

AUDIT COMMITTEE MEETING
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
June 8, 2022

A meeting of the Audit Committee of the New York State Teachers' Retirement System was held via Cisco WebEx on June 8, 2022. Oliver Robinson, Chair called the meeting to order at 12:30 p.m.

ATTENDANCE

Audit Committee

Oliver Robinson, Chair
David Keefe
Eric Iberger

Board

Nicholas Smirensky

System Consultants/Advisors

Sue Landauer (AC Advisor)
Michelle Watterworth (Plante Moran)
Peter Dewar (Linea Secure)
Jason Todd (Linea Secure)
Ferdinand Frimpong (Linea Secure)
Yvette Connor (Grant Thornton)
Julia Stroup (Grant Thornton)
Sean Atkinson (Risk Committee Advisor)

IA Staff

Kenneth Kasper
Kathy Ebert
Bruce Woolley
Lei Zhang
Darlene Dempsey
Michele Rescott
Zubair Khan

System Staff

David Gillan
Paul Cummins
Gerald Yahoudy
Don Ampansiri
Michael Gregoire
Margaret Andriola
Richard Young
Miriam Dixon
Ed Rezny
Thomas Lee
Michael Federici
Matthew Albano
Danny Malave
Matt Tice
Mark Gallagher
John Rosenburg
Vijay Madala
Melody Prangley
Yiselle Ruoso
Mihaela Kucharczyk
Chris O'Grady
Erica Mortimore
Ryan Warren
Rick Jensen
Sarah Garrand
Alexander Weldon

Agenda

Upon motion of D. Keefe, seconded by E. Iberger, and unanimously approved, the Committee approved the minutes of the March 28, 2022 and March 9, 2022 meetings of the Committee.

Presentations

A. Enterprise Risk Management Maturity Assessment:

Y. Connor and J. Stroup from Grant Thornton presented the results of the Enterprise Risk Management Maturity Assessment. They presented the engagement overview, diagnostic results, recommendations and road map. Additionally, M. Albano and M. Tice of the NYSTRS' Risk Management Department presented the action plans related to the recommendations made.

B. IT Risk Assessment, Vulnerability Assessment and Penetration Testing

Executive Session: Upon motion of E. Iberger, seconded by D. Keefe and unanimously carried, the Committee went into Executive Session at 1:09 pm to meet with P. Dewar and J. Todd of Linea Secure to discuss the results of the IT Risk Assessment, Vulnerability Assessment and Penetration Testing. Additionally, J. Rosenberg, NYSTRS' ISO, presented action plans related to the recommendations made. The Committee came out of Executive Session at 1:46 pm.

C. Review of Internal Audit Reports issued during the quarter:

The Internal Audit staff presented the reports below, which were issued during the quarter:

| Report Number ¹ | Date Issued | Subject |
|----------------------------|-------------|---|
| Rpt 22-15 | 4/26/22 | Internally Managed Domestic Equity Portfolios |
| Rpt 22-16 | 5/3/22 | Operating Expenses |
| Rpt 22-17 | 5/12/22 | Operational Audit of Securities Lending Program |
| Rpt 22-18 | 5/26/22 | Third-Party Service Providers: System-Wide SOC Review |
| Rpt 22-20 | 5/31/22 | Service Retirement Benefit Process |
| Rpt 22-21 | 5/31/22 | Third-Party IT Access Rights |

D. Fraud, Waste or Abuse (FWA) Report:

B. Woolley updated the Committee on the status of open FWA cases. The report contains 27 cases: 11 new cases, 4 updated cases, and 12 cases without change. Twelve cases were closed during the quarter leaving 15 open cases.

¹ Rpt 22-19, IT Risk Assessment; Vulnerability Assessment and Penetration Testing was presented by the consultant, Linea Secure, in agenda item B.

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E. Status of Internal Audit Observations:

B. Woolley and L. Zhang introduced each specific observation and management representatives of the respective departments provided a status report pertaining to the action plans.

Executive Session

Upon motion of E. Iberger, seconded by D. Keefe and unanimously carried, the Committee went into Executive Session at 2:18 pm. The Committee met privately with K. Kasper and K. Ebert to conduct the quarterly review of the Internal Audit Management Team.

At 2:32 pm., upon completion of the Executive Session, the members reconvened the open portion of the meeting. There being no further business, upon motion of D. Keefe, seconded by E. Iberger and unanimously carried, the meeting was adjourned.

Respectfully submitted,

A large black rectangular redaction box covering the signature of Thomas K. Lee.

 Thomas K. Lee