

NHRS Board of Trustees, Audit Committee  
December 2023

**NOTE:** These minutes from the December 12, 2023 Audit Committee Meeting were approved and executed at the February 13, 2024 regular meeting of the NHRS Audit Committee.

**Audit Committee  
Board of Trustees**

**Public Minutes  
December 12, 2023**

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

*Participating Committee Members:* Monica Mezzapelle, *Chair*; Jason Henry; Maureen Kelliher; Tim Lesko and Germano Martins.

*Staff participating:* Jan Goodwin, *Executive Director*; Timothy Crutchfield, *Deputy Director and Chief Legal Counsel*; Mark Cavanaugh, *Associate Counsel and Compliance Officer*; Heather Hoffacker, *Internal Auditor*; Raynald Leveque, *Chief Investment Officer*, Marie Mullen, *Director of Finance* and Jennifer Gordon, *Controller*.

*Attending Trustee:* Robert Maloney.

The Chair called the meeting to order at 9:30 a.m. after ascertaining a quorum.

Upon a request from the Chair, a motion was made by Trustee Henry to accept the public minutes of the November 14, 2023, Audit Committee meeting. Trustee Lesko seconded the motion, and the minutes were approved unanimously.

The Chair welcomed Plante Moran representatives Bob Dobrowski, the Partner responsible for the engagement; and Spencer Tawa, Senior Manager. Mr. Dobrowski discussed the audit team and auditing process. It is anticipated that the Audit Report will be dated December 15, 2023. Mr. Dobrowski thanked NHRS staff for the high level of cooperation with this year's audit. He reviewed the unmodified audit opinion pertaining to the June 30, 2023 financial statements.

Mr. Tawa discussed technical requirements and necessary communications. No instances of misstatement or noncompliance were found during the audit. However, a significant deficiency pertaining to the timing of bank and investment reconciliations was discussed including the fact that other controls and procedures were in place regarding the same.

Ms. Mullen thanked Plante Moran for their flexibility during the audit process as the Finance Department was working through staffing shortages and the PGV3 implementation. She discussed the controls in place to complete reconciliations timely and that a consultant has been identified that will assist staff in this area. She

also discussed that management will be evaluating resources to determine if additional staff is needed to maintain compliance in this and other areas.

Upon a request from Chair Mezzapelle, a motion was made by Trustee Henry to move to a non-public session. Trustee Lesko seconded the motion and after a roll call vote the meeting was moved to a non-public session as provided under RSA 91-A:3, II(c), to discuss a matter which could adversely impact the reputation of someone other than a member of the public body.

Upon Plante Moran's departure Chair Mezzapelle requested a motion to conclude the non-public session, which was made by Trustee Kelliher and seconded by Trustee Martins. No action was taken during the non-public session.

After returning from the non-public meeting, on a request from the Chair, Trustee Henry made a motion, seconded by Trustee Lesko, and unanimously approved, to recommend that the Board of Trustees approve and accept the Annual Comprehensive Financial Report for the fiscal year 2023 with the inclusion of the final opinion letter.

Ms. Hoffacker discussed the Internal Audit Tracker, noting the items on hold due to PGV3 have not been updated yet and the PIO Right-to-Know Audit has been added. The Audit Plan has been updated to reflect that the PIO Right-to-Know Audit has been completed and the ADV/Other Regulatory Disclosure Monitoring Audit is in process. The remaining Data Security Response updates are tied to the completion of PGV3. Questions were raised as to the delay in follow-up on Audit Tracker and Data Security Response items. Ms. Hoffacker responded that LRS and staff are still working through issues discovered during testing and going live on the new system.

Next, Ms. Hoffacker presented the results of the PIO Right-to-Know Audit. There are written instructions for the pertinent policies and procedures that are in place at this time. Sampling indicated that the current policies and procedures are being followed with one exception. Due to lack of evidence, Internal Audit was unable to prove that a deadline for response required under RSA 91-A:4, IV is being met. Internal Audit findings led to two recommendations: 1) Responsibility for tracking the receipt of requests and subsequent activities be moved to a third party not responsible for the process itself and 2) that the evidence proving that requests are being handled timely and appropriately be maintained together in a single location. Management agreed to review the process for timely response at a later date. Management disagreed with maintaining all correspondence involved in each request. However, discussion was raised during the meeting that further review of this process is ongoing.

The Chair requested that follow-up be provided for items on the Audit Tracker for the February Meeting.

Ms. Mullen discussed the work and cooperation amongst staff to overcome challenges over the last year, acknowledging and thanking staff.

A motion was made by Trustee Martins to adjourn the meeting at 10:25 a.m., seconded by Trustee Lesko, and approved unanimously.

*Respectfully submitted,  
Heather Hoffacker*