



**North Dakota  
Public Employees Retirement System**

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## **MEMORANDUM**

**TO:** Audit Committee  
Tyler Erickson  
Adam Miller  
Senator Dick Dever  
Bryan Klipfel  
Nina Sand  
Rebecca Fricke  
Derrick Hohbein  
Lindsay Schaf  
Kirsten Tuntland  
Shannon Ennen

**FROM:** Shawna Piatz, Chief Audit Officer

**DATE:** Monday February 9, 2026

**SUBJECT:** **February 9, 2026 Audit Committee Meeting**

In Attendance:

Tyler Erickson  
Adam Miller  
Bryan Klipfel  
Kirsten Tuntland  
Rebecca Fricke  
Derrick Hohbein  
Lindsay Schaf  
Shawna Piatz  
Shannon Ennen

The meeting was called to order at 3:01 p.m. by Mr. Erickson

### **I. Conflict of Interest Disclosure**

- A. Conflict of interest disclosures concerning any of the agenda topics were considered. No conflicts of interest were disclosed.

### **II. Approval of prior Audit Committee Minutes**

- A. The Audit Committee minutes from the prior Audit Committee meeting held on November 24, 2025 were examined. Mr. Erickson moved approval of the minutes. The motion was seconded by Mr. Miller. This was followed and approved by voice vote.

### **III. Internal Audit Reports**

- A. Quarterly Audit Plan Status Report – Information was provided on the past quarter's activity November 1, 2025 through January 31, 2026 and progress made on the 2024-2025 Audit Plan. Internal Audit spent 39.83% of their time on audit activities and 7.14% on consulting services. The remaining 53.02% of their



time was spent on administrative items which included coordinating the Risk Assessment reviews.

- B. 2025 Risk Assessment Summary and Audit Plan Report - The Audit Plan is updated each biennium, with a review and update provided annually. Historically, the Audit Plan has followed a calendar year cycle; however, the Committee discussed transitioning to a fiscal year cycle. The upcoming plan will cover **July 1, 2026 through June 30, 2028**, which will better align with the risk assessment cycle and allow Internal Audit adequate time to meet with management on the proposed Audit Plan prior to presenting it to the Audit Committee for approval. Mr. Klipfel moved approval of updating the Audit Plan to follow a fiscal year cycle. The motion was seconded by Mr. Erickson. The motion was approved by voice vote.

Internal Audit coordinated the completion of the annual risk assessment updates for 2025, reviewed the results and used the information to draft the proposed Audit Plan for fiscal years 2026 - 2028. A summary of the results of the risk assessments with a comparison to the previous year's results was provided for review. Mr. Erickson moved approval of the FY 2026-2028 Audit Plan. The motion was seconded by Mr. Klipfel. This was followed and approved by voice vote.

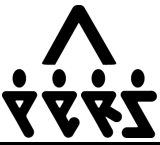
- C. Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or refunds audited and whether issues identified were procedural, system or compliance issues.

As of February 1, 2026, 284 of the 863 new retirees or \$1,376,459 of the \$4,010,423 total gross benefits issued have been audited. The fiscal year-to-date internal calculation accuracy rate is 98.24% for FY 2026. The fiscal year-to-date compliance/other accuracy rate is 96.13% resulting in an overall accuracy rate of 94.37% for FY 2026.

As of February 1, 2026, 130 of the 1,065 or \$4,542,922 of the \$13,835,222 total gross refunds issued for FY 2026 were audited. The fiscal year-to-date internal calculation accuracy rate is 96.92% for FY 2026. The fiscal year-to-date compliance/other accuracy rate is 97.69% resulting in an overall accuracy rate of 94.62% for FY 2026.

As of February 1, 2026, all 66 of the total pop-up benefits issued for FY 2026 were audited. The fiscal year-to-date internal calculation accuracy rate is 100% for FY 2026. The fiscal year-to-date compliance/other accuracy rate is 95.45% resulting in an overall accuracy rate of 95.45% for FY 2026.

- D. Benefit/Premium Adjustments Report – The quarterly benefit adjustment report was provided to the Audit Committee. The report is in several sections, each representing the type of correction made. The dollar amount and the number of errors has decreased over the last quarter and there was 50 new issues that were reviewed and discussed.
- E. Outstanding Issues Status Report – The Outstanding Issues Status report has been updated to reflect new and outstanding issues as of January 31, 2026.



There were responses provided on the remaining 22 findings from the Service Purchase Audit and 10 new recommendations added to this report. The new and outstanding issues were reviewed and discussed.

## V. Administrative

- A. Audit Committee Charter Matrix Review - Per the Audit Committee charter, the Audit Committee is to “Confirm annually all responsibilities outlined in this charter have been carried out. Review and assess periodically the adequacy of the Committee charter, request Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.”

To meet this responsibility a matrix was developed to review against current activities to ensure that the audit committee is meeting its responsibilities. A summary of the progress made and activities completed through December 2025 was reviewed. The Audit Committee Charter was distributed for signatures to confirm that all responsibilities outlined in the charter have been carried out. Each Audit Committee Member needs to sign the document and return it to the CAO.

- B. Internal Audit Charter Matrix Review – In order to confirm all responsibilities outlined in the Audit Committee Charter are carried out annually, a matrix was developed to review each objective quarterly and ensure that Internal Audit is meeting its responsibilities. The matrix was reviewed and discussed for progress and activities completed through December 31, 2025.
- C. 2025 CAO Annual Performance Review – The CAO Annual Performance evaluation, including the CAO’s self-evaluation and scores by the Executive Director, was provided to each Audit Committee member. Each member will need to complete and return the evaluation to the Executive Director before the next Audit Committee meeting. Next quarter the Audit Committee will discuss the final evaluation scores.
- D. Report on Consultant Fees – According to the Audit Committee Charter, the Audit Committee should “Periodically review a report of all costs of and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon procedures and any non-audit services provided.” To accomplish this objective, a summary of the consulting, investment and administrative fees paid as of December 31, 2025 was provided and reviewed by the Committee.
- E. Travel Expenditures – The Audit Committee reviews the out-of-state travel expenditures incurred by the Executive Director or Board each quarter. There were no out-of-state travel expenditures for the Executive Director or the Board for the period November 1, 2025 through January 31, 2026.
- F. CPE, Training and Webinars – A report on the training and education, including continuing professional education (CPE) webinars and seminars, Internal Audit participated in for the period November 1, 2025 through January 31, 2026 was provided to the committee for their review.

The meeting adjourned at 4:11 p.m. by Mr. Erickson.