



Audits & Risk Management Committee

Item Number 4 – Open Session

Subject: Fiscal Year 2024-25 Audit Services Audit Plan

Presenter(s): Cheryl Cervantes Dietz, Chris Wall, Roseanne Oyoung

Item Type: Action

Date & Time: May 1, 2024 – 15 minutes

Attachment(s): Attachment 1 – Fiscal Year 2024-25 Audit Services Plan

PowerPoint(s): PowerPoint 1 – 2024-25 Audit Services Risk-Based Audit Plan

Item Purpose

This item presents Audit Services proposed Fiscal Year (FY) 2024-25 Audit Plan (audit plan) for the period of July 1, 2024, through June 30, 2025. The audit plan provides the Audits and Risk Management (ARM) Committee an overview of Audit Services' mission, scope of work, independence and objectivity, resource allocation and planned audit activities.

Recommendation

Staff recommends the ARM committee approve the FY 2024-25 audit plan (Attachment 1) as required by the *Global Internal Audit Standards*, formerly the *International Standards for the Professional Practice of Internal Auditing*.

Executive Summary

In conformance with the *Global Internal Audit Standards* (Standards), Audit Services establishes and presents a risk-based audit plan that is sufficiently flexible to reflect the organization's changing risks and priorities. The proposed audit plan sets the direction and priorities for Audit Services activities, consistent with the organization's goals. Implementation of the audit plan provides objective and independent assurance over the organization's governance, risk management and control processes and employer payroll reporting compliance with the Teachers' Retirement Law. The plan also addresses the various activities needed to ensure compliance with the new Standards.

Annual Audit Plan Highlights

Employer Audits:

Based on available staff resources, Audit Services plans to conduct 110 employer audits, which will focus on various compliance requirements, such as remuneration in addition to salary (special compensation), pay rate and earnings (base compensation), unused sick leave, and post-retirement earnings. Audit Services selects employers to audit using a risk-based approach, which encompasses data analytics, special requests, and referrals.

Internal Audits:

Based on available staff resources, Audit Services plans to conduct 20 assurance and advisory services to assist the organization in strategic goals and objectives achievement. Audit Services co-sources with external audit firms to conduct investment and information technology/security audits due to the specialized knowledge and expertise needed as required by the Standards.

Strategic Plan Linkage: [Strategic Plan - CalSTRS](#)

Board Policy Linkage: [Board Governance Manual \(calstrs.com\)](#)
