

NHRS Board of Trustees, Audit Committee  
October 2022

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

**Audit Committee  
Board of Trustees**

**Public Minutes  
October 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*; Kelly Brown, *Controller*; Heather Hoffacker, *Internal Auditor*; Raynald Leveque, *Chief Investment Officer*; Nancy Miller, *Director of Member Services*; and Marie Mullen, *Director of Finance*.

*Attending Trustee:* Robert Maloney.

A roll call was taken and upon 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 September 13, 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 September 28th was 21. The number of files requiring submissions from employers was 129. Combined these total 150 files outstanding, 2 files less than in September.

Ms. Hoffacker discussed the Portfolio Reconciliation Audit, which is in process with the walkthrough having been completed. The process is not documented in-house, rather it is based on industry best practices per BYN Mellon. This audit is scheduled for presentation at next month's Committee meeting.

Ms. Hoffacker then discussed the Member Census Data Report which has been added to the PGM3 project. The “design document” has been received from LRS for review and the report is expected to be in the next round of testing.

Ms. Hoffacker discussed that a complete review of the Business Continuity Plan (BCP) has been scheduled for February 2, 2023. Historically, the BCP has been annually reviewed and updated by a single employee, however starting in February this review will be done by management as a team.

Ms. Hoffacker discussed that 100% of the Census Data Audits had been completed and uploaded to Plante Moran. A request for additional information was received from Plante Moran and that request is being addressed at this time.

Ms. Mullen discussed the FY 2022 Financial Audit being performed by Plante Moran. Fieldwork began on October 3, 2022 and is expected to continue for 5 weeks with two on-site visits the weeks of October 17<sup>th</sup> and October 31<sup>st</sup>.

Mr. Cavanaugh discussed the completed review of the Annual Ethics Survey. The survey is conducted to confirm that the Board, IIC, staff and vendors acknowledge their understanding of the NHRS Ethics Policy and to certify that there are no known violations. This year’s results compared favorably with prior years and no compliance issues were noted. Staff recommended that the Committee vote to recommend to the full Board that it vote to accept the results at the November meeting. Upon a request from the Chair, a motion was made by Trustee Lesko and seconded by Trustee Martins. The motion was unanimously approved.

Ms. Mullen discussed the HB1221 Certification regarding the State’s one-time payment from State surplus (7.5% employer contributions) on behalf of Group II members and teachers. Ms. Mullen explained that at this time 330 employer groups have been reconciled and the remaining 59 employer groups will be reconciled once all pertinent information has been received. Staff recommended that the Committee vote to recommend to the full Board that it vote to certify the amount required for each employer group payment and the total amount of the State grants to the State Treasurer for the reconciled employer groups only, as required by statute. Upon request from the Chair, a motion was made by Trustee Kelliher and seconded by Trustee Martins. The motion was approved with Chair Mezzapelle abstaining due her role as NH State Treasurer.

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

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

*Respectfully submitted,*

*Heather Hoffacker*