MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

# Finance and Audit Committee

## Public Meeting Packet

November 12, 2026

# MainePERS Board of Trustees
## Finance and Audit Committee Meeting
## November 12, 2026
## 139 Capitol Street, Augusta

## AGENDA

| | | | | |
|---|---|---|---|---|
| 8:00 a.m.[1] | | CALL TO ORDER | | Shirrin Blaisdell |
| 8:00 – 8:05 a.m. | 1. | MINUTES APPROVAL 08/13/2026 Meeting | ACTION | Shirrin Blaisdell |
| 8:05 – 8:15 a.m. | 2. | INTERNAL AUDIT<br>a. Compensation Practices Report | | Sarah Lutzke, Wipfli<br>Dr. Rebecca M. Wyke<br>Karen S. Doyle |
| 8:15 – 8:25 a.m. | 3. | REPORT ON FINANCIAL OPERATIONS<br>a. 09/30/2026 Administration Operations Expense Report<br>b. 09/30/2026 Investment Operations Expense Report | | Dr. Rebecca M. Wyke<br>Jennifer Lidback<br>Karen S. Doyle |
| 8:25 – 8:35 a.m. | 4. | ADMINISTRATION<br>a. Employer Reporting Update<br>b. Report on Internal Audit Activity<br>c. Status of Audit Findings and Recommendations | | Dr. Rebecca M. Wyke<br>Karen S. Doyle |
| 8:35 – 8:40 a.m. | 5. | OPEGA REQUIRED REPORTING TO THE BOARD<br>a. Travel Report<br>b. Procurement Report – Next Report in February | | Dr. Rebecca M. Wyke<br>Karen S. Doyle |
| 8:40 a.m. | | ADJOURNMENT | | Shirrin Blaisdell |

[1] All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

M i n u t e s

Board of Trustees
Meeting of the Finance and Audit Committee
August 13, 2026

139 Capitol Street
Augusta, Maine
8:00 a.m.

*The meeting of the Finance and Audit Committee was held at 8:00 a.m. at the office of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Shirrin Blaisdell, Finance and Audit Committee Chair, presided. Committee members Dick Metivier, Vice Chair and Brian Noyes also participated. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Nanette Ardry, General Counsel; Karen Doyle, Chief Financial Officer; Jenn Lidback, Director of Finance & Budget; John Nichols, Assistant Attorney General and Board Counsel; Mark LaPrade and Leah Clair of BerryDunn; and Sarah Lutzke of Wipfli.*

## MINUTES

Shirrin called for acceptance of the minutes from the May 14, 2026 meeting of the Finance and Audit Committee. Dr. Rebecca Wyke shared a correction to the minutes.

- Action: Dick Metivier made the motion, seconded by Brian Noyes, to accept the minutes from the May 14, 2026 meeting, as corrected. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

## EXTERNAL AUDIT

### Audit Plan Review

Mark LaPrade and Leah Clair of BerryDunn presented their audit plan for the independent audit of the System's FY26 financial statements. Mark outlined the audit plan and procedures for the year's financial statements, GASB 68 and 75 schedules, and internal controls.

Leah reviewed the audited components of the GASB 68 and GASB 75 schedules. Leah also reviewed the significant audit areas to be tested and risks. Leah shared dates for year-end, draft reports, and the final presentation to the Finance and Audit Committee. Leah discussed the various fraud risks with the Committee.

The Committee discussed the audit team composition and requested a new quality assurance reviewer to provide fresh insights. The group also discussed auditing processes for the new PAS system (2028). Leah and Mark answered questions from the Committee.

## INTERNAL AUDIT

### Vendor Management Program Review

Sarah Lutzke of Wipfli presented the audit report on the vendor management program review and shared the satisfactory rating and low-risk findings with the Committee. Sarah shared the next audit will cover compensation program review.

## ADMINISTRATION

### Financial Administration Update

Karen Doyle reported, after a major outreach effort, 97% of employers submitted required payroll information on time for June. She shared this may be a standard practice each month to receive timely information for processing. Karen shared progress continues with the Portland Public Schools.

### Enterprise Risk Management Report

Nanette Ardry shared the Enterprise Risk Management Program Report with the Committee. The report identifies any significant risks facing the System and steps taken to mitigate them. She reported the top risks remain unchanged from last year. Nanette reviewed the steps being taken to reduce those risks. She answered questions from the Committee.

## REPORT ON FINANCIAL OPERATIONS

### 6/30/2026 Administration and Investment Operations Budgets

Karen Doyle reviewed the Administrative and the Investment Operations Reports for the year ended June 30, 2026. Karen discussed and answered questions from the Committee on both the Administrative and Investment expense reports.

## OPEGA REQUIRED REPORT TO THE BOARD

Karen Doyle shared the travel expense report for the quarter ended June 30, 2026 and the procurement report for the year ending June 30, 2026.

## ADJOURNMENT

*The meeting adjourned at 8:55 a.m.*

*The next meeting of the Finance and Audit Committee is expected to be held on November 12, 2026 at 8:00 a.m.*

November 12, 2026
Date Approved by the Committee

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

WIPFLI

# Maine Public Employees Retirement System

Internal Audit - Compensation

Wipfli Advisory LLC

October 9, 2026

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Final Report Issued: 10/19/2026

WIPFLI

10000 Innovation Drive
Suite 250
Milwaukee, WI 53226

Wipfli Advisory LLC
414 431 9300
wipfli.com

October 19, 2026

Karen Doyle, Chief Financial Officer
Maine Public Employees Retirement System
139 Capitol Street
Augusta, ME 04330

Dear Ms. Doyle:

In accordance with the terms of our engagement letter dated August 10, 2026, we have completed an internal audit for Maine Public Employees Retirement System (MainePERS). The scope of this review is outlined in Appendix A – Procedures Performed. This review was performed as of October 8, 2026, and includes our recommendations related to the internal audit environment.

The scope of this review did not include procedures to form an opinion. As such, we do not express any form of assurance on the effectiveness of internal controls, the financial statements, or any other matter. In addition, our engagement was not designed to detect fraud.

During this engagement, we relied on the representations of MainePERS's management and staff. Misrepresentations by any participating individual or parties could lead to incorrect results.

This engagement was performed in accordance with the Statement on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants. This information is intended solely for the use of management, the Audit Committee, the Board of Trustees, and supervisory agencies and is not intended to be, and should not be, used by anyone other than these specified parties. Distribution of this information by these specified parties to other third parties does not constitute designation of those third parties as "users" or "specified parties" with respect to the matters addressed herein, nor does it permit those third parties to use or rely upon this information for any purpose.

We appreciate this opportunity to be of service to MainePERS and acknowledge the cooperation of project participants during the course of this project. Please contact us if you have any questions or need further assistance.

Sincerely,

Wipfli Advisory LLC

Wipfli Advisory LLC

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

# Executive summary

## Rating definitions

The rating definitions are as follows. Some or all of the factors described may apply.

### Satisfactory

Recommendations or best practices identified, if any, are minor, isolated, or low risk in nature and do not pose significant financial, operational, compliance or reporting risk. Internal control environment is designed and operating effectively.

### Needs Improvement

Recommendations identified warrant prompt attention. The internal control environment shows weaknesses in design or execution that may elevate financial, operational, compliance, or reporting risks.

### Unsatisfactory

Multiple new or repeat high-risk results are identified or there are repeat issues of a nature that will require an immediate commitment for correction. If uncorrected, the issues identified could lead to material financial liability, regulatory concern, or loss of revenue or reputation. Internal control environment is not designed or operating effectively.

## Overall ratings

| Internal audit area | Overall rating |
|---|---|
| Compensation Program | Satisfactory |


Client Confidential Document. Copyright Wipfli 2026. All Rights Reserved.

## Risk ratings

In addition to the overall area ratings provided above, for each recommendation noted during our procedures, we assigned a risk rating. The risk ratings are Wipfli's interpretation of the spirit of the 2017 COSO Enterprise Risk Management (ERM) Framework. The COSO ERM Framework bases the risk rating on the result or effect of a risk and explains that there may be a range of possible impacts associated with a risk. These ratings are intended to be used when prioritizing corrective actions. The risk ratings and a summary of the number of findings are as follows:

### High (0 findings, 0 repeat findings)

- Significant control design issue or failure
- Repeat "moderate" findings for which corrective action was not taken in accordance with management's response
- Singular or multiple instances of noncompliance with a provision of a law, rule, or regulation
- Moderate to high potential of financial loss
- Potential reputational damage
- Significant impact on operational efficiency and effectiveness
- Threatened or actual loss of customers

### Moderate (0 findings, 0 repeat finding)

- Control design issue or failure
- Repeat "low" findings for which corrective action was not taken in accordance with management's response
- Multiple instances of noncompliance with a provision of a law, rule, regulation, regulatory guideline, regulatory expectation, or internal policy or procedure
- Limited potential for financial loss
- Moderate impact on operational efficiency and effectiveness
- Moderate impact on implementation of other recommendations in the report

### Low (0 findings, 0 repeat findings)

- Limited instances of noncompliance with a provision of a law, rule, regulation, regulatory guideline, regulatory expectation, or internal policy or procedure
- Minimal potential for financial loss
- Limited impact on operational efficiency or effectiveness
- Limited impact on other procedures and processes

# Results and recommendations

There were no reportable results or recommendations.


Client Confidential Document. Copyright Wipfli 2026. All Rights Reserved.

# Procedures performed

We completed an internal audit of the MainePERS compensation program, the objective of which was to assess the policies, procedures, and practices of the program against best practices in internal auditing and to evaluate the overall effectiveness and quality of the compensation program and bi-weekly payroll process. To achieve this objective, the following detailed procedures were performed:

- A walkthrough of key control processes was completed, as attended by Christine Davis from Wipfli and Andrew Rasche, Robin Saindon, and Renee Sherman from MainePERS. The discussion included processing of the bi-weekly payroll, payroll master file changes, user access to the payroll processing system, controls to ensure compliance with bargaining contract requirements and payroll reconciliations to the general ledger. Segregation of duties and management oversight of processes discussed and tested were deemed to be appropriate.
- Written policies and procedures for the Compensation Program, including 13.0 Employee Benefits-Compensation (May 2025), 14.0 Employee Benefits-Confidential Employee Salaries (April 2024), and MainePERS Employee Payroll Processing (August 2025). Written procedures were sufficiently detailed to provide guidance and support to staff on proper operating procedures.
- The bargaining contracts, including Supervisory Services Bargaining Unit, Administrative Services Bargaining Unit, and Professional and Technical Services Bargaining Unit, were evaluated for compensation-related requirements. Compliance with these requirements was confirmed for the applicable employees selected for payroll process testing (five of the 10 samples selected).
- Ten payroll master file changes completed during the pay periods of June 3, 2026, through August 26, 2026, were selected. Supporting documentation was obtained and tested to ensure the changes were supported with appropriate documentation and the changes were properly reviewed by an individual who did not perform the change.
- Ten employees were selected from the August 26, 2026, payroll register for detailed testing. Supporting documentation was obtained and tested to ensure agreement with the payroll system information for the following:
  - Rate of pay for the current payroll period
  - Year-to-date pay from the payroll system consistent with approved compensation
  - Incentive and bonus payments
  - Accurate payroll deduction data for voluntary and involuntary withholdings (taxes, insurance, 401(k), etc.)
  - Whether federal and state withholding taxes are being deducted and whether taxable wages are calculated correctly
  - Whether the correct state taxes are being withheld based on both work and resident locations
  - Social Security and Medicare tax calculations, including taxable wage determinations
  - Local tax withholding and related calculations
  - Employer tax calculations, including taxable wages and tax liabilities
- Verification of payroll, with a formal documented approval, by someone other than the payroll preparer, was tested for the July 29, 2026, and August 26, 2026, payroll reconciliations. The reconciliations were prepared to ensure agreement to the payroll register prior to processing and posting to the general ledger.


Client Confidential Document. Copyright Wipfli 2026. All Rights Reserved.

- The process to add, delete, or change user access to the payroll system was evaluated. An internal review of the payroll system user access was performed on August 31, 2026, as part of the PDS-Vista payroll software conversion to ensure all payroll software users were current and had appropriate access based on their roles with the organization. The review was documented in project meeting minutes. Wipfli verification of user access to the ADP payroll system was performed as of October 6, 2026, to ensure all users were current and have appropriate access based on their role with the organization.
- The August 31, 2026, payroll reconciliations for all payroll withholding accounts were tested for mathematical accuracy and independent preparation and review. No reconciling items were identified. We also obtained and tested the quarterly reconciliation of the June 30, 2026, Form 941 to the general ledger expense accounts for mathematical accuracy and evidence of independent preparation and review.


Client Confidential Document. Copyright Wipfli 2026. All Rights Reserved.

# MAINEPERS

## FINANCE AND AUDIT COMMITTEE MEMORANDUM

**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS

**FROM:** KAREN S. DOYLE, CHIEF FINANCIAL OFFICER
JENNIFER LIDBACK, DIRECTOR OF FINANCE

**SUBJECT:** FY27 – SEPTEMBER 2026 OPERATING AND INVESTMENT EXPENSE REPORTS

**DATE:** NOVEMBER 4, 2026

Reports of operating expenses for both administration and investment operations for the three months ended September 30, 2026 are included in your packet materials. The reports summarize, by expense category, the approved budgeted amounts for the current fiscal year and the actual year-to-date expenses for the year.

**POLICY REFERENCE**

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 5.4 – Budgeting, Spending, and Reporting

**REVIEW OF FY27 OPERATING EXPENSES THROUGH SEPTEMBER 30TH**

Following is information about significant budget variances that occurred during the fiscal year:

Administration

(1) **Personal Services** (Under budget 0.71% or $115,707) – Personal services costs include salaries and wages, along with associated benefits. The surplus in personal services is directly related to vacancy savings due to turnover and delays in filling some positions until later in the fiscal year, offset by overtime and other adjustments.

(2) **Computer Equipment, Supplies and Supports** (Under budget 2.93% or $97,217) – The surplus in computer equipment is partially due to the expiration of V3 maintenance hours. We were able to use more hours than expected prior to the expiration of those prepaid hours. In addition, we cancelled our contract with Xtium which is a managed service provider for share point. Those services are being provided by Presidio under our existing contract.

(3) **Other Professional Services** (Under budget 4.23% or $34,495) – The surplus in other professional services is due to the General Counsel search concluding in FY26. We anticipated the interview and selection process would wrap up at the beginning of FY27 and the budget included the estimated remaining payment due.

(4) **Building and Operations** (Under budget 7.12% or $45,555) – The surplus in building and operations is due to the mill rate for our property taxes going from 24.40 in FY26 to 14.23 in FY27. While the property values increased the mill rate decreased.

(5) **Insurance** (Under budget by 16.59% or $19,169) – Insurance for our Cyber Security Data Breach policy was renewed for a premium lower than what we were expecting. A portion of this insurance cost is also allocated to the Investment Operations Budget.

Investment Operations

(1) **Personal Services** (Over budget by 0.22% or $7,398) – The overage in personnel services is mostly attributable to one position that is projected to promote in the second half of FY27.

(2) **Legal Services** (Under budget 3.75% or $26,036) – The legal services budget for investments is very difficult to predict as it's based on the number and type of investments that the team is able to review and consider. We have reduced the FY27 budget for legal services and will continue to monitor and refine predictions in this area as we are able.

(3) **Insurance** (Under budget by 28.31% or $2,212) – Insurance for our Cyber Security Data Breach policy was renewed for a premium lower than what we were expecting. A portion of this insurance cost is also allocated to the Administration Budget.

(4) **Internet** (Under budget by 5.23% or $3,476) – Internet is budgeted based on historical averages plus an estimated increase in rates. Actual charges for both the primary and secondary internet providers are coming in under the budgeted monthly amount for the past three months.

**RECOMMENDATION**

*No action is required by the Committee at this time.*

# Maine Public Employees Retirement System
## FY27 Administrative Expenses YTD
## And Year End Projection

| | FY27 Budgeted | FY27 Actual Thru 09/30/26 | FY27 Projected Remaining | FY27 Total Expected | Projected Surplus (Deficit) | Projected Surplus (Deficit) % | |
|---|---|---|---|---|---|---|---|
| **Personnel Services** | | | | | | | |
| Salaries & Wages | | | | | | | |
| Salaries and Wages | $ 11,866,634 | $ 2,506,736 | $ 9,297,768 | $ 11,804,504 | $ 62,130 | | |
| Overtime Wages | - | 29,436 | - | 29,436 | (29,436) | | |
| Total Salaries & Wages | 11,866,634 | 2,536,172 | 9,297,768 | 11,833,940 | 32,694 | | |
| Benefits | | | | | | | |
| Health Insurance | 2,897,934 | 558,015 | 2,268,148 | 2,826,163 | 71,771 | | |
| MainePERS Retirement Contributions | 1,477,290 | 321,820 | 1,144,022 | 1,465,842 | 11,448 | | |
| Retiree Health Insurance Reserve | 12,874 | 3,219 | 9,655 | 12,874 | - | | |
| Other Insurance and Benefits | 35,250 | 3,505 | 31,951 | 35,456 | (206) | | |
| Total Benefits | 4,423,348 | 886,559 | 3,453,776 | 4,340,335 | 83,013 | | |
| **Total Personnel Services** | 16,289,982 | 3,422,731 | 12,751,544 | 16,174,275 | 115,707 | 0.71% | (1) |
| **Operating Expenses** | | | | | | | |
| Computer Equipment, Supplies and Supports | 3,315,378 | 847,981 | 2,370,180 | 3,218,161 | 97,217 | 2.93% | (2) |
| Medical Consultation Services | 374,000 | 59,162 | 316,588 | 375,750 | (1,750) | -0.47% | |
| Training and Tuition | 125,528 | 37,287 | 96,041 | 133,328 | (7,800) | -6.21% | |
| Travel | 70,422 | 9,156 | 64,344 | 73,500 | (3,078) | -4.37% | |
| Depreciation | 587,520 | 117,886 | 469,635 | 587,521 | (1) | 0.00% | |
| Professional Services | | | | | | | |
| Actuarial Services | 535,448 | 70,397 | 465,051 | 535,448 | - | 0.00% | |
| Audit Services | 119,000 | 79,163 | 41,087 | 120,250 | (1,250) | -1.05% | |
| Legal Services | 212,000 | 26,978 | 185,681 | 212,659 | (659) | -0.31% | |
| Hearing Officers Services | 25,400 | 6,877 | 18,523 | 25,400 | - | 0.00% | |
| Other Professional Services | 815,297 | 135,916 | 713,876 | 849,792 | (34,495) | -4.23% | (3) |
| Total Professional Services | 1,707,145 | 319,331 | 1,424,218 | 1,743,549 | (36,404) | | |
| Other Operating Expenses | | | | | | | |
| Buildings and Operations | 639,835 | 144,702 | 449,578 | 594,280 | 45,555 | 7.12% | (4) |
| Capital Lease Expense | 564,885 | 140,466 | 424,419 | 564,885 | - | 0.00% | |
| Insurance | 115,540 | 49,146 | 47,225 | 96,371 | 19,169 | 16.59% | (5) |
| Printing and Publications | 230,213 | 43,427 | 198,294 | 241,721 | (11,508) | -5.00% | |
| Postage | 442,094 | 103,687 | 338,828 | 442,515 | (421) | -0.10% | |
| Internet | 220,175 | 48,414 | 166,006 | 214,420 | 5,755 | 2.61% | |
| Other | 313,523 | 87,012 | 229,875 | 316,887 | (3,364) | -1.07% | |
| Total Other Operating Expenses | 2,526,265 | 616,854 | 1,854,225 | 2,471,079 | 55,186 | | |
| **Total Operating Expenses** | 8,706,258 | 2,007,657 | 6,595,231 | 8,602,888 | 103,370 | | |
| **Total Administrative Expenses** | $ 24,996,240 | $ 5,430,388 | $ 19,346,775 | $ 24,777,163 | $ 219,077 | | |

## Maine Public Employees Retirement System
## FY27 Investment Operations Expenses YTD
## And Year End Projection

| | FY27 Budgeted | FY27 Actual Thru 09/30/26 | FY27 Projected Remaining | FY27 Total Expected | Projected Surplus (Deficit) | Projected Surplus (Deficit) % | |
|---|---|---|---|---|---|---|---|
| **Personnel Services** | | | | | | | |
| Salaries & Wages | | | | | | | |
| Salaries and Wages | $ 2,534,031 | $ 578,914 | $ 1,963,026 | $ 2,541,941 | $ (7,910) | | |
| Overtime Wages | - | - | - | - | - | | |
| Total Salaries & Wages | 2,534,031 | 578,914 | 1,963,026 | 2,541,941 | (7,910) | | |
| Benefits | | | | | | | |
| Health Insurance | 392,989 | 81,932 | 309,576 | 391,509 | 1,480 | | |
| MainePERS Retirement Contributions | 430,320 | 98,930 | 332,358 | 431,288 | (968) | | |
| Retiree Health Insurance Reserve | 1,430 | 357 | 1,073 | 1,430 | - | | |
| Other Insurance and Benefits | 2,750 | - | 2,750 | 2,750 | - | | |
| Total Benefits | 827,489 | 181,219 | 645,758 | 826,977 | 512 | | |
| **Total Personnel Services** | 3,361,520 | 760,133 | 2,608,783 | 3,368,917 | (7,398) | -0.22% | (1) |
| **Operating Expenses** | | | | | | | |
| Computer Equipment, Supplies and Supports | 193,717 | 45,587 | 147,868 | 193,455 | 262 | 0.14% | |
| Medical Consultation Services | - | - | - | - | - | | |
| Training and Tuition | 11,300 | 9,614 | 2,250 | 11,864 | (564) | -4.99% | |
| Travel | 78,700 | 16,988 | 62,054 | 79,042 | (342) | -0.43% | |
| Depreciation | 9,956 | 356 | 9,600 | 9,956 | - | 0.00% | |
| Professional Services | | | | | | | |
| Actuarial Services | - | - | - | - | - | | |
| Audit Services | 56,000 | 8,913 | 47,088 | 56,000 | - | 0.00% | |
| Legal Services | 695,000 | 133,729 | 535,236 | 668,964 | 26,036 | 3.75% | (2) |
| Investment Consulting | 1,638,500 | 378,500 | 1,257,500 | 1,636,000 | 2,500 | 0.15% | |
| Proxy Voting Services | 25,998 | 6,249 | 19,499 | 25,748 | 250 | 0.96% | |
| Custody Services | 800,000 | 200,001 | 599,999 | 800,000 | - | 0.00% | |
| Other Professional Services | 6,500 | - | 6,500 | 6,500 | - | 0.00% | |
| Total Professional Services | 3,221,998 | 727,391 | 2,465,821 | 3,193,212 | 28,786 | | |
| Other Operating Expenses | | | | | | | |
| Buildings and Operations | 145,512 | 35,187 | 110,394 | 145,581 | (69) | -0.05% | |
| Capital Lease Expense | 160,418 | 40,104 | 120,314 | 160,418 | - | 0.00% | |
| Insurance | 7,813 | 1,293 | 4,308 | 5,601 | 2,212 | 28.31% | (3) |
| Printing and Publications | 46 | - | 46 | 46 | - | 0.00% | |
| Postage | 750 | 167 | 583 | 750 | - | 0.00% | |
| Internet | 66,445 | 13,136 | 49,833 | 62,969 | 3,476 | 5.23% | (4) |
| Other | 42,735 | 10,702 | 33,273 | 43,975 | (1,240) | -2.90% | |
| Total Other Operating Expenses | 423,719 | 100,588 | 318,752 | 419,340 | 4,379 | | |
| **Total Operating Expenses** | 3,939,390 | 900,525 | 3,006,345 | 3,906,870 | 32,521 | | |
| **Total Investment Operations Expenses** | $ 7,300,909 | $ 1,660,658 | $ 5,615,128 | $ 7,275,787 | $ 25,122 | | |

# MAINEPERS

## FINANCE AND AUDIT COMMITTEE MEMORANDUM

**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS

**FROM:** KAREN S. DOYLE, CHIEF FINANCIAL OFFICER

**SUBJECT:** REPORT ON FINANCIAL ADMINISTRATION

**DATE:** NOVEMBER 4, 2026

### POLICY REFERENCE

Board Policy 1.6 – Finance and Audit Committee of the Board

### EMPLOYER REPORTING UPDATES

Ninety-three percent of our participating employers reported on time for the month of September. This is down from your last report, where ninety-seven percent of employers reported timely for the month of July but above the FY26 average of 91%.

There has been a number of staff turnover in the past quarter resulting in our reconciliations sliding. We have been able to recruit to fill the positions and are hopeful to return to the previous 80% range soon. This will be the first time we are fully staffed in the 2 years since additional positions were added to the unit. Currently, seventy-three percent of all employer accounts are fully reconciled through August 2026 payrolls as of October 31, 2026. The aging of the 196 accounts remaining to be reconciled is as follows:

| | Oldest Unreconciled Transactions | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
| # of Accts | 144 | 36 | 5 | 4 | 0 | 1 | 3 | 3 |

Work continues with Portland Public Schools and BerryDunn's member account reconciliation work. The work to review and reconcile historical activity on member accounts for Portland Public Schools is ongoing. Recent improvements to the process have been implemented in order improve the pace of the work. We are now directly importing information instead of hand keying every amount. This automation has allowed us to complete over 300 members in both August and September and over 500 members in the month of October. We have also identified approximately 3,000 employees that

may not be members of MainePERS. Staff at Portland Public Schools are reviewing this list to see if they can be removed from the number of records that need to be processed by MainePERS.

The 2026 Employer Satisfaction Survey was recently completed. 91% of the respondents Strongly Agreed or Agreed that MainePERS staff are knowledgeable, 84% were Very Satisfied or Satisfied with MainePERS staff and 95% Strongly Agreed or Agreed that MainePERS acts with integrity. There were a number of specific positive comments including “My associate with MainePERS is excellent. She is extremely helpful, kind and is able to solve problems. She goes above and beyond. She is great to work with.” and “the staff at MainePERS is always very friendly and helpful.”

**REPORT ON INTERNAL AUDIT**

Work is complete on the Compensation Program internal audit and the reports will be presented at your meeting in November.

**STATUS OF AUDIT FINDINGS AND RECOMMENDATIONS**

Attached is a report on outstanding audit recommendations and findings, along with an updated status. There are 3 remaining recommendations we are working on.

**RECOMMENDATION**

*No action is required by the Committee at this time.*

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Status of Unresolved Audit Findings and Recommendations for Improvement**

**11/2/2026**

| Issue Identified | Type of Issue | Source | Responsible Unit | Owner | Date Added | Recommendation | Management Response | 11/2/2026 | Date Resolved |
|---|---|---|---|---|---|---|---|---|---|
| The MainePERS line of business software used for calculating benefit payments has functional limitations when processing complex calculations to determine the appropriate benefit payment amount and when archiving calculation history for previous benefit payments.<br><br>For one (1) of the five (5) samples selected for benefit calculation testing, there was an immaterial discrepancy between the calculated benefit amount within the system and the finalized benefit amount. Upon follow up, it was determined that external spreadsheets are utilized to compute the benefit, which was then entered into the system manually.<br><br>For one (1) of the nine (9) samples selected for offset calculation testing, there was past calculation data that was overwritten within the system to reflect the current status of the member. To obtain the past data, an external spreadsheet was utilized to show the past computation of the benefit. | Recommendation | CLA - Disability Program Review | Service Programs | Chip | 12/5/2022 | CLA recommends assessing the line of business software functional limitations and performing a cost-benefit analysis on the impact that these limitations have on operations. From that analysis, a decision can be made to either work with the hosting party / vendor of the software to determine enhancements to address functional limitation or to explore other software options and solutions. | Management agrees that the use of spreadsheets to do calculations outside of the line of business system creates risk. MainePERS is assessing whether calculations currently performed manually can be added to the line of business application efficiently or if another solution can be put in place. The question related to archiving calculation history will be investigated with the vendor. This work is ongoing. | 8/2026 - The PAS remains on schedule for live operation in 2028. | |
| Six (6) out of twenty-five (25) sampled Work Report Adjustments that were due to underpayments were not collected for at least three (3) months after identification. | Recommendation | CLA - Cash Receipts and Disbursements 2023 | Accounting | Karen | 11/13/2023 | We recommend that MainePERS continue to follow up on late payments and utilize the steps detailed in the "Late Payroll Submission" policy/process. We also recommend tracking the late Work Report Adjustments in a centralized log to determine high priority adjustments that have been outstanding for more than one (1) month. | Management agrees with this recommendation. | 11/2026 - Staff have continued to maintain current account reconciliations and progress has been made on those accounts with long outstanding unreconciled transactions, bringing those accounts more current, but not fully reconciled. 519 accounts were fully reconciled through August 2026 data as of October 31, 2026. | |
| One of fifteen death notifications selected for testing was not performed timely. In addition, we obtained a system report of Pending Workflows that included 15 workflows (1 death notification workflow, 4 post-RA death workflows, and 11 pre-RA death workflows) outstanding over one year. The analysis of, and escalation process for, stale workflows was not readily apparent. Although we recognize that some extenuating circumstances were in place for the team during this time period, timely completion of the queue of workflows is a key control point for the Survivor Services team. | Recommendation | Wipfli Internal Audit 2025 - Death Benefit Processing | Service Programs | Chip | 2/6/2026 | We recommend management evaluate the stale workflows for potential research and resolution and enhance the formal process for escalation of items to ensure necessary resolution is achieved. | Management agrees with this recommendation. MainePERS is currently engaged in a replacement of its Pension Administration System with a scheduled live operational target date window of June-September 2028. That new system will provide automated mechanisms which are intended to avoid any accumulation of stale workflows and to address aging workflows. In the interim, MainePERS will utilize an existing query of aging workflows in order to identify any pending death benefits that are aging. This data will be reviewed at least monthly by the unit's supervisor who will follow up accordingly with staff. | 8/2026 - The PAS remains on schedule for live operation in 2028. | |

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Status of Unresolved Audit Findings and Recommendations for Improvement**

**11/2/2026**

| Issue Identified | Type of Issue | Source | Responsible Unit | Owner | Date Added | Recommendation | Management Response | 11/2/2026 | Date Resolved |
|---|---|---|---|---|---|---|---|---|---|
| We noted two stale references within written practice documents. (1) Several documents referenced Survivor Services Practice 5.1.2. Our understanding is that this practice document was updated to Member Services Practice 1.2.3. References in various practice documents should be updated, as necessary. (2) There is a reference within Member Services Practice 1.2.3 to Member Services Practice 1.2.2, which we determined was repealed in October 2024, so this reference should be removed accordingly. | Recommendation | Wipfli Internal Audit 2025 - Death Benefit Processing | Service Programs | Chip | 2/6/2026 | We recommend these documents be updated accordingly. | Management agrees with this recommendation. Regarding the several documents referencing Survivor Services Practice 5.1.2 which should instead reference Member Services Practice 1.2.3: MainePERS has identified that Survivor Services Practices 5.1.3, 5.4.1, and 5.4.13 each contain a stale reference to Survivor Services Practice 5.1.2. Survivor Services Practices 5.1.3, 5.4.1, and 5.4.13 are next due for review and updates per MainePERS System Policy 1.0 in August, February and August of 2026, respectively. Each of these will be updated on an expedited basis, also in keeping with MainePERS System Policy 1.0, by the end of February 2026 with regard to the stale references. Regarding a reference within Member Services Practice 1.2.3 to Member Services Practice 1.2.2, which should be updated due to the repeal of Member Services Practice 1.2.2: Member Services Practice 1.2.3 is next due for review by the responsible MainePERS entity in March 2026. The stale reference to Member Services Practice 1.2.2. will be updated at that time. MainePERS also has identified a stale reference Member Services Practice 1.2.2. in Disability Services Practice 2.1.4. That also will be updated on an expedited basis by the end of March 2026. | 04/2026 - The three survivor services practices were updated as of 2/9/2026. | 2/9/2026 |
| Enhancements to the currently documented Vendor Management Policy were noted, which should be considered by management. Although we noted through discussions with team members and review of activities that nearly all of these activities/controls were part of the organization's standard processes, there items were not formally documented within the Policy. Revising the policy to include additional details for these activites would augment governance, promote consistency between documented requirements and operations pracites, and ensure the policy more accuratley reprents the current state of the program. | Recommendation | Wipfli Internal Audit 2026 - Vendor Management Program | Legal | Nanette | 7/7/2026 | We recommend management consider revising the 'Vendor Management Program' policy document to include vendor report and issue tracking and vendor offboarding. | Management agress with this recommendation and will update the Vendor Management Program policy accordingly | 11/2/2026 - The Vendor Management Program policy was updated 8/19/2026 | 8/19/2026 |

# MAINEPERS

## FINANCE AND AUDIT COMMITTEE MEMORANDUM

**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS

**FROM:** KAREN S. DOYLE, CHIEF FINANCIAL OFFICER

JENNIFER LIDBACK, DIRECTOR OF FINANCE

**SUBJECT:** FY27 – 1ST QUARTER REPORTS – TRAVEL AND PROCUREMENT

**DATE:** NOVEMBER 4, 2026

---

**POLICY REFERENCE**

Board Policy 1.6 – Finance and Audit Committee of the Board

Board Policy 5.4 – Budgeting, Spending, and Reporting

**TRAVEL EXPENSE REPORT**

The report of travel expenses for the quarter ended September 30, 2026 is attached for your review. This report is provided in accordance with the System Policy 3.2 – Travel which is in compliance with the State of Maine's Office of Program Evaluation and Government Accountability (OPEGA) requirements.

**PROCUREMENT REPORT**

The next report of procurement activity will be for the six months ended December 31, 2026 and will be presented at your January 2027 meeting. This report is provided in accordance with the System Policy 3.1 – Procurement, which is in compliance with OPEGA requirements.

**RECOMMENDATION**

*No action is required by the Committee at this time.*

**Maine Public Employees Retirement System**
**Travel Report to the Board of Trustees**
**For the Period of July 1, 2026 through September 30, 2026**

| Traveler | In/Out of State | Dept. | Dates of Travel | | | Destination | Purpose of Travel | M&IE | Lodging | Transportation | Other | Reimbursed Expenses | Total Expenses |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Seth Keller* | *O* | *Investments* | *July 14, 2026* | *Thru* | *July 16, 2026* | *Boca Raton, FL* | *AE Industrial & Palm Peak* | *186.00* | *319.51* | *815.77* | *-* | *-* | *1,321.28* |
| *Zack Anderson* | *O* | *Investments* | *July 14, 2026* | *Thru* | *July 16, 2026* | *Boca Raton, FL* | *AE Industrial & Palm Peak* | *186.00* | *321.76* | *865.10* | *-* | *-* | *1,372.86* |
| *Mitchell Pierter* | *O* | *Investments* | *July 21, 2026* | *Thru* | *July 22, 2026* | *New York, NY* | *Kennedy Lewis & TCW* | *154.00* | *275.45* | *889.68* | *-* | *-* | *1,319.13* |
| *Scott Lupkas* | *O* | *Investments* | *July 21, 2026* | *Thru* | *July 22, 2026* | *New York, NY* | *Silver Point & TCW* | *184.00* | *275.45* | *252.75* | *-* | *-* | *712.20* |
| *Bobby Slattery* | *O* | *Investments* | *July 21, 2026* | *Thru* | *July 22, 2026* | *New York, NY* | *Kennedy Lewis & TCW* | *154.00* | *275.45* | *593.91* | *-* | *-* | *1,023.36* |
| *Chip Gavin* | *O* | *Executive* | *August 8, 2026* | *Thru* | *August 11, 2026* | *Boston, MA* | *NASRA Conference* | *183.00* | *1,010.01* | *84.80* | *-* | *-* | *1,277.81* |
| *Karen Doyle* | *O* | *Executive* | *August 8, 2026* | *Thru* | *August 11, 2026* | *Boston, MA* | *NASRA Conference* | *64.00* | *1,346.20* | *521.00* | *-* | *-* | *1,931.20* |
| *Bartley Parker* | *O* | *Investments* | *August 17, 2026* | *Thru* | *August 17, 2026* | *Boston, MA* | *Wheelock Street Capital* | *-* | *-* | *64.30* | *-* | *-* | *64.30* |
| *Bobby Slattery* | *O* | *Investments* | *August 17, 2026* | *Thru* | *August 17, 2026* | *Boston, MA* | *Manulife & Wheelock* | *31.00* | *-* | *69.00* | *-* | *-* | *100.00* |
| *Seth Keller* | *O* | *Investments* | *September 6, 2026* | *Thru* | *September 12, 2026* | *San Francisco, CA* | *Capricorn Investment* | *455.00* | *2,554.28* | *835.83* | *-* | *-* | *3,845.11* |
| *William Proom* | *O* | *Investments* | *September 14, 2026* | *Thru* | *September 15, 2026* | *Washington, DC* | *Aldrich Capital & Carlyle* | *71.00* | *713.09* | *642.09* | *-* | *-* | *1,426.18* |
| *Zack Anderson* | *O* | *Investments* | *September 14, 2026* | *Thru* | *September 16, 2026* | *Washington, DC, Philadelphia, PA, New York, NY & Westport, CT* | *Aldrich Capital, JMI Equity, LLR Partners, Graham Partners, Avenir & Gemspring Capital* | *250.00* | *654.29* | *1,187.59* | *-* | *-* | *2,091.88* |
| *Scott Lupkas* | *O* | *Investments* | *September 16, 2026* | *Thru* | *September 16, 2026* | *Westport, CT* | *Gemspring* | *28.00* | *-* | *246.44* | *-* | *-* | *274.44* |
| *James Bennett* | *O* | *Investments* | *September 17, 2026* | *Thru* | *September 17, 2026* | *New York, NY* | *BlackRock* | *23.00* | *-* | *778.76* | *-* | *-* | *801.76* |
| *Bartley Parker* | *O* | *Investments* | *September 17, 2026* | *Thru* | *September 17, 2026* | *Boston, MA* | *PREA* | *-* | *-* | *176.56* | *-* | *-* | *176.56* |
| *Zack Anderson* | *O* | *Investments* | *September 22, 2026* | *Thru* | *September 24, 2026* | *Washington, DC & Philadelphia, PA* | *DC Capital, Godspeed & Renovus* | *227.00* | *637.72* | *1,113.07* | *-* | *-* | *1,977.79* |
| *Seth Keller* | *O* | *Investments* | *September 22, 2026* | *Thru* | *September 24, 2026* | *Washington, DC & Philadelphia, PA* | *DC Capital, Godspeed & Renovus* | *227.00* | *637.72* | *1,075.61* | *-* | *-* | *1,940.33* |
| *Lynn Clark* | *O* | *HR* | *September 22, 2026* | *Thru* | *September 25, 2026* | *Phoenix, AZ* | *NCPERS HR Summit* | *219.00* | *844.62* | *757.59* | *825.00* | *-* | *2,646.21* |
| *Tarsha Donar* | *O* | *HR* | *September 22, 2026* | *Thru* | *September 25, 2026* | *Phoenix, AZ* | *NCPERS HR Summit* | *219.50* | *-* | *762.02* | *825.00* | *-* | *1,806.52* |
| *Douglas Porter* | *O* | *Investments* | *September 28, 2026* | *Thru* | *September 28, 2026* | *Boston, MA* | *Pathlight* | *66.00* | *-* | *53.00* | *-* | *-* | *119.00* |
| *In-State Travel Staff* | *I* | *Various* | *July 1, 2026* | *Thru* | *September 30, 2026* | *-* | *Misc. Local Travel* | | | | | | *1,012.70* |
| *In-State Travel Trustee* | *I* | *Trustees* | *July 1, 2026* | *Thru* | *September 30, 2026* | *-* | *Board Meetings* | | | | | | *946.80* |
| | | | | | | | **TOTAL EXPENSES** | **2,927.50** | **9,865.55** | **11,784.87** | **1,650.00** | **-** | **28,187.42** |