

NHRS Board of Trustees, Audit Committee
August 8, 2017

NOTE: These minutes from the August 8, 2017 Audit Committee meeting were approved and executed at the September 12, 2017 regular Meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
August 8, 2017**

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

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

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

Chair Beardmore called the meeting to order at 10:30 a.m. Upon a request from the Chair, a motion was made by Trustee Kelliher to accept the minutes of the Audit Committee meeting of July 11, 2017 as presented. Trustee Dwyer seconded the motion and it carried unanimously.

Ms. Cone then updated the Committee as to the status of Internal Audit indicating that the current priority is completion of the GASB employer census data audits on behalf of KPMG. The 16 school district audits are completed and were submitted to KPMG by the due date of July 31st. Of the 14 municipality audits that are due to KPMG by August 31st, 4 have been submitted to KPMG and 10 are in process. She then presented the status of the FY2018 Audit Plan and provided an update on the five outstanding items listed on the Open Audit Issues Tracking report.

Ms. Fritzky then provided the Committee with an update of the FY2017 audit by KPMG. She indicated that they were scheduled to be onsite the weeks of 7/24 and 7/31 and were only onsite the first week. The Prepared by Client (PBC) list has some items that are no longer relevant to NHRS and she has been working with KPMG to remove them from the list. Bi-weekly status calls with KPMG continue to be held and documented. Ms. Fritzky also reiterated to KPMG that NHRS has only one OPEB plan to which they agreed in past communications. Mr. Lagos confirmed that a letter had been previously sent to and acknowledged by KPMG confirming the status of one OPEB plan.

Mr. Lagos then updated the Committee on the PASE (Pension Administration System Evaluation) project. A presentation was made by a vendor, at no charge, who provides RFP, workflow analysis and implementation services. Additionally, an analysis has been received, but not yet reviewed, from another vendor who is very familiar with pension administration system conversions, specifically those involving LRS, the provider of NHRS's current system, Pension Gold.

Mr. Lagos also updated the Committee as to short term steps being taken to enhance security and controls governing address and electronic direct deposit changes for retirees, and the ability for members and retirees to setup online accounts via MyAccount.

Chair Beardmore noted that there were no matters requiring non-public session and the remaining Committee members agreed.

No further business came before the meeting.

A motion to adjourn made by Trustee McCrillis and seconded by Trustee Martins was carried unanimously.

Respectfully submitted,

Nancy B. Cone