

NHRS Board of Trustees, Audit Committee
May 11, 2021

NOTE: These minutes from the May 11, 2021 Audit Committee meeting were approved and executed at the June 8, 2021 regular meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
May 11, 2021**

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

The NHRS office was closed to the public as a result of COVID-19 and the meeting was held via video conferencing. Pursuant to RSA 91-A, all votes were by roll call.

Participating Committee Members: Monica Mezzapelle, Chair; Christopher Coates; Melvin Friese; Maureen Kelliher; and Tim Lesko. Also attending: Trustee Kenneth Merrifield.

Staff participating: Jan Goodwin, *Executive Director*; Mark Cavanaugh, Esq., *Associate Counsel and Compliance Officer*; Frank Clough, *Director of IT*; Nancy Cone, *Internal Auditor*; Timothy Crutchfield, *Deputy Executive Director and Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Cecile Merrill, *Project Manager*; and Gerard Murphy, *Director of Finance*.

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 Lesko to accept the public minutes of the April 13, 2021 Audit Committee meeting. Trustee Kelliher seconded the motion and it passed unanimously.

Ms. Cone discussed the Audit Issues Tracker report which has the same four items outstanding as last month. She will update the report for the next meeting.

She then discussed the FY2021 Internal Audit Plan. The Member Services PensionGold User Access Rights Audit has been suspended and the FY2021 GASB Employer Census Data Audits are in process. The Plan will be updated in more detail for the next meeting. The FY2022 Risk Assessment and draft Internal Audit Plan will be presented at the June meeting.

Ms. Cone then discussed the Data Security Risk Reassessment update. Of the forty-four items, thirteen were new with eleven completed and two outstanding items that will be on-going. Of the thirty-one items from the original report, twenty-six are completed and five are in process.

Ms. Cone discussed the GASB Employer Census Data Audits that are in process that encompasses twenty-three employers selected by Plante Moran. Ten audits have been

completed by the Employer Compliance Auditors with four reviewed and submitted to Plante Moran by Ms. Cone.

Mr. Murphy discussed the FY2020 Plante Moran letter of opportunities to strengthen internal controls or increase efficiencies. Of the six recommendations, management has instituted additional controls for three items and has determined that controls are sufficient for the remaining three items.

Ms. Merrill then provided an overview of the PGM3 implementation project. The overall project is 40% complete and Deliverable 3 (D3) is 59% complete. Work continues on data conversion issues and NHRS is expecting to fill a position that will assist with resolving these issues. D3 correspondences are being reviewed and workflows were finalized and provided to LRS who continues to work on D3 testing plans. A quarterly meeting is held with LRS, Ms. Merrill, Ms. Goodwin, Mr. Crutchfield and Segal and the NHRS Implementation Team continues to meet weekly.

No further business came before the Committee.

Trustee Coates joined the meeting at 9:30 a.m.

A motion was made by Trustee Kelliher to adjourn the meeting. Trustee Lesko seconded the motion and it passed unanimously.

Respectfully submitted,

Nancy B. Cone