

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
AUDIT & BUDGET
COMMITTEE MEETING
March 12, 2019

This meeting of the Public Employees Retirement Board Audit & Budget Committee was called to order by Chair Dan Mayfield at approximately 9:56 a.m. on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

A quorum was established with the appointment of the following members present:

Members Present:

Dan Mayfield, Chair
Jackie Kohlasch, Vice Chair
Lawrence Davis [appointed]

Member(s) Absent:

Tim Eichenberg

Other Member(s) Present:

None

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Renada Peery-Galon, Administrator Services Director
Greg Trujillo, Deputy Executive Director
Dana David, Assistant Counsel
Kristin Varela, Deputy CIO
Trish Winter, Executive Assistant
Anna Williams, Chief Financial Officer
Karyn Lujan, SmartSave Plan Manager
Christine Ortega, Portfolio Manager

Others Present:

Jessica Bundy, REDW
Cait Gutierrez, REDW
Paul Lium, Nationwide

2. APPROVAL OF AGENDA

Renada Peery-Galon, Administrator Services Director, noted that item 4.B, Investment Reconciliation and Monitoring Internal Audit Report, is an informational item.

Mr. Davis moved to approve the agenda as corrected. Dr. Kohlasch seconded and the motion passed.

3. APPROVAL OF CONSENT AGENDA

Mr. Davis moved to approve. Dr. Kohlasch seconded and the motion passed by unanimous voice vote.

4. CURRENT BUSINESS

A. 2019 Audit & Budget Committee Work Plan

[Exhibit 1: Work Plan]

Ms. Peery-Galon reviewed the purpose of the committee and the 2019 work plan. She noted there may be changes to the State Audit rule requiring that the CAFR go to boards and commissions following release from the State Auditor's Office.

Anna Williams, Chief Financial Officer, said the proposed change from the State Auditor was to ensure that boards and commissions are aware of the findings.

Mr. Davis moved to approve the 2019 Audit & Budget Committee work plan. Dr. Kohlasch seconded and the motion passed.

B. Investment Reconciliation and Monitoring – Internal Audit Report

Jennifer Bundy, REDW, introduced Cait Gutierrez, REDW, who was present to review the report.

Ms. Gutierrez reviewed the test work that REDW performed which included capital calls processing, ACH (Authorized Transactional Users) approvals, custody bank cash reconciliation and payroll distribution funding.

Ms. Gutierrez said the processes and related controls appeared to be functioning properly. Capital calls and payroll distributions were completed accurately and authorized. REDW did not identify any observations. However, a process improvement recommendation, not a finding, was made for the custody bank cash reconciliation: "PERA should consider documenting the date of preparation and review to indicate that the reconciliation was completed and reviewed timely. Consider setting an internal timeline for completion of the reconciliation." Ms. Gutierrez indicated that staff is developing a correction to that.

Mr. Davis asked what REDW recommended as an appropriate time for a monthly reconciliation and Ms. Bundy responded to be completed and signed off within a month.

Chair Mayfield thanked staff and REDW for their report.

Executive Director Propst said the audit highlights PERA's transparency, accountability and high quality of staff. This complex audit resulted in no findings and he recognized staff as faithful stewards of the memberships' money.

C. Request for Proposal Brief – Financial and Compliance Audit

Ms. Peery-Galon reviewed the introduction, general information and sequence of events.

Ms. Williams reviewed the scope of work as well as the attachments that are necessary since the contract goes through the Office of the State Auditor. The contractor is required to protect PERA's data. The technical specifications, detailed company information, client references, and minimum qualification were highlighted.

Mr. Davis noted that the specified requirements on the attachment appear to increase the cost of this audit. Ms. Williams confirmed that it would.

5. OTHER BUSINESS

None was presented.

6. ADJOURNMENT

Having completed the agenda, and upon motion and second, Chair Mayfield adjourned this meeting at approximately 10:20 a.m.

Approved by:



Dan Mayfield, Chair
Audit & Budget Committee

ATTEST:



Wayne Propst, Executive Director