

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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January 15, 2014

Thomas O'Toole, Chairman
Norwood Retirement Board
566 Washington Street
Norwood, MA 02062

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

Dear Chairman O'Toole:

The Public Employee Retirement Administration Commission has completed a follow-up review of the findings and recommendations contained in its audit report of the Norwood 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 seven specific findings and recommendations included in the audit report for the period referenced above. The results are as follows:

1. The Audit Report cited a finding that Cash Accounts and Bank Reconciliations were not done properly and that there were outstanding checks older than six months.

Follow-up Result: The outstanding checks cited in the report have been researched and as necessary voided or reissued. The Retirement Board has adopted a new reconciliation format for their bank accounts. This finding is resolved.

2. The Audit Report cited a finding that the Town of Norwood has not allocated any funds to the Military Service Fund.

Follow-up Result: The Retirement Board has received the relevant departmental records and the Human Resource Department has established a Town policy on military leaves. However, the Town has yet to pay the Retirement Board the appropriate funds to fund the Military Service Fund. This finding is only partially resolved.

3. The Audit Report cited a finding that the retirement system is running duplicate systems and has not as yet fully implemented a new data processing system.

Follow-up Result: The retirement system is now using their new data processing system. The S&P software system is fully implemented. This finding is resolved.



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4. The Audit Report cited a finding that an outstanding Accounts Receivable was unlikely to be collected.

Follow-up Result: The retirement system received payment of the outstanding amount in August, 2013. This finding is resolved.

5. The Audit Report cited a finding that Board member attendance at monthly meetings revealed a significant level of absenteeism.

Follow-up Result: Attendance at Board meetings has improved and is not considered a problem at this time. This finding is resolved

6. The Audit Report cited a finding that the Norwood System on several occasions calculated a retiree's benefits prior to PERAC approval.

Follow-up Result: The Norwood System will ensure that a retiree will not receive benefits until the System receives approval from PERAC. In addition the system is in the process of seeking waiver approval from PERAC on calculating retiree benefits itself. This finding is only partially resolved.

7. The Audit Report cited a finding that six members taking refunds of their contributions received less in interest than they were eligible for.

Follow-up Result: The Norwood System verified and recalculated all interest that was due. Additional interest payments were made to all six former members. This finding is resolved.

The Commission wishes to acknowledge the effort demonstrated by the staff of the Norwood Retirement Board to correct many of the deficiencies cited in the most recent examination of the system. PERAC auditors may conduct an additional follow-up visit to ensure appropriate progress is being made in those areas that have not been corrected adequately at this time.

We anticipate your continued cooperation in resolving this important matter.

Sincerely,

Joseph E. Connarton
Executive Director

cc: Norwood Retirement Board Members