



**North Dakota
Public Employees Retirement System**

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MEMORANDUM

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

FROM: Shawna Piatz, Chief Audit Officer

DATE: Monday November 24, 2025

SUBJECT: **November 24, 2025 Audit Committee Meeting**

In Attendance:

Tyler Erickson
Adam Miller
Senator Dick Dever
Derrick Hohbein
Rebecca Fricke
Kirsten Tuntland
Shawna Piatz
Shannon Ennen
Jason Ostoski - UHY

The meeting was called to order at 3:00 p.m. by Mr. Erickson

I. Conflict of Interest Disclosure

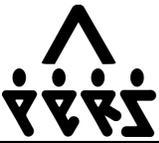
- A. Conflict of interest disclosures concerning any of the agenda topics were considered. No conflicts of interest were disclosed.

II. Approval of prior Audit Committee Minutes

- A. The Audit Committee minutes from the prior Audit Committee meeting held on August 18, 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. Presentations

- A. UHY FY 2025 Audit Report - Jason Ostoski, CPA from UHY, provided information for the NDPERS FY 2025 financial audit. The FY 2025 Preliminary Audit Results,



Required Communications and GASB 68 and 75 Schedule Audit Updates were reviewed. NDPERS received an unmodified 'clean' opinion that the financial statements are presented fairly, in all material respects, in conformity with US Generally Accepted Accounting Principles (GAAP).

IV. Internal Audit Reports

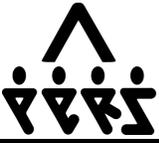
- A. Quarterly Audit Plan Status Report – Information was provided on the past quarter's activity from August 1, 2025 through October 31, 2025 and progress made on the 2024-2025 Audit Plan. Internal Audit spent 56.36% of their time on audit activities and 6.21% on consulting services. The remaining 37.43% of their time was spent on administrative items.
- B. Sanford 2021-2023 Initial Settlement Audit - Internal Audit completed the audit on the Sanford Health Plan 2021 – 2023 Final Settlement. The purpose of this audit was to verify the accuracy of the information contained in the Interest Calculation Report (ICR) and the Initial Settlement Statement for the contract period July 1, 2021 through June 30, 2023, which includes a financial runout period through June 30, 2025. A summary of the results of this audit was provided and reviewed by the Committee.
- 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 November 1, 2025, 204 of the 586 new retirees or \$980,347 of the \$2,521,277 total gross benefits issued have been audited. The fiscal year-to-date internal calculation accuracy rate is 98.53% for FY 2026. The fiscal year-to-date compliance/other accuracy rate is 96.08% resulting in an overall accuracy rate of 94.61% for FY 2026.

As of November 1, 2025, 80 of the 695 or \$2,738,625 of the \$8,784,374 total gross refunds issued for FY 2026 were audited. The fiscal year-to-date internal calculation accuracy rate is 97.50% for FY 2026. The fiscal year-to-date compliance/other accuracy rate is 97.50% resulting in an overall accuracy rate of 95.00% for FY 2026.

As of November 1, 2025, all 40 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 97.50% resulting in an overall accuracy rate of 97.50% 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 increased over the last quarter. There were 43 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 October 31, 2025. There were fifteen new issues added and no responses were provided on the remaining 22 findings. 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 October 31, 2025 was reviewed.

- 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 October 31, 2025.
- C. 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 October 31, 2025 was provided and reviewed by the Committee.
- D. Travel Expenditures – The Audit Committee reviews the out-of-state travel expenditures incurred by the Executive Director or Board each quarter. The out-of-state travel expenditures for the Executive Director during the period August 1, 2025 through October 31, 2025 was provided and reviewed by the Committee.
- E. 2026 Meeting Dates - The Audit Committee reviewed and discussed the proposed 2026 Committee Meeting Dates. The dates proposed were February 9, 2026, May 11, 2026, August 17, 2026 and November 9, 2026. Senator Dever moved approval of these dates. The motion was seconded by Mr. Erickson. This was followed and approved by voice vote.
- 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 August 1, 2025 through October 31, 2025 was provided to the committee for their review.

The meeting adjourned at 3:45 p.m. by Mr. Erickson.