report on financial audit service provider

AGENDA ITEM OBJECTIVE

This agenda item is intended for the Committee to receive a report on COAERS financial audit firm, for which the Committee has oversight responsibilities.

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

ITEM SUMMARY

The Audit and Risk Committee has oversight responsibility for the financial statement auditor relationship. Included in the Committee materials is a staff report including information on the scope of the auditor's work, personnel assigned to COAERS, terms of representation, along with background on a potential 2025 statement of work and a staff recommendation on the 2025 statement of work.

RELEVANCE TO STRATEGIC PLAN

This item supports **Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management.** Best practices for fiduciaries require the regular evaluation of key service providers, including those engaged in financial statement audits for the System.

ATTACHMENT

1. Staff Report on Financial Audit Service Provider



Report on COAERS' Financial Statement Audit Firm

Summary Rating

Good. CliftonLarsonAllen (CLA) has the depth and expertise to provide accurate financial statement assurance services to Trustees and users of COAERS financial statements.

Scope of the Relationship

The purpose of the financial statement audit is to provide the Board of Trustees and other financial statement users with an opinion by the auditor on whether the financial statements are presented fairly, in all material respects, and within an applicable financial reporting framework, to enhance the degree of confidence that intended users can place in the financial statements. CLA has provided three audits since the relationship began – fiscal years ending 2021, 2022, and 2023.

Personnel Assigned to COAERS

The CLA principal assigned to COAERS is Ms. Bhakti Patel. Ms. Patel has more than 19 years of audit experience and focuses on state and local government assurance. Ms. Patel has a bachelor's degree from the University of Virginia and a master's degree in accounting information systems from Virginia Tech University. She is a member of the AICPA and holds CPA licenses in Texas, California, and Virginia. She is a past member of the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program. The Audit Manager assigned to COAERS is Mr. Roy Cobb. Mr. Cobb has 11 years of experience. Mr. Cobb has a bachelor's degree from the University of Texas, and a master's degree in accounting from Trinity University. He is a member of the AICPA and holds CPA licenses in Texas and New Jersey.

Terms of Representation

CLA provides audit services under an annual Engagement Letter and pricing provided during the RFP process in 2021. Fees are all-inclusive and fixed. COAERS paid \$69,000 for the 2023 audit. Staff surveyed forty (40) similar pension plans about their audit fees. Eleven (11) plans responded. Staff found that for 2023, the audit fees COAERS paid were below the average of the respondents.

2025 Statement of Work

CLA has presented COAERS Staff with the following renewal terms:

1. Continue the financial statement audit for calendar years ended December 31, 2024 and December 31, 2025;
2. Maintain the same scope of services subject to required additional/different accounting standards as may apply; and

3. The costs for audit services will be a fixed \$77,525 for the year ended December 31, 2024 and \$81,300 for the year ended December 31, 2025.

Staff compared CLA's 2024 renewal costs with peer audit renewal expectations and found the costs to be competitive despite the increase. Also, note that the City of Austin has kindly agreed to offset the costs of a portion of the audit work related to the Schedule of Pension Amounts. The City will reimburse COAERS \$5,042 for the 12/31/2024 audit and \$5,294 for the 12/31/2025 audit.

Staff Recommendation

Renew with CLA on the terms and conditions provided. Instruct CLA to prepare a final Statement of Work (with fees) for the December 31, 2024 audit for presentation to the Committee in November 2024.

6. Receive reports on the COAERS
Enterprise Risk Management Program
including the risk categories of
adaptability, reputational, mission, and
governance

Presented by Christopher Hanson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 6:

Receive report on the COAERS Enterprise Risk Management Program including the risk categories of adaptability, reputational, mission, and governance

AGENDA ITEM OBJECTIVE

This agenda item is for discussion of four of the risk categories in the Enterprise Risk Management Report.

RECOMMENDATION FOR COMMITTEE ACTION

For informational purposes; no action required.

ITEM SUMMARY

The 2024 Enterprise Risk Management Report contains 12 risk categories. This meeting's focus will be the categories of adaptability, reputational, mission, and governance. Staff has provided a summary report of the presentation and the full Risk Management Report with all risk categories is provided in the Supplemental Materials.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 2: Responsibly manage the risks of the System**. The Committee's regular review of COAERS Enterprise Risk Management System is one of the strategic objectives of Goal 2 and a key performance indicator is the successful implementation of all annual risk management activities.

ATTACHMENTS

1. Staff Report on Adaptability, Reputational, Mission, and Governance Risks
2. Staff Presentation on Adaptability, Reputational, Mission, and Governance Risks

SUPPLEMENTAL MATERIALS

1. Third Quarter Enterprise Risk Management Report 2024



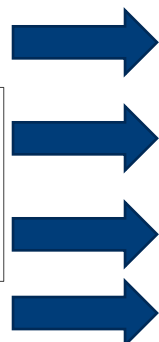
Risks: Adaptability, Reputational, Mission, and Governance

Audit and Risk Committee
August 30, 2024

Enterprise Risk Management Report

	Risk Category	Risk Description	2024 Rank	2023 Rank	Risk Level 2024	Risk Level 2023	Expected Risk Level Trend (next 12 months)	Risk Response	Risk Owner	Reporting and Oversight Committee
1st Quartile Risk	MARKET	Too little or too much exposure to market risk could lead to undesirable investment outcomes.	1	2	High	High	↑	Accept	Chief Investment Officer	Investment Committee
	CYBER	Ineffective cyber security controls could lead to breaches or sabotage of COAERS systems. Unauthorized access of confidential information could result in state or federal law violations and harm the best interests of COAERS.	2	3	High	High	↑	Mitigate	Chief Information Officer	Audit and Risk Committee
	FUNDING	A lack of sound funding for the plan could lead to insufficient assets to pay for long-term benefits and financial obligations.	3	1	High	High	↓	Mitigate	Executive Director	Benefits and Services Committee
2nd Quartile Risk	COUNTERPARTY	Business partners or entities are unable to fulfill their obligations or do not complete transactions as agreed upon.	4	6	Medium	Medium	↑	Mitigate	Executive Director, Deputy Executive Director, Chief Investment Officer, Chief Financial Officer, Chief Information Officer	Investment Committee, Audit and Risk Committee, Benefits and Services Committee, and Policy Committee
	OPERATIONAL	Event causes a major business interruption	5	4	Medium	Medium	↔	Mitigate	Deputy Executive Director	Audit and Risk Committee
	PERSONNEL	Ability to attract and retain talented staff; succession planning	6	9	Medium	Medium	↑	Mitigate	Executive Director	Governance and Human Resources Committee, and Board of Trustees
3rd Quartile Risk	PHYSICAL	Inadequate facilities management; ineffective space utilization; staff effort to manage issues	7	10	Medium	Low	↑	Mitigate	Executive Director and Deputy Executive Director	Board of Trustees
	LEGISLATIVE	Legislative events lead to adverse relations, unfavorable legislation, and restricted funding	8	5	Medium	Medium	↓	Mitigate	Executive Director	Legislative Committee
	ADAPTABILITY	Inability to meet the strategic mission and vision of the organization; not achieving best outcomes for the system	9	12	Medium	Low	↑	Mitigate	Executive Director	Board of Trustees
4th Quartile Risk	REPUTATIONAL	Erosion of trust in organization either rapidly or slowly over a period of time	10	11	Low	Low	↔	Mitigate	Executive Director	Board of Trustees
	MISSION	Inability to make monthly retirement benefit payments	11	7	Low	Medium	↓	Mitigate	Executive Director and Deputy Executive Director	Audit and Risk Committee, and Investment Committee
	GOVERNANCE	Not following processes and procedures in decision making	12	8	Low	Medium	↓	Mitigate and Transfer	Board of Trustees	Governance and Human Resources Committee

August 30
Committee
Review






Adaptability Risks

Risk Category	Risk Description	Rank	Risk Level	Risk Level	Expected Risk Level	Risk Response	Risk Owner	Reporting and Oversight Committee		
			2024	2023	Trend (next 12 months)					
ADAPTABILITY	Inability to meet the strategic mission and vision of the organization; not achieving best outcomes for the system	9	Medium	Low	↑	Mitigate	Executive Director	Board of Trustees		
3rd Quartile Risk	Current Status Summary (Trending)	2024 Risk Management Activities							Activity Status	
	While the organization has made significant strides in recent years to adapt and embrace change, such as the creation of an internal innovation committee; the next 12-24 months will have an even greater amount of change alongside the emergence of new technologies such as Chat GPT and AI. Resting on its laurels or failing to continue to evolve could pose risks to the organization that could threaten achieving the organization's vision statement.								OPEN	CLOSED
		Strategic KPIs for innovation							x	
		Engagement with NACD, NCPERS, NASRA							x	
		Develop and implement plans to build on key organizational strengths and address challenges							x	
		Evaluate emerging technologies' potential impact on lines of business and value add to organization, customers, and stakeholders							x	
	Continue to promote culture statement internally and assess effectiveness through survey							x		
Notable Risks (Root Causes)			Probability	Impact	Risk Management Strategies and Action Items					
Inability to innovate			Medium	Medium	Implement technology and industry best practices; Professional development; Promote innovation internally					
Inability to use analytics and data			Medium	Medium	Utilize data and analytics					
Complacency and "we've always done it this way"			Medium	Medium	Challenge traditional thinking; Engaging industry leading organizations; Executive					
Employee resistance to culture change			Medium	Medium	Culture statement; Executive Leadership					

Strategic Goal #5: Identify opportunities to capitalize on organizational strengths

The Board established a goal in the current Strategic Plan to identify opportunities to capitalize on organizational strengths



COAERS
2022 Board Workshop
SCOT Analysis Results

Strengths:

- Culture
- Governance, policies, procedures
- People
- Strategic thinking
- Cybersecurity

Challenges:

- Limitations
- Decentralization
- Internal/external communication/engagement
- Political environment
- Funded status

Threats:


- Inflation
- Lack of funding/funding challenges
- Turnover
- Cyber
- Policies/regulatory

Opportunities:

- AUM
- Austin-based location

CITY OF AUSTIN
EMPLOYEES'
RETIREMENT SYSTEM

STRATEGIC PLAN
2022 - 2026



Adaptability Risk Management

Form Link:
<https://forms.gle/1YjAu5Cr1t9NhHzn6>

Preview of the Google sheet:

Innovation Idea Submission Form (Responses) ☆ 📄 🌐

File Edit View Insert Format Data Tools Extensions Help

100% \$ % .0 .00 123 Default (Arial) 10 B I U A

Timestamp	Email Address	Name	Name of the project or idea	Please describe your idea in as much detail as possible. What problem does it solve?	Which COAERS department or departments will it impact?	Is there a budgetary cost?	Is there anything else you want the Innovation Committee to know?
6/22/2022 17:11:47	mehrin.rahman@coaers	Mehrin Rahman	Test	Test	Test	No	Test

COAERS Innovation Idea Submission Form

COAERS Culture

An organizational culture identifies the skills and behaviors which places the organization in the best position to succeed. Below are the skills and behaviors which embody our culture at COAERS.

Use Good Judgment: It is important to use sound judgment and make wise decisions, even in times of ambiguity. We strive to think strategically and use data to inform our decisions.

Make an Impact: We strive for excellence in our very important work. We inspire others to be better. We are optimistic, quietly confident, and openly humble.

Collaborate and Include Others: We collaborate effectively with people of diverse backgrounds and cultures. We embrace differing perspectives to make better decisions for our organization.

Employ Thoughtful Communication: We are mindful of how and what we communicate. We listen well and seek to understand before reacting. We maintain calm poise in stressful situations to draw out our clearest thinking.

Practice Selflessness: We care about our members and we do what is best for COAERS, rather than what is best for ourselves. We are open-minded in search of the best ideas, we make time to help colleagues, and we share information openly and proactively.

Be a Problem Solver: Issues and challenges will always arise in our work. Before reacting to an issue, we take time to think through the causes and possible solutions so that when we communicate the problem, we move quickly towards finalizing a solution.

Work Smarter: We appreciate a strong work ethic. However, long hours don't necessarily produce top results. We focus on effectiveness and quality of work. We continually strive to find more effective and innovative ways of working.

Ask for and Offer Assistance: Nobody can do everything on their own, nor should they. We maintain collaborative, professional relationships with our co-workers to accomplish our shared organizational goals as a team.

Be Adaptable: Change happens. Sometimes change can happen rapidly. We adapt and respond effectively to change so that we achieve our goals as an organization.

Staff Culture Statement

COAERS

Adaptability Risk Management

COAERS

City of Austin Employees' Retirement System

SELECT A SERVICE

<p>Retirement Counseling Telephone Appointment</p> <p>This feature allows you to speak one-on-on... Read more</p> <p>1 hour</p>	<p>General In-Person Appointment</p> <p>This feature is for members who want to ph... Read more</p> <p>30 minutes</p>
<p>In-Person Counseling Appointments</p> <p>This in-person appointment will allow you a... Read more</p> <p>1 hour</p>	<p>Virtual Counseling Appointment</p> <p>This feature provides a virtual meeting with... Read more</p> <p>1 hour</p>

Select a service to see available dates and times

Customer Driven Appointment System

Public Pension and Other Industry Resources





Reputational Risks

4th Quartile Risk	Risk Category	Risk Description	Rank	Risk Level 2024	Risk Level 2023	Expected Risk Level Trend (next 12 months)	Risk Response	Risk Owner	Reporting and Oversight Committee			
	REPUTATIONAL	Erosion of trust in organization either rapidly or slowly over a period of time	10	Low	Low	↔	Mitigate	Executive Director	Board of Trustees			
	Current Status Summary (Trending)	2024 Risk Management Activities								Activity Status		
	Significant efforts have been made to engage stakeholders regarding COAERS long-term sustainability and expand member focused events. However, risks remain if the organization does not continue to communicate with members regarding the changes from SB 1444 as well as not continuing to develop new ideas in the areas of member education and engagement.									OPEN	CLOSED	
		Continue promoting COAERS value proposition to members by enhancing customer offerings such adding virtual Financial Wellness-related events									X	
		Maintain contacts with industry media									X	
		Respond rapidly and effectively as situations develop									X	
		Keep stakeholders and membership informed and educated on key organization matters such as pension legislation and funding									X	
	Notable Risks (Root Causes)			Probability	Impact	Risk Management Strategies and Action Items						
	Negative or inaccurate media content			Low	Medium	Develop relationships with industry media; Proactive media outreach; Engage consulting/crisis communications						
Social media comments			Low	Low	Social Media Policy							
Unauthorized release of confidential information			Low	High	Control procedures and processes/financial audit							
Illegal/Unethical behavior			Low	High	Code of Ethics, Fraud, Waste, and Abuse Policy; Personnel Policy							
Poor outcomes for organization			Low	Medium	Customer service training; Engaging with stakeholders; Transparency							
Unauthorized contact with media			Low	Low	Communications Policy							

Strategic Goals #1 and #3

The Board established multiple goals in the current Strategic Plan that related to managing reputational risk: Goals #1 and #3. Both goals have strategic objectives and action items related to mitigating reputational risk:

Goal #1: Providing education and maintaining communication with stakeholders

Goal #3: Ensure excellent service delivery and expand education for stakeholders



CITY OF AUSTIN
EMPLOYEES'
RETIREMENT SYSTEM

STRATEGIC PLAN
2022 - 2026

Reputational Risk Management

STAKEHOLDER GROUP	COMMUNICATION
Active Members	
Group A Group B New Hires EMS Mid-career "Pre-Retirement (projected to retire in 5 years or less)" Proportionate	Website Newsletter Annual Benefit Statement Email Marketing Social Media General Correspondence: emails, notices, letters Telephone, Virtual, and In-person Appointments MemberDirect Member seminars and events
Annuitant	
Retired Members Retirees Returning to Work Joint Annuitants Survivors Disabled Retirees Beneficiaries Alternate Payees	Website Newsletter Annual Benefit Statement Email Marketing Social Media General Correspondence: emails, notices, letters Telephone, Virtual, and In-person Appointments MemberDirect Member seminars and events
Terminated	
Vested Non-Vested	Website Email Marketing Social Media General Correspondence: emails, notices, letters Telephone, Virtual, and In-person Appointments MemberDirect Member seminars and events

STAKEHOLDER GROUP	COMMUNICATION
City of Austin	
City Departments City of Austin City Council/City Management City of Austin Affinity Groups City Human Resources Department	Website Email Marketing Social Media General Correspondence: emails, notices, letters Telephone, Virtual, and In-person Appointments MemberDirect Member seminars and events Plan Sustainability Strategy System Reports and Accounts Plan Sponsor Meetings
Government Officials and Organizations	
Texas Legislature Pension Review Board	Legislative Briefings and Meetings System Reports and Accounts Special Notices Website
Professional Services, Consultants & Advisors	
Actuary Investment Consultants Investment Managers Financial Institutions General Counsel Auditor Vendors System administration software provider	Website General Correspondence: emails, notices, letters System Reports and Accounts
Media	
News Media Trade Publications Journalists TV Radio	Press Releases and media materials Interviews Editorials Organized Media Events

Reputational Risk Management



CITY OF AUSTIN EMPLOYEE'S RETIREMENT SYSTEM OPERATIONAL COMMUNICATIONS PROCEDURES

I. PURPOSE

The purpose of these procedures is to ensure that staff communications on behalf of the City of Austin Employees' Retirement System ("COAERS" or "System") is well coordinated, effectively managed, consistent with Board policy, and responsive to the diverse information needs of the System's stakeholders and the public.

II. COMMUNICATIONS GOALS

COAERS staff will strive to foster and encourage an atmosphere of education, openness, accessibility, and transparency. To the best of their ability, staff will seek to:

- A. Ensure that COAERS communicates effectively and accurately with the System's stakeholders, enhancing member experiences, education, and services.
- B. Provide stakeholders and the public with timely, accurate, clear, objective, and complete information about its policies, programs, services, events, and initiatives.
- C. Deliver prompt, courteous, and responsive service that is sensitive to the needs and concerns of the System's stakeholders and respectful of individual rights.
- D. Employ a variety of ways and means to communicate and provide information in multiple formats to accommodate diverse needs.
- E. Identify and address communication needs and issues routinely in the development, implementation and evaluation of policies, programs, services, events, and initiatives.



CITY OF AUSTIN EMPLOYEE'S RETIREMENT SYSTEM SOCIAL MEDIA POLICY AND GUIDELINES

I. PURPOSE OF SOCIAL MEDIA USE

COAERS may choose to participate in social media. Participation will be for the exclusive purposes of: 1) General discussion of COAERS' programs, investments, benefits, or operations; 2) Notifying users of important information about COAERS; and 3) Providing active and retired members with useful information relevant to their retirement. Such participation is not intended to be an open public forum, nor to discuss individual member, annuitant, or payee-specific information. Participation does not replace COAERS' policy, law, or other communication methods, rather, it provides additional ways in which COAERS communicates with and engages active members, retirees, beneficiaries, and others who have an interest in COAERS. Social media participation will complement the official website, which will remain the primary source of official digital content.

VIII. MEDIA

A. Media Inquiries

Any media inquiries received by COAERS staff should be referred immediately to the Communications Director. No member of the Staff is authorized to speak to the media on behalf of COAERS without prior approval from the Executive Director.

B. Procedures for Responding to Media

1. COAERS' Communications Director shall be notified about all media inquiries immediately.
2. All press releases, media notices, media outreach and advisories must be coordinated by the Communications Director and approved by the Executive Director.
3. The Communications Director is responsible for drawing accurate information from the appropriate departments to coordinate a response, including media statements, press releases, talking points, Q&A, and other communication material.
4. The Communications Director will schedule interviews between media and staff upon approval by the Executive Director.
5. A staff member shall not attribute his or her personal views as those of the System when talking with the media.

News releases shall not contain information which is confidential pursuant to provisions of State or Federal law. Documents or information exempt from disclosure shall not be contained in any news release.

Reputational Risk Management



Board Approved Policy

Subject: Personnel Policy

Review Committee: Governance and Human Resources Committee

Date Implemented: December 11, 2018

Date Updated: September 22, 2022



Board Approved Policy

Code of Ethics

Policy Committee

March 18, 1992

December 15, 2020
 March 31, 2020
 September 27, 2016
 September 22, 2015
 September 25, 2007
 September 27, 2005
 July 24, 2001
 May 23, 2000 (Adopted as Board Approved Policy)
 January 26, 1999
 May 23, 1995



Board Approved Policy

Subject: Communications

Review Committee: Policy

Date Implemented: September 21, 2021

Date Updated: September 22, 2022

Signature of Chairperson: 

Eyna Canales-Zarate



Mission Risks

4th Quartile Risk	Risk Category	Risk Description	Rank	Risk Level 2024	Risk Level 2023	Expected Risk Level Trend (next 12 months)	Risk Response	Risk Owner	Reporting and Oversight Committee	
	MISSION	Inability to make monthly retirement benefit payments	11	Low	Medium	↓	Mitigate	Executive Director and Deputy Executive Director	Audit and Risk Committee, Investment Committee	
	Current Status Summary (Trending)	2024 Risk Management Activities							Activity Status	
	Trust fund liquidity and cash management activities continue to ensure promised benefits are paid. New disaster recovery system is in place. Finance and Member Service division staff levels will support mission-critical activities.								OPEN	CLOSED
		Cash projections and liquidity management							x	
		Penetration testing to ensure systems resiliency and identify any critical weaknesses							x	
		Continue to develop cross-training							x	
		Review existing succession plans and test through scenario analysis							x	
	Notable Risks (Root Causes)				Probability	Impact	Risk Management Strategies and Action Items			
	Cyberattack causes loss of money, data, business disruption, or sponsor to miss				Medium	High	Managed Service Security Provider/Security Program			
Employee turnover at critical positions				Medium	Medium	Succession planning and cross-training				
Lack of liquidity to make annuity payments				Low	High	Liquidity monitoring				
Failure to transmit bank files for payments				Low	High	Cash management program				
IT system outages				Low	Medium	Business continuity and disaster recovery plans				
Sponsor contribution not made timely				Low	Medium	Communication with plan sponsor				

Mission Statement: Providing Promised Benefits

The mission statement of COAERS: Provide our members their promised benefits.




CITY OF AUSTIN
EMPLOYEES'
RETIREMENT SYSTEM

STRATEGIC PLAN
2022 - 2026

Mission Risk Management: Cash Management

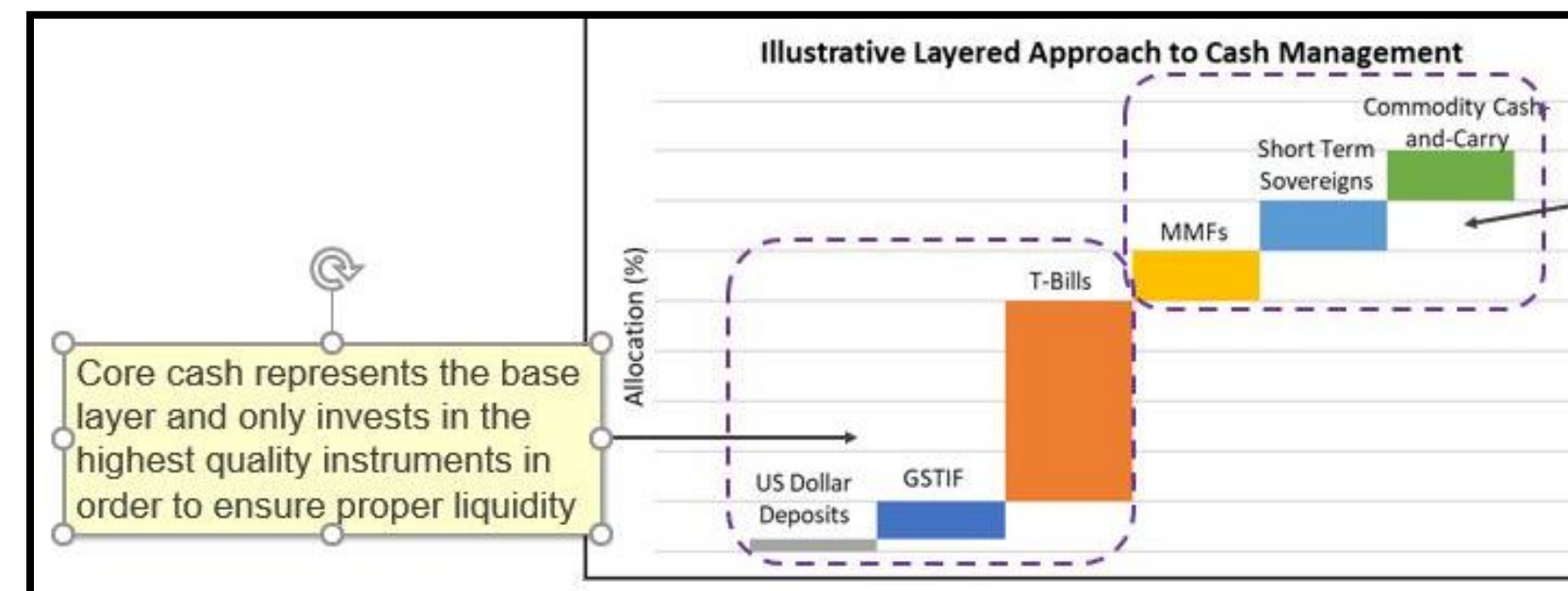
2020 Cash Flow Analysis



City of Austin Employees' Retirement System

2020 Forecast				Semi Stressed 2020 Forecast			Stressed 2020 Forecast		
	Average	May 2020	October 2020	Average	May 2020	October 2020	Average	May 2020	October 2020
Inflow	15,125,000	22,800,000	22,012,500	15,125,000	22,800,000	22,012,500	14,106,502	21,021,003	20,833,503
Outflow	20,030,197	19,876,061	20,026,258	20,282,562	20,142,501	20,201,084	20,507,392	20,357,453	20,387,477
Cash Need	4,905,197			5,157,562			6,400,890		
2020 Forecast				Semi Stressed 2020 Forecast			Stressed 2020 Forecast		
Highest Monthly Outflow		21,074,576			21,516,252			21,828,013	

Annually, Staff performs a prospective cash flow analysis for the upcoming fiscal year which establishes a baseline, or “green” scenario. Additionally, a semi-stressed or “yellow” and stressed or “red” scenario, are also reviewed and plans discussed for managing those scenarios should they arise during the year.



Cash instruments are categorized as either core cash or incremental cash. Core cash is the base layer utilized for the System to maintain adequate liquidity to meet its obligations.

Mission Risk Management



Disaster Recovery and Business Continuity Plan

Policies and Procedures

2. Penetration Testing

External Network Penetration Testing

The external network penetration test identifies public-facing vulnerabilities that could be exploited by an attacker to gain access to private systems/data from the Internet. The assessment begins with a thorough analysis of the entity's public Internet and Darknet exposure; searches are conducted that discover employee information (names, titles, email addresses, passwords, etc.) which could be used to aid in an attack. Hostnames, IP addresses, websites, and exposed ports/services are also enumerated.

Once the discovery phase is completed, vulnerabilities are identified and analyzed, and manual exploitation attempts are performed. Key web applications discovered are assessed for most common vulnerabilities. If access is achieved, the assessor demonstrates the level of risk as is permitted by pre-defined rules of engagement.

Deliverables for this engagement include a detailed report and debriefing provided by the testing consultant. Reporting includes vulnerabilities ranked by risk, step-by-step narratives with screenshots for all exploited vulnerabilities, and remediation guidance.



Internal Network Penetration Testing

Penetration testing of an entity's internal, or "private side" network is a critical, yet oftentimes overlooked aspect of cybersecurity due diligence. It is ill-advised to conclude assets residing on the internal network are protected because the perimeter is secure. The objective of this assessment is to evaluate the internal network's risk exposure to insider threats, computers infected by sophisticated malware, or a malicious intruder who has gained access inside the network perimeter.

Penetration Testing



Governance Risks

Risk Category	Risk Description	Rank	Risk Level	Risk Level	Expected Risk Level Trend (next 12 months)	Risk Response	Risk Owner	Reporting and Oversight Committee	
			2024	2023					
GOVERNANCE	Not following processes and procedures in decision making	12	Low	Medium	↓	Mitigate and Transfer	Board of Trustees	Governance and Human Resources Committee	
Current Status Summary (Trending)	2024 Risk Management Activities							Activity Status	
The Board has completed two successful annual workshops and forged strong professional and personal relationships. The 2023 Board self-evaluation indicated strong support for the current governance of the Board. Board policy review cycles have been established and are monitored. Recently created policies such as the Board Governance Manual, Diversity Policy, Emergency Succession Policy, and Communications Policy bolster already effective Board governance.								OPEN	CLOSED
	Implementation of personalized Trustee education and professional development plans.							x	
	Board Annual Self-Assessment								
	Trustee continuing education and utilization of Board Skills Matrix to expand trustee training options.							x	
	Begin to foster candidates for possible future Board appointment								
Notable Risks (Root Causes)			Probability	Impact	Risk Management Strategies and Action Items				
Ineffective Board leadership			Low	Medium	Board and Trustee Self-Evaluation				
Policy-making versus administration lines not held			Low	Medium	Training/Policy & Procedure				
Effectiveness of board governance declines			Low	Medium	Board Governance Effectiveness Survey Follow-Up				
Policies and procedures not followed or established			Low	Medium	Regular Policy Review				
Lack of appropriate skills			Low	Medium	Board Skills Matrix and Board Education Policy				
Lack of trust between trustees			Low	Medium	Communication/Board Workshops				

4th Quartile Risk

Strategic Goal #4: Leading Practices in Governance

The Board established a goal of the current Strategic Plan to “identify and implement leading practices in board governance...”

Governance: Promote engaged, effective, and independent-minded Trustees by utilizing appropriate and effective governance structures and decision-making processes.



CITY OF AUSTIN
EMPLOYEES'
RETIREMENT SYSTEM

STRATEGIC PLAN
2022 - 2026

Governance Risk Management

- The Board approved its Governance Manual in December 2022 which outlines governance principles, structure, delegation, conduct, committees, and the self-evaluation process.
- The Board Policy Dashboard tracks all Board Policies review cycles to ensure that governance documents are examined in an appropriate review cycle.
- The Board Policy Handbook serves as a singular source of all Board-approved policies.

**CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM
BOARD GOVERNANCE MANUAL**

I. PURPOSE AND SCOPE

This Governance Manual is established to give Trustees information relevant to the governance of the City of Austin Employees' Retirement System ("COAERS" or "System"). Governance is the process for making and implementing decisions. Governance is not about making the "correct" decision, but about the best possible process for making the decision. At its core, governance is the establishment of rules, practices, processes, and the monitoring of their implementation. Governance integrates the power, duties, and accountability of the Trustees to the System's mission. The Board may, at its discretion, delegate authority to carry out the administration of the System but may not delegate responsibility for the System. An essential prerequisite to success of the Board and the System is a well-designed governance structure.

II. GOVERNANCE PRINCIPLES

The following governance principles guide the conduct, decision-making and behavior of the Board and provide a framework for the achievement of the Board's goals:

1. All Board members are fiduciaries and as such, must act solely in the best interest of all the participants in the plan.
2. Board members are to be effective and capable in fulfilling their fiduciary responsibilities, taking the time to understand COAERS' business and the role of the Board in conducting that business.
3. Successful governance requires competent Board members who can develop and oversee the implementation of strategies for achieving intended outcomes.

COAERS Board Policy Review Dashboard

Policy Name	Committee Assigned to Review	Review Cycle	Last Reviewed	Next Review Date
Review Due Now				
Benefits Administration	Benefits and Services	At least every three years	12/1/2019	2022
Diversity	Governance and HR	Annually	6/1/2021	2022
Election	Governance and HR	Annually	6/1/2021	2022
Emergency Succession	Governance and HR	Annually	6/1/2021	2022
Funding	Benefits and Services	At least every two years	9/1/2020	2022
Investment Policy Statement (IPS)	Investment	At least annually	3/1/2021	2022
Investment Implementation Policy (IIP)	Investment	At least annually	7/1/2021	2022
Communication	Policy	Annually	9/1/2021	2022
Review As Necessary				
Financial Statement Audit	Audit and Risk	As necessary	3/1/2021	
Travel Reimbursement	Audit and Risk	As necessary	9/1/2021	
Bylaws	Full Board	As necessary	12/1/2021	
Appointments to Fill Unexpired Terms	Not assigned	N/A	9/1/2003	
Code of Ethics	Policy	As necessary	12/1/2020	
Education	Policy	As necessary	12/1/2017	
Records Management	Policy	As necessary	6/1/2017	
Review Complete				
Enterprise Risk	Audit and Risk	At least every three years	12/1/2021	2024

COAERS
CITY OF AUSTIN
EMPLOYEES' RETIREMENT SYSTEM

Board Policy Handbook
December 2021

Governance Risk Management

GGA GLOBAL GOVERNANCE ADVISORS

2021 Board Skills Assessment & Matrix

Trustee Understanding, Skills, & Attribute Matrix

Based on the technical understanding, skills, and personal attributes previously listed, the following is the aggregated response data provided by COAERS Trustees with a color-coded priority ranking provided for each skill.

		Average	Rank
Preferred Technical Understanding & Skills	Fiduciary Matters	3.91	3
	Governance	4.18	2
	Ethics	4.36	1
	Investments	3.45	10
	Actuarial Matters	3.27	15
	Benefits Administration	3.64	8
	Risk Management	3.91	3
	Compliance (Legal)	3.55	9
	Legal & Regulatory Matters	3.36	11
	Pension Accounting	3.27	15
	Custodial Issues	2.82	17
	Plan Administration	3.36	11
	State Open Meetings Act	3.91	3
	State Public Information Act	3.82	6
	Human Resources	3.36	11
	IT/Cyber Security	3.36	11
Governmental Relations	3.82	6	

Board Skills Assessment and Skills Matrix

COAERS Board Evaluation Worksheet 2022

Annual Board Evaluation

Board Bylaws provide that Trustees will assume responsibility for conducting an evaluation of the Board of Trustees as a whole. The Board Chair will facilitate the discussion for this agenda item. Below are suggested items to help facilitate and guide the discussion. Trustees are encouraged to share their views on these topics as well as any other topics pertinent to the Board's evaluation.

Governance	2022 Rating
The Board knows and understands COAERS' mission/vision and Strategic Plan; and reflects this understanding on key issues throughout the year.	1 2 3 4 5
The Board acts strategically and delegates effectively.	1 2 3 4 5
The Board comprehends and respects the difference between its policy-making role and the Executive Director's management role.	1 2 3 4 5
Board goals, expectations, and concerns are effectively communicated with the Executive Director.	1 2 3 4 5
Leadership	
The Board Chair, Vice-Chair, and Committee Chairs promote a culture of mutual trust and collaboration.	1 2 3 4 5
Board and Committee meetings are conducted in a manner that fosters open and respectful communication, meaningful participation, and sound resolution of issues.	1 2 3 4 5
The Board operates in a way that allows Trustees to constructively challenge and effectively manage dissent.	1 2 3 4 5
Committee assignments are made to ensure adequate rotation of long-tenured trustees, and newer trustees are provided the opportunities to take on new responsibilities on the Board.	1 2 3 4 5

Annual Board Self-Evaluation

7. Receive report on cybersecurity

A. Convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices

B. Reconvene into open session to take action as determined appropriate regarding security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices

Presented by Amy Kelley

AGENDA ITEM 7:

Receive report on cybersecurity

- A. Convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices
- B. Reconvene into open session to take action as determined appropriate regarding security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices

RECOMMENDATION FOR COMMITTEE ACTION

For informational purposes; no action required.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 2: Responsibly manage the risks of the System**. The Committee's regular review of COAERS Enterprise Risk Management System is one of the strategic objectives of Goal 2 and a key performance indicator is the successful implementation of all annual risk management activities.

8. Receive report on the second quarter 2024 unaudited financial statements

Presented by Yun Quintanilla



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 8:

Receive report on the second quarter 2024 unaudited financial statements

AGENDA ITEM OBJECTIVE

This item presents the unaudited June 30, 2024 financial statements, which show the net position of the fund and related financial details.

RECOMMENDATION FOR COMMITTEE ACTION

For informational purposes only; no action required.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 2: Responsibly manage the risks of the System.**

ATTACHMENT

1. COAERS unaudited financial statements for the period ending June 30, 2024, including the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position

CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM
Statement of Fiduciary Net Position
June 30, 2024

	Unaudited		Variance
	6/30/2024	6/30/2023	Favorable (Unfavorable)
Assets			
Cash - operating account	\$ 15,086,637	\$ 19,834,912	\$ (4,748,275)
Receivables:	36,135	116,386	(80,251)
Total cash and receivables	15,122,772	19,951,298	(4,828,526)
Investments, at fair value:			
US equities	1,235,053,689	1,075,558,641	159,495,048
DM Equities	538,199,775	495,560,276	42,639,499
EM Equities	233,106,516	207,098,613	26,007,903
Fixed income	583,982,719	516,875,756	67,106,963
Real assets	440,842,991	442,255,812	(1,412,821)
Multi-asset	143,786,849	124,987,534	18,799,315
Cash and cash equivalents	216,043,883	236,448,760	(20,404,877)
Total investments	3,391,016,422	3,098,785,392	292,231,030
Capital assets, net of depreciation	32,163,189	31,794,157	369,032
Total assets	3,438,302,383	3,150,530,847	287,771,536
Liabilities			
Payables:			
Accrued expenses	352,261	329,779	(22,482)
Payables and deposits - Mueller	299,388	698,250	398,862
Refunds and death benefits payable	3,382,987	3,666,156	283,169
Total liabilities	4,034,636	4,694,185	659,549
Net position restricted for pensions	\$ 3,434,267,747	\$ 3,145,836,662	\$ 288,431,085

CITY OF AUSTIN EMPLOYEES' RETIREMENT SYSTEM
Statement of Changes in Fiduciary Net Position
For the Six Months Ending June 30, 2024

	Unaudited		Variance
	6/30/2024	6/30/2023	Favorable (Unfavorable)
Additions:			
Contributions:			
Employer contributions	\$ 86,938,953	\$ 73,254,434	\$ 13,684,519
Employee contributions	38,850,149	30,624,719	8,225,430
Creditable service purchases	1,286,398	4,481,229	(3,194,831)
Total contributions	127,075,500	108,360,382	18,715,118
Investment Income:			
Realized gain/(loss) on investments	180,959,582	(795,790)	181,755,372
Unrealized gain/(loss) on investments	(30,006,382)	196,796,510	(226,802,892)
Net investment appreciation (depreciation) in fair value of investments	150,953,200	196,000,720	(45,047,520)
Dividends	14,324,415	14,762,242	(437,827)
Interest	13,810,328	9,654,286	4,156,042
Investment appreciation (depreciation) before expenses	179,087,943	220,417,248	(41,329,305)
Investment expenses:			
Investment manager fees	1,979,320	2,225,812	246,492
Custodial fees	130,000	130,000	-
Commissions & other fees	484,030	41,203	(442,827)
Investment consultant fees	152,493	148,051	(4,442)
Investment legal counsel	34,960	7,153	(27,807)
Staff continuing education & site visits	35,523	7,227	(28,296)
Investment staff resources	263,924	161,978	(101,946)
Total investment expenses	3,080,250	2,721,424	(358,826)
Net Investment appreciation (depreciation)	176,007,693	217,695,824	(41,688,131)
DDA interest Income	479,271	364,441	114,830
Rent Income - Mueller	942,798	335,780	607,018
Total additions (deductions)	304,505,262	326,756,427	(22,251,165)
Deductions:			
Retirement annuities	136,880,536	129,483,124	(7,397,412)
Contributions refunded to terminating employees	2,538,579	1,710,633	(827,946)
DROP disbursements	1,782,018	2,055,847	273,829
Retiree lump-sum annuity	1,928,990	1,281,893	(647,097)
Death benefits	1,147,974	1,966,636	818,662
Total benefit payments, including refunds of member contributions	144,278,097	136,498,133	(7,779,964)
General and administrative expenses	3,787,682	3,656,766	(130,916)
Expenses - Mueller	884,052	560,627	(323,425)
Total deductions	148,949,831	140,715,526	(8,234,305)
Net increase/(decrease) in net position	155,555,431	186,040,901	(30,485,470)
Net position restricted for pensions:			
Beginning of year	3,278,712,316	2,959,795,761	318,916,555
End of period	\$ 3,434,267,747	\$ 3,145,836,662	\$ 288,431,085

9. Review key meeting takeaways and call for future agenda items

Presented by Michael Benson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 9:

Review key meeting takeaways and call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.

2024 Audit and Risk Committee Work Plan

Scheduled Quarterly Meetings

1. March meeting
 - ✓ Required Communications for 12/31/2023 Financial Statement Audit
 - ✓ Quarterly review of Enterprise Risk Management Program
 - ✓ Quarterly Financial Statements
 - ✓ Fraud, Waste, and Abuse Policy
2. June meeting
 - ✓ 12/31/2023 Financial Statement Audit presentation
 - ✓ Quarterly review of Enterprise Risk Management Program
 - ✓ Review of Cybersecurity Program
 - ✓ Quarterly Financial Statements
 - ✓ Travel Reimbursement Policy
3. August meeting
 - ✓ Quarterly review of Enterprise Risk Management Program
 - ✓ Review of Cybersecurity Program
 - ✓ Annual review of financial audit service provider and renewal decision
 - ✓ Quarterly Financial Statements
4. November meeting
 - Annual review of Enterprise Risk Management Program
 - Enterprise Risk Management Policy
 - Review of Cybersecurity Program
 - Quarterly Financial Statements
 - Engagement Letter - Auditor
 - 2025 Committee Work Plan