

NHRS Board of Trustees, Audit Committee
November 2022

NOTE: These minutes from the November 8, 2022 Audit Committee meeting were approved and executed at the December 13, 2022 regular meeting of the NHRS Audit Committee.

**Audit Committee
Board of Trustees**

**Public Minutes
November 8, 2022**

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

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

Staff participating: Jan Goodwin, *Executive Director*; Timothy Crutchfield, *Deputy Director and Chief Legal Counsel*; Frank Clough, *Director of IT*; Kelly Brown, *Controller*; Heather Hoffacker, *Internal Auditor*; Raynald Leveque, *Chief Investment Officer*, and Marie Mullen, *Director of Finance*.

Attending Trustee: Paul Provost.

After ascertainment of a quorum, the Chair called the meeting to order at 9:30 a.m.

Upon a request from the Chair, a motion was made by Trustee Kelliher to accept the public minutes of the October 11, 2022 Audit Committee Meeting. Trustee Lesko seconded the motion, and the minutes were approved unanimously.

Ms. Hoffacker discussed the outstanding items on the Internal Audit Tracker. The number of outstanding employer audit files waiting to be processed by Member Services on October 27th was 14. The number of files requiring submissions from employers was 129. Combined, these total 143 files, 7 files less than the previous update.

Ms. Hoffacker discussed the Public Markets NAV Portfolio Reconciliation Review audit which is completed and will be presented at the December Audit Committee Meeting.

Next, she discussed that additional updates have been provided by Member Services regarding the Audit Recoupment: Outstanding Funds Review audit and planning on scheduling the necessary meeting with the Finance and Legal Departments toward further progress by the end of November.

Ms. Hoffacker discussed attending PGV3 Design Document review meetings and reviewing documents for various departments since the beginning of October. This is being done to support staff and see what types of controls are built into the system.

Of note were the “Milestone” meeting and design documents, which involves setting triggers or parameters for future activity; the “Ad Hoc Reporting” meeting and design document which will hopefully replace some need to go to LRS requesting special queries be created; and the “General Auditing Information” design which provides reports of a variety of audit trail options.

Ms. Hoffacker has been working with Plante Moran to answer their questions regarding this year’s Census Data audits and the process of reformatting and updating the forms to be used for next year’s Census Data audits. Plante Moran has taken the current drafts of the new forms for review and will provide feedback. They specifically mentioned adding drop down boxes and other such features.

Ms. Hoffacker indicated that the Internal Audit KPM has been changed to 4 quarterly Assurance Audits. The intention is to produce 2 additional audits totaling 6 annually, but only scheduling the 4 to allow flexibility for time management purposes.

Ms. Mullen discussed that the Fiscal Year (FY) 2022 Financial Audit continues. Due to vacancies and turnover in key positions, staff are slightly behind schedule in closing the books; however, they remain on track to have Plante Moran present their audit to the Audit Committee, and the Board to vote on the acceptance of the Annual Comprehensive Financial Report (ACFR), at their respective meetings in December. Ms. Mullen continued her report, noting that Plante Moran completed their dedicated fieldwork last week. Staff will continue to work with them to address the remaining outstanding issues and refine the draft of the ACFR.

Ms. Mullen then discussed that the current external audit services contract is expiring upon the completion of the fiscal year 2022 audit. Therefore, staff is seeking approval from the Audit Committee to issue a five-year request for proposal (RFP). A motion was made by Trustee Martins and seconded by Trustee Lesko and the motion was unanimously approved.

Members of the Committee were invited to participate in the RFP evaluation process, however, all members declined involvement noting the timing of the process and lack of availability. Members would weigh in when staff’s recommendation was presented to the Committee at the February 2023 meeting.

No further business came before the Committee. The next meeting has been scheduled for December 13, 2022.

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

Respectfully submitted,

Heather Hoffacker