

NHRS Board of Trustees, Audit Committee  
January 2022

**NOTE:** These minutes from the January 11, 2022 Audit Committee meeting were approved and executed at the February 8, 2022 regular meeting of the NHRS Audit Committee.

**Audit Committee  
Board of Trustees**

**Public Minutes  
January 11, 2022**

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

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

*\*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; David Hill, IT Systems Support Specialist; Heather Hoffacker, Internal Auditor; Larry Johansen, Director of Investments; Nancy Miller, Director of Member Services and Gerard Murphy, Director of Finance.

A roll call was taken and upon ascertainment of a quorum, the Chair called the meeting to order at 9:15 a.m.

Upon a request from the Chair, a motion was made by Trustee Martins to accept the public minutes and non-public minutes of the December 14, 2021 Audit Committee meeting. Trustee Lesko seconded the motion and the minutes were approved unanimously.

Ms. Hoffacker discussed the Audit Issues Tracker report. The Policy and Procedure audit was discussed. The policy and procedure management system is important both for managing risk, and for documenting how we manage risk. Discussion with management determined that we are satisfied with the PolicyTech system currently in place. The first recommendation regarding updating user information and creating a process for keeping the information updated has been satisfied through adjusting a process already in place. The remaining two recommendations require creating procedures for making and following up on assignments. A system for organizing and categorizing documents will also be created and put into place. Training will be provided for management as appropriate.

Chair Mezzapelle asked for further clarification regarding how documents had previously been assigned. Ms. Hoffacker explained that assignments have been made by the individuals who created the documents and that in the future this would be done by managers who were more familiar with position responsibilities.

Ms. Hoffacker discussed the Audit Plan. The Identification of Retiree Deaths Audit is still in process. Data have been obtained and a meeting is scheduled to go over the information. The Cash Management and Cash Flow Projections Audit has been started.

Ms. Hoffacker discussed two items that have been completed on the Data Security Response Recommendations Report. Item #2 pertains to Written Policies, which have now been reviewed by staff as agreed to by outside counsel. Item #26 pertains to reviewing storage options for personnel files, which has also been completed.

Chair Mezzapelle asked about the Direct Deposit Risk Report item on the Audit Plan. Ms. Hoffacker explained that the item itself was a query that was included in PGV2 and is being brought forward to PGV3 as a report. The design document has been approved and the report is being created.

Mr. Murphy discussed the draft of the Fiscal Year 2021 GASB 68/75 Report (proportionate share for employers) from GRS and stated it had been submitted to Plante Moran to conduct audit work. He also stated that we are still on schedule to have the audited report presented to the Audit Committee and the full Board at their February meetings.

He also explained that Plante Moran has given us the FY2021 opportunities letter, and we are working on responses to the recommendations contained therein, and that we expect to have the letter and our responses for the February Committee meeting.

Chair Mezzapelle inquired as to the nature of the recommendations. Mr. Murphy advised that there are a total of six recommendations. Three of which are repeat recommendations from prior years for which current practices have been deemed acceptable by management, and three of which are new recommendations. Finance is in the process of evaluating recommendations made and deciding how to proceed.

Chair Mezzapelle asked about the ongoing backlog of the Employer Audit Record Adjustments. Ms. Hoffacker advised that as of December 29<sup>th</sup>, 194 outstanding files require submission from employers. On that date there were 33 files ready and waiting to be processed by staff.

No further business came before the Committee. The next meeting has been scheduled for February 8, 2022.

A motion was made by Trustee Lesko to adjourn the meeting. Trustee Kelliher seconded the motion. The meeting was adjourned with a unanimous vote.

*Respectfully submitted,*

*Heather Hoffacker*