



The Commonwealth of Massachusetts
Office of the State Treasurer
Defined Contribution Plans
Boston, Massachusetts 02108-1608

Deborah B. Goldberg
Treasurer and Receiver General

David Lynch
Executive Director

NOTICE OF MEETING
DEFERRED COMPENSATION AUDIT ADVISORY BOARD

In accordance with §§18-25 of Chapter 30A of the Massachusetts General Laws, 940 CMR 29.03, and Chapter 107 of the Acts of 2022 notice is hereby given of a meeting of the Deferred Compensation Audit Advisory Board to be held at the following time and location:

Wednesday, October 16, 2024
12:00 p.m.

Join Zoom Meeting

<https://us06web.zoom.us/j/86975192553?pwd=ihhZoljLOgOJxRKKvRD5pu3buONfWi.1>

Meeting ID: 869 7519 2553

Passcode: 761857

One tap mobile

+16465588656,, 86975192553 #,,,,*761857# US (New York)

+13017158592,, 86975192553 #,,,,*761857# US (Washington DC)

(Agenda Items expected to be discussed are attached)

Note: Remote meeting participants should contact Joel Massa, Operations & Audit Analyst, Defined Contribution Plans, at (857) 310-0861 or at joel.m.massa@tre.state.ma.us if there are any difficulties accessing the meeting conference call line.



Agenda

Deferred Compensation SMART Plan Audit Advisory Board

October 16, 2024, 12:00 PM

Join Zoom Meeting

<https://us06web.zoom.us/j/86975192553?pwd=ihhZoIjLOgOJxRKKvRD5pu3buONfWi.1>

Meeting ID: 869 7519 2553

Passcode: 761857

One tap mobile

+16465588656,, 86975192553#,,,,*761857# US (New York)

+13017158592,, 86975192553#,,,,*761857# US (Washington DC)

- I. Approval of the February 8, 2024 Meeting Minutes
- II. Review of 2023 Audit Report UHY, LLP
 - Review of Financials
 - Recommendations
 - Q&A
- III. Public Comment
- IV. Miscellaneous
- V. Other Business – Reserved for Matters the Chair did not Reasonably Anticipate at the Time of Posting
- VI. Close Meeting

Office of the State Treasurer and Receiver General
Commonwealth of Massachusetts Employees Deferred Compensation Plan
Audit Advisory Board Meeting Minutes
October 16, 2024

The Audit Advisory Board (the “Advisory Board”) for the Commonwealth of Massachusetts Employees Deferred Compensation Plan (“Plan”) met, pursuant to notice, on October 16, 2024, via video conference. Present for all or part of the meeting were Deferred Compensation Audit Board Committee Chair Sue Perez, and Board Members Henry Clay and Chet Riley.

Also present: Ivana Ritz, CPA Manager; UHY; Thomas Rey CPA Engagement Principal, UHY; Karen Guida, DCP Contractor; Kathleen McNamara, Director of Internal Audit; Sandra DeSantis Lynch, Deputy General Counsel; David Lynch, Executive Director, Defined Contribution Plans; Laura Rooney, Director of Operational Compliance & Strategic Communications, Defined Contribution Plans; Joel Massa, Operations and Audit Analyst, Defined Contribution Plans; Natasha Ralph, Operations and Audit Analyst, Defined Contribution Plans. Robert Sheridan, Deferred Compensation Committee Chair; and Deferred Compensation Committee member Tom Magno also attended the meeting as members of the public.

The following materials, used throughout the meeting, were distributed in advance:

1. Agenda for the October 16, 2024, Audit Advisory Board Meeting;
2. Minutes of the February 8, 2024, Audit Advisory Board Meeting;
3. UHYs Audit Presentation for Plan Year 2023 (“Audit Presentation”);
4. Financial Statements for Plan Year 2023 for the 457 Deferred Compensation Plan; and
5. Governance Letter for Plan Year 2023 for the 457 Deferred Compensation Plan.

Call to Order:

With all Board Members present to establish quorum, Ms. Perez called the meeting to order at 12:13 p.m. Ms. Perez welcomed everyone in attendance at the meeting and briefly introduced Board Members Mr. Clay and Mr. Riley.

Ms. Perez noted that the meeting was being conducted via video conference in accordance with Chapter 107 of the Acts of 2022, which permits remote participation by all Board members via the use of adequate alternative means, such as a conference call line or in this case Zoom, to ensure public access to the deliberations of the Board. All votes taken will be by roll call. Ms. Perez advised attendees of the recording parameters under the Open Meeting Law M.G.L. c. 30A, §§ 18-25 and applicable regulations. Ms. Perez conducted a roll call of the meeting attendees with everyone providing a brief introduction and confirming attendance. Ms. Perez inquired if anyone present was recording the session to please make note. No person identified themselves as making a recording.

Approval of Minutes:

Ms. Perez asked for a motion to approve the minutes of the prior meeting held on February 8, 2024. Mr. Clay made a motion to approve, seconded by Mr. Riley. On roll call Mr. Clay, Mr. Riley and Ms. Perez confirmed approval of the February 8, 2024 meeting minutes.

Review of Financials, Recommendations, and Q&A:

Ms. Perez then invited UHY to give a presentation of the Audit of the Plan for Calendar Year 2023.

Mr. Rey introduced himself to the board and would take the lead introduction in the Audit of the Plan for the Calendar Year 2023. Mr. Rey directed the Advisory Board's attention to the Audit Presentation. Referring to the Audit Presentation agenda, Mr. Rey noted that his discussion would primarily serve as an overview of the Audit for the Advisory Board. Mr. Rey discussed the scope of the Audit was to express a clean and unmodified opinion of the financial statements for Plan Year 2023 and that UHY plans and performs the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, in accordance with U.S. Generally Accepted Auditing Standards (U.S. GAAP). The Independent Auditors' Report on Internal Control and Compliance showed no significant findings reported and the Governance Letter was distributed as part of the meeting materials to the board. Mr. Rey started with UHY's agenda and provided an overview of the financial highlights to be discussed along with the 2023 audit results. Mr. Rey made note to the Fiduciary Net Position had increased when compared to 2022. Mr. Rey stated there was a \$2 billion increase in assets which is contributable to how well the market was performing. Mr. Rey went over the 2023 audit results and his findings stated that no significant deficiencies, weaknesses, and no material findings were identified during the 2023 audit. Mr. Rey described each of the Required Governing Body Communications, which are to provide independent auditors' reports, report on internal control report and governance communication for significant findings. Mr. Rey confirmed that GAAP standards did not have any changes that would affect the Plan and nothing was needed to report.

Mr. Rey stated no significant findings were present, and noted that the Internal Auditor's report and executed Governance letter were both dated September 3, 2024. Mr. Rey said that UHY would like to expedite 2024 audit results and target an earlier timing of completion of the 2024 audit reporting. Mr. Lynch noted the increase in departmental staffing contributed to timing of completion. Mr. Lynch made note to Mr. Rey's comment of completion and agrees staffing will not present an issue to a timely completion of the 2024 auditing report for our internal audit for the Commonwealth Defined Contribution Plan. The board members also agreed upon the timing of completion.

Mr. Rey ended his presentation by going into Governance Communications and stated financial statement disclosures were neutral, consistent, and clear. There were no past adjustments made and no disagreements with management or significant matters discussed. Mr. Rey noted there were no miscommunications or discrepancies between all parties involved with producing supporting audit materials.

On the Financial Statement dated September 3rd, Mr. Clay questioned if there was any concern with the Plan assets, specifically the Stable Value Fund. Mr. Rey stated there are no issues or concerns with the estimates.

Ms. Perez thanked UHY for the presentation. Ms. Perez asked if there were any additional questions for UHY. There being none, on roll call Ms. Perez requested a motion to approve the audit report. Mr. Clay, Mr. Riley and Ms. Perez confirmed approval and had no further questions. All members voiced their appreciation at the meeting and the work being performed on the audit.

Close of meeting:

With no further questions or comments, Ms. Perez asked for a motion to adjourn. Mr. Clay motioned to adjourn the meeting and Mr. Riley seconded the motion. The Advisory Board Meeting was adjourned at 12:30 p.m. via roll call: Mr. Clay, Mr. Riley, and Ms. Perez.