

NHRS Board of Trustees, Audit Committee  
April 12, 2016

**NOTE:** These minutes from the April 12, 2016 Audit Committee meeting were approved and executed at the May 10, 2016 regular Meeting of the NHRS Audit Committee.

**Audit Committee  
Board of Trustees**

**April 12, 2016**

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

Committee Members: John Beardmore, Chair; Bill Dwyer; Maureen Kelliher; Germano Martins; and David McCrillis.

Staff: George Lagos, Executive Director; Denise Call, Director of Employer Services; Mark Cavanaugh, Associate Counsel and Compliance Officer; Frank Clough, Director of Information Technology; Timothy Crutchfield, Esq., Chief Legal Counsel; Jack Dianis, Director of Finance; Larry Johansen, Director of Investments; Nancy Miller, Director of Member Services; Nina Calkins, Process Improvement Manager; Heather Fritzky, Controller; Nancy Cone, Internal Auditor.

Chair Beardmore called the meeting to order at 9:30 AM. Upon a request from the Chair, a motion was made by Ms. Kelliher to accept the minutes of the Audit Committee meeting of March 8, 2016. Mr. Dwyer seconded the motion and it carried unanimously.

Ms. Cone presented the final audit reports of Change Management and User Access Rights for Dynamics, an accounting software package utilized by Finance, and Change Management and User Access Rights for NHRS Bank and Investment Accounts. Mr. Dwyer asked if Dynamics has an Internal Auditor module that would provide reports when system changes are processed. Ms. Fritzky indicated that she was not aware that it has one, but staff will inquire during the upcoming conversion. Mr. Johansen noted that both banking systems utilized by NHRS do not permit the same person to initiate and approve the same transaction. In response to a question by Mr. Dwyer, Mr. Dianis advised that reconciliations are performed monthly in Finance by the Finance Accountant and reviewed by the Controller.

Ms. Cone then reviewed the FY2016 Audit Plan Status and provided an update as of April 1, 2016 for the outstanding items on the Open Audit Issues Tracking System report. She then presented the Internal Audit Risk Assessment and Audit Plan Policy and Procedures for the Committee's review and presented the template for the FY2017 Risk Assessment that has been developed with the assistance of Nina Calkins, the Process Improvement Manager.

Mr. Clough then provided the Committee with an overview of the of the Three Year IT plan for FY2017 through FY2019. He indicated that the imaging system was successfully converted in March, a new co-location is being outfitted and vendor due-diligence is currently being performed for penetration testing of NHRS internet-facing systems. Mr. Lagos commented that recent improvements in IT infrastructure have resulted in a significant reduction in system down-time from previous years and that there has been no down-time this calendar year.

As there being no further business, the Committee tentatively scheduled the next meeting immediately prior to the Board meeting on Tuesday, May 10, 2016 at a time to be determined.

A motion to adjourn was made by Ms. Kelliher, seconded by Mr. Martins it carried unanimously.

*Respectfully submitted,*

*Nancy B. Cone*