

Audit Services Long-Term Plan

INTRODUCTION

Audit Services' long-term plan (Plan) outlines a clear approach that elevates our capabilities and focus in support of the organizational goals, and objectives. Audit Services will regularly review progress and update the Plan annually as needed. The Plan covers the period of July 2025 through June 2028.

AUDIT SERVICES VISION

To be a trusted strategic partner providing quality and meaningful risk, control and governance expertise to support CalSTRS in achievement of its strategic goals.

AUDIT SERVICES MISSION

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

VALUES

Audit Services embraces CalSTRS' Core Values of customer service, accountability, leadership, strength, trust, respect, and stewardship. In addition, Audit Services commits to performing audit work with professional courage (doing what is right despite potential challenges and uncertainty). We commit to communicate with confidence, integrity and transparency.

AUDIT SERVICES GOALS AND OBJECTIVES

Audit Services long-term plan serves to support CalSTRS strategic goals and objectives by providing proactive risk identification, control expertise, process improvement recommendations, and governance and accountability awareness.

Objective 1: Technology and Data Analytics

Produce value-driven results using technology to create efficiencies, enhance quality, and elevate organizational risk insight. (Aligns with CalSTRS Strategic Goal 2)

Objective 1: Indicators of Success:

- A. Establish a Data Solutions unit comprised of a dedicated team to incorporate technology solutions and data analytics in audit processes.
Target date: July 2025
Status as of June 2026: Completed
- B. Develop audit data solutions framework, approach and methodologies for increased use of technologies within assurance and advisory services.
Target date: January 2026
Status as of June 2026: Completed
- C. Increase audit technology and data analytics competencies.

Target date: December 2026

Status as of June 2026: On Track

- D. Expand use of data analytics by incorporating into four audits.

Target date: June 2027

Status as of June 2026: On Track

- E. Expand use of existing audit software to increase audit and reporting efficiency and effectiveness. (risk assessment, audit reporting, audit resolution)

Target date: June 2027

Status as of June 2026: On Track

- F. Identify and implement continuous monitoring to detect anomalies and potential threats over two business processes.

Target date: June 2028

Status as of June 2026: On Track

Objective 2: Audit Talent

Strengthening audit competencies to sustain talent and contribute to organizational success through reporting on risk identification, control improvements, compliance outcomes, and process enhancements. (Aligns with CalSTRS Strategic Goal 3)

Objective 2: Indicators of Success:

- A. Assess staff skills and develop a group training plan at the beginning of each calendar year.

Target date: Annually beginning January 2026

Status as of June 2026: Completed

- B. Provide a group training plan each year for Audit Services staff beginning of each year.

Target date: January 2026

Status as of June 2026: Completed

- C. Require staff to complete a training plan each year to ensure staff meet Audit Services' training requirements.

Target date: January 2026

Status as of June 2026: Completed

- D. Increase staff pursuit of audit professional licenses/certifications with at least two new certifications obtained each year.

Target date: July 2027

Status as of June 2026: On Track

- E. Increase staff participation in professional audit organizations:

- 80% participation each year measured at fiscal year-end (first measurement June 30, 2026).

- 20% volunteer service within a professional organization each year measured at fiscal year-end (first measurement June 30, 2026).

Target date: July 2027

Status as of June 2026: On Track

- F. Increase involvement in CalSTRS mentorship program by having at least 25% of staff participation each cycle.

Target date: July 2028

Status as of June 2026: On Track

Objective 3: Stakeholder Trust

Strengthen relationships and communications with CalSTRS leaders and business stakeholders (partners) to foster trust, transparency, and collaboration resulting in proactive assurance, insight over governance, risks and controls. (Aligns with CalSTRS Strategic Goal 1)

Objective 3: Indicators of Success:

- A. Require Audit Services leaders to develop a stakeholder relationship plan.
Target date: June 2026
Status as of June 2026: Completed
- B. Develop and present Audit Services purpose, and role.
 - Present to at Directors Meeting
 - Present to at 3-5 business stakeholder staff meetings annually**Target date:** June 2027
Status as of June 2026: On Track
- C. Develop and distribute Audit Services feedback survey to ARM Committee members and executives.
Target date: June 2027
Status as of June 2026: On Track
- D. Identify areas of improvement from all surveys and develop improvement plans.
Target date: June 2028
Status as of June 2026: On Track
- E. Increase internal audit client engagement survey “communication” results by 5%.
Target date: June 2028
Status as of June 2026: On Track