

NHRS Board of Trustees, Audit Committee
August 11, 2020

NOTE: These minutes from the August 11, 2020 Audit Committee meeting were approved and executed at the September 8, 2020 regular meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
August 11, 2020**

**New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301**

The NHRS office was closed to the public as a result of COVID-19 and the meeting was held via video conferencing. Pursuant to RSA 91-A, all votes were by roll call.

Participating: Committee Members Maureen Kelliher, Chair; Christopher Coates; Melvin Friese; Tim Lesko; and Monica Mezzapelle.

Staff participating: George Lagos, *Executive Director*; Mark Cavanaugh, Esq., *Associate Counsel and Compliance Officer*; Frank Clough, *Director of IT*; Nancy Cone, *Internal Auditor*; Timothy Crutchfield, Esq., *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Nancy Miller, *Director of Member Services*; and Gerard Murphy, *Director of Finance*.

The Chair called the meeting to order at 9:30 a.m. Upon a request from the Chair, a motion was made by Trustee Coates to accept the public minutes of the July 14, 2020 Audit Committee meeting. Trustee Friese seconded the motion and it passed unanimously.

Ms. Cone discussed the Microsoft Dynamics (Dynamics) User Access Rights Audit report that is the financial reporting system for NHRS. No issues were noted and the access rights have been established to allow for effective controls.

Ms. Cone then discussed the Audit Issues Tracker report that has five outstanding items with one having a revised target completion date and three completed since July. Four of the outstanding items are anticipated to be completed by the end of September and one will be addressed over the longer term with the implementation of PGV3.

She then reviewed the FY2021 Internal Audit Plan status. As noted above, the Dynamics User access rights audit is completed and the GASB employer census data audits on behalf of Plante Moran are in process. Thirteen of the twenty-two audits are completed, eleven have been submitted to Plante Moran and two are in review. The target completion date for these audits is August 21st. Additional employer audit resources have been brought in to assist with the GASB audits. The PensionGold User

Access Rights audit is on hold pending completion of the GASB employer audits. Also, there are several Consulting Activities in process.

Mr. Murphy provided an update of the FY2020 audit by Plante Moran who performed preliminary audit work remotely the last two weeks of July. They will be performing additional audit work remotely in October. The plan to remediate issues arising from Plante Moran's FY2019 GASB and CAFR audits has no changes since last month and the remaining four items are expected to be completed by December 31, 2020. This information has been shared with Plante Moran and they are aware of our progress.

Mr. Lagos then updated the Committee on the Data Security Remediation project. The consultants who performed the initial risk assessment have been contacted to perform a follow-up review to evaluate the progress and validate the results.

Mr. Murphy indicated that the June 30, 2019 Valuation report will be presented today to the full Board of Trustees for acceptance and the Board will be certifying the FY2022 and FY2023 employer rates at its September meeting. Additionally, the Board will be voting today to approve the Actuarial Consulting RFP.

The Chair noted that there did not appear to be any matters requiring a non-public session today and the Committee members agreed.

No further business came before the Committee.

A motion to adjourn made by Trustee Lesko and seconded by Trustee Coates carried unanimously.

Respectfully submitted,

Nancy B. Cone