

NHRS Board of Trustees, Audit Committee
February 11, 2025

NOTE: These minutes from the February 11, 2025, Audit Committee meeting were approved and executed at the April 14, 2025, regular meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
February 11, 2025**

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

Participating Committee Members: Monica Mezzapelle, *Chair*; Maureen Kelliher, and Leah McKenna.

Staff participating: Jan Goodwin, *Executive Director*; Jennifer Gordon, *Controller*; Heather Hoffacker, *Internal Auditor*; Raynald Leveque, *Chief Investment Officer*; Nancy Miller, *Director of Member Services* and Marie Mullen, *Director of Finance*.

Guests: Bob Dobrowski and Spencer Tawa: Plante Moran.

After ascertaining a quorum, the Chair called the meeting to order at 9:16 a.m. and welcomed a new Committee Member, Leah McKenna, and the guests from Plante Moran. Plante Moran attended the meeting remotely.

At her discretion, the Chair moved the discussion regarding the FY24 GASB 68/75 Report to the beginning of the agenda. Mr. Dobrowski opened Plante Moran's presentation with introductions and explained this presentation would be of the GASB 68 audit of the defined benefit pension plan and GASB 75 audit of the OPEB plan. Mr. Tawa then explained the findings of these audits as described in the final audit reports. Mr. Dobrowski and Mr. Tawa left the meeting at 9:25.

Upon a request from the Chair, a motion was made by Trustee Kelliher to accept the minutes of the December 10, 2024, public meeting; the December 20, 2024, public and non-public meetings and the January 14, 2025, public Audit Committee meeting. Trustee McKenna seconded the motion and abstained from the vote. The minutes were approved unanimously.

Ms. Hoffacker addressed the outstanding items on the Internal Audit Tracker. The IT Hire & Separation Procedure regarding developing tracking of activities has been completed. Written procedures are not yet in place. There were no changes pertaining to the other items.

Ms. Hoffacker stated that the FIN - Budget Monitoring and Expense item and the MS - Temporary Supplemental Allowance engagements have been completed on the Audit

Plan and a pre-audit review has been started of Records Retention in the Investment Department.

Regarding the Budget Expenditure Monitoring Audit, Ms. Hoffacker noted that the months of July, August and September of 2024 were sampled with updated instructions and there were no audit findings.

Ms. Hoffacker then explained the following about the Temporary Supplemental Allowance engagement. The list of accounts to be affected by the Temporary Supplemental Allowance process used to be obtained through the Information Technology Department. Since the upgrade to Pension Gold Version 3, this is now done in the Member Services Department. After reviewing pertinent documentation, attending a walkthrough and recreating the activity in the Pension Gold test environment, Internal Audit has three recommendations. 1) An automated control be put in place to ensure the termination date is added when entering the temporary adjustments. 2) Better use of technology for filtering the list of accounts the adjustments should be applied to, as this activity is nuanced and complex. Either changes to the PG report itself, use of pivot tables for additional filtering or a similar alternative to the amount of manual filtering currently being done. 3) The date of death should be added to the Pension Gold report for reference when comparing deceased retirees to beneficiaries. Management agreed with these recommendations and will be pursuing the best approach to meeting these goals.

Next the Chair requested a motion to recommend to the full Board that it accept the June 30, 2024, GASB 68 and 75 reports, as presented. The motion was made by Trustee Kelliher, seconded by Trustee McKenna and approved unanimously.

Ms. Mullen then provided an update on the progress pertaining to the action plan presented at the January 14, 2025, meeting.

The Chair introduced Executive Director Goodwin who presented the RFP results for a provider for actuarial audit services. After review of the organizations that responded Milliman was considered the best fit for NHRS requirements. Upon a request from the Chair, a motion was made by Trustee McKenna to approve the contract with Milliman for Actuarial Audit Services. The motion was seconded by Trustee Kelliher and approved unanimously.

The next Audit Committee Meeting is scheduled for April 8, 2025.

A motion was made by Trustee McKenna to adjourn the meeting at 9:40 a.m., seconded by Trustee Kelliher, and approved unanimously.

Respectfully submitted,

Heather Hoffacker