

REPORT SUMMARY

Teachers' Retirement System

This report documents the results of our financial-compliance audit of the Teachers' Retirement System (system) for the two fiscal years ended June 30, 2008. This report contains recommendations related to the actuarial soundness of the system and improving internal controls. The financial audit of the system for the two fiscal years ended June 30, 2007, was issued in a separate report (07-09).

System personnel prepare the financial statements from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) with adjustment. We issued an unqualified opinion on the financial statements presented in this report, which means the reader can rely on the financial information presented.

The listing below serves as a means of summarizing the recommendations contained in the report, the system's response thereto, and a reference to the supporting comments.

Recommendation #1 4

We recommend the Teachers' Retirement System take necessary measures to ensure the system is funded on an actuarially sound basis as required by the Montana Constitution.

System Response: Concur B-3

Recommendation #2 4

We recommend the Teachers' Retirement System document procedures to monitor and test internal controls in accordance with state policy.

System Response: Concur B-3