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COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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January 23, 2014

Mr. Alexander Kravchuck, Chairman  
Newburyport Retirement Board  
City Hall  
60 Pleasant Street  
Newburyport, MA 01950

**REFERENCE:** Report of the Examination of the Newburyport Retirement Board for the two-year period from January 1, 2009 through December 31, 2011.

Dear Chairman Kravchuck:

The Public Employee Retirement Administration Commission has completed a follow-up review of the findings and recommendations contained in its audit report of the Newburyport Retirement Board for the most recent period referenced above. We conduct these visits as a regular part of the oversight process. They are designed to ensure the timely implementation of corrective action for the recommendations cited in that report. The examination addressed several specific findings and recommendations included in the audit report for the period referenced above. The results are as follows:

***1. Regular Compensation: The Audit Report cited a finding that related to incorrect retirement withholding deductions from compensation as set forth within the guidelines of Chapter 21 of the Acts of 2009.***

**Follow-up Result:**

The Board has refunded or withheld from members the correct amounts requested by the auditor during the audit fieldwork. Furthermore, a review of member payroll registers in 2013 indicated that a comprehensive system has been put in place which properly codes and withholds amounts from compensation as set forth within the guidelines of Chapter 21 of the Acts of 2009. This issue has been resolved.

***2. Payroll Register Reviews: The Audit Report cited a finding that the current payroll software system "Paydata" was not adequately designed to report retirement deduction withholding in order to facilitate an efficient periodic review process by the Retirement Board staff.***



**Follow-up Result:**

A new pay code system has been designed and implemented within the “Paydata” software which enables sufficient detail to facilitate periodic payroll earnings and deductions reviews. This issue has been resolved.

The Commission wishes to acknowledge the effort demonstrated by the staff of the Newburyport Retirement Board to correct the deficiencies cited in the most recent examination of the system.

Thank you for your continued cooperation in this important matter.

Sincerely,

Joseph E. Connarton  
Executive Director

cc: Newburyport Retirement Board Members