

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Meeting of the Finance and Audit Committee
August 8, 2024

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; Michael Colleran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial Officer; Allison Sucharzewski, Assistant Director of Employer Reporting; Jenn Lidback, Assistant Director of Finance & Budget; Patrick Rogers, Assistant Director of Accounting, Mark LaPrade and Leah Clair of BerryDunn; and James Kreiser of CLA.

Sherry Vandrell introduced Allison Sucharzewski, Assistant Director of Employer Reporting; Jenn Lidback, Assistant Director of Finance & Budget; and Patrick Rogers, Assistant Director of Accounting to Mark LaPrade, Leah Clair, and Jim Kreiser.

MINUTES

Shirrin called for acceptance of the minutes from the May 16, 2024 meeting of the Finance and Audit Committee.

- Action: Dick Metivier made the motion, seconded by Brian Noyes, to accept the minutes from the May 16, 2024 meeting as amended. 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 FY24 financial statements. Mark shared what the roles and responsibilities of the auditor and management are with respect to the financial statements and presented the scope of the engagement in regards to the financial statements as a whole, the ACFR, required supplementary information, and the schedules required by GASB 68 and 75. Mark and the Committee discussed the various steps in planning and performing the audit including the required auditor communications.

Leah reviewed the audited components of the GASB 68 and GASB 75 schedules. Leah also reviewed the significant audit areas to be tested, noting primary focus is on investments, contributions, and benefits paid. 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.

ADMINISTRATION

Report on Internal Audit

Jim Kreiser of CLA presented the report on member estimates and statements of account audit and reviewed the resulting recommendations.. Jim discussed and answered questions from the Committee regarding CLA's observations and recommendations.

Sherry discussed the FY25 internal audit work plan and shared that the next audit would be a review of the Business Continuity Program. Work to engage the audit firm and kick off the work is underway.

Employer Reporting Update

Sherry Vandrell reported that 97% of the June payroll reports due in July were submitted on time. She shared this was an improvement over the past few months. Sherry reported employer account reconciliations continues to be the focus of work. She stated work continues with the Portland Public Schools.

Enterprise Risk Management Report

Michael Colleran 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. He reported the top risks include: data breach; failure to make benefit payments; fraud or theft; and errors in calculating benefits and contributions. Michael stated those risks were the same as reported last year.

REPORT ON FINANCIAL OPERATIONS

6/30/2024 Administration and Investment Operations Budgets

Sherry reviewed the Administrative and the Investment Operations Reports for the year ended June 30, 2024. Sherry discussed and answered questions from the Committee on both the Administrative and Investment expense reports.

OPEGA REQUIRED REPORT TO THE BOARD

Sherry shared the travel expense report for the quarter ended 6/30/24 and the procurement report for the six months ended June 30, 2024. Those reports are included in the packet.


ADJOURNMENT

The meeting adjourned at 8:50 a.m.

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The next meeting of the Finance and Audit Committee is expected to be held on November 14, 2024 at 8:00 a.m.

November 14, 2024
Date Approved by the Committee


Dr. Rebecca M. Wyke, Chief Executive Officer

11/14/24
Date Signed