

NHRS Board of Trustees, Audit Committee
April 2022

NOTE: These minutes from the April 12, 2022 Audit Committee meeting were approved and executed at the regular meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
April 12, 2022**

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

Participating Committee Members: Monica Mezzapelle*, Chair; Maureen Kelliher, Tim Lesko, and Germano Martins. *Absent:* Chris Coates.

**This Trustee participated remotely as permitted under RSA 100-A:14-a. As a result, all votes were by roll call.*

Staff participating: Jan Goodwin, *Executive Director*; Timothy Crutchfield, *Deputy Director and Chief Legal Counsel*; Mark Cavanaugh, *Associate Counsel and Compliance Officer*; Frank Clough, *Director of IT*; Heather Hoffacker, *Internal Auditor*; Larry Johansen, *Director of Investments* 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 Martins to accept the public minutes of the March 8, 2022 Audit Committee meeting. Trustee Kelliher seconded the motion and the minutes were approved unanimously.

Ms. Hoffacker discussed the completion of the Cash Management / Cash Flow Projections Audit Report. The purpose of the Cash Flow Projections process is to make sure there are sufficient funds to meet financial obligations during the final week of the monthly financial cycle. Known income and expenses are combined with estimates for the end of month and compared to the reserve that is in place to cover any shortfall. The audit found that the analysis and subsequent review process was effective and well documented. The recommendation made was to review and update the training document.

Ms. Hoffacker discussed the outstanding items on the Internal Audit Tracker. The number of outstanding employer audit files waiting to be processed by Member Services on April 1st was 25. The number of files requiring submissions from employers was 181.

The categories for the Policy/Procedure Assignment and Follow-through Audit have been created and documents have been reassigned. New procedures are being created

and Management is looking into having training provided by Navex, the software manufacturer.

Ms. Hoffacker discussed the Audit Plan. The Pension Recoupment Audit has been started and LRS is providing a query to be used in determining the outstanding balances. Plante Moran is determining the sample selection for the GASB Census Data audits and once received those will begin.

Ms. Hoffacker discussed the proposed Audit Plan for FY2023 with the updated Risk Assessments used to prepare it. The preparation process was basically consistent with previous years and the items were chosen for the new plan based on multiple factors. Chair Mezzapelle requested that the Risk Assessment worksheet be sent to Committee members as an Excel worksheet rather than a PDF and Ms. Hoffacker agreed to resend it. It is anticipated that the FY2023 Audit Plan will be voted on at the May 10, 2023 Audit Committee Meeting.

Mr. Murphy discussed the Plante Moran recommendation regarding check controls. They are currently working to make the changes that will satisfy Plante Moran's recommendation. Discussions have also begun regarding the implementation of GASB 87 pertaining to leases and the new AICPA independence guidelines.

No further business came before the Committee. The next meeting has been scheduled for May 10, 2022.

A motion was made by Trustee Lesko to adjourn the meeting, seconded by Trustee Kelliher, and approved with a unanimous vote.

Respectfully submitted,

Heather Hoffacker