

NHRS Board of Trustees, Audit Committee  
February 9, 2016

**NOTE:** These minutes from the February 9, 2016 Audit Committee meeting were approved and executed at the March 8, 2016 regular Meeting of the NHRS Audit Committee.

**Audit Committee  
Board of Trustees**

**February 9, 2016**

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

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

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

Chair Beardmore called the meeting to order at approximately 9:10 AM. Upon a request from the Chair, a motion was made by Mr. McCrillis to accept the minutes of the Audit Committee meeting of January 12, 2016. Mr. Martins seconded the motion and it carried 2-0 with Mr. Martins abstaining.

Jack Dianis, Director of Finance, presented the final June 30, 2015 GASB No. 68 report, including the KPMG unmodified opinion letter, to the Committee. He noted that while figures are the same as the draft report that was accepted by the Audit Committee at their January 12, 2016 meeting, there are some formatting changes to some of the schedules which he highlighted. Mr. McCrillis noted a difference between the employer contributions listed on the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer. Ms. Fritzky indicated that contributions contained in the Schedule of Employer Allocations represent actual cash received by NHRS while the contributions listed on the Schedule of Pension Amounts by Employer include the Allocable Pension Expense based on GASB requirements using the employer's proportionate share of the contributions.

Ms. Cone then reviewed the status of Internal Audit activity and provided an update as of February 1, 2016 for the outstanding items on the Open Audit Issues Tracking System report. Mr. McCrillis inquired as to the rationale as to why the NH Department of Administrative Services (DAS) is the contact for the State of NH employer payroll audits. Mr. Lagos indicated that this is a starting point for these audits and staff will monitor this item's progress. Ms. Cone then presented the final report of the Member Statement Process Audit and reviewed the FY2016 Audit Plan Status.

As there being no further business, a motion to adjourn was made by Mr. Martins, seconded by Mr. Dwyer, and it carried unanimously.

*Respectfully submitted,*  
*Nancy B. Cone*