

**North Dakota
Public Employees Retirement System**

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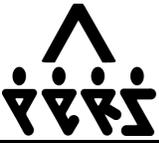
support, and various reviews and reconciliations for the Benefits and Accounting divisions. The increase in the administrative hours was largely due to staff on extended medical leave in the first two months of the quarter.

- B. 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 procedure, system or compliance issues. Fiscal year to date 2022, a total of 475 new retirees out of the 964 were audited, which equates to \$1,931,837.69 of \$4,013,383.28 being audited. An accuracy rate of 95.37% was achieved fiscal YTD 2022 for new retirement benefit payments, which is below the 97% goal. Fiscal year to date 2023, a total of 187 new retirees out of 199 were audited, which equates to \$641,495.45 of \$677,713.13 being audited. An accuracy rate of 98.93% was achieved fiscal YTD as of August 2023 for new retirement benefit payments, which is above the 97% goal.

Fiscal year to date 2022, a total of 73 of the 1,951 refunds issued were audited, which equates to \$2,963,844.55 of \$16,753,927.16. An accuracy rate of 91.78% was achieved fiscal YTD 2022 for retirement refunds, which fell below the 97% accuracy rate goal. Fiscal year to date 2023, a total of 16 of the 311 refunds issued were audited, which equates to \$1,058,123.03 of \$2,971,542.86. An accuracy rate of 81.25% was achieved fiscal YTD as of August 2023 for retirement refunds, which falls below the 97% accuracy rate goal. A limited number of retirement refunds were audited and a portion of the sample continues to be focused on those refunds in which a known system issue is likely to have occurred.

- C. 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 corrections. The dollar amount and the number of errors did decline, but overall remain fairly consistent each quarter. There were 7 adjustments that were new this quarter and 13 previously reported adjustments remain outstanding.
- D. Sanford 2017-2019 Final Settlement Audit Report – The review of the Sanford Health Plan 2017 – 2019 final settlement for the period ending June 30, 2021 is completed. The final examination uncovered a discrepancy between the Interest Calculation Reports and the Settlement reports resulting in an overstatement of claims and expenses being included in the settlement documents that could not be substantiated. The discrepancies resulted in a net gain instead of the loss that was originally reported. Corrections have been made. Sanford has adjusted their reconciliation process and will provide additional documentation to PERS to support costs on a monthly basis.
- E. Outstanding Issues Status Report –The Outstanding Issues Status report has been updated to reflect new and outstanding issues as of July 31, 2022. There were two existing recommendations where progress has been made, one existing recommendation with no change, and three new recommendations added to this

Group Insurance	Retirement Plans	Other Programs
Health & Life	Public Employees	Judges
Dental & Vision	Law Enforcement	Job Service
	Public Safety	Highway Patrol
		Flexible Spending Account (FlexComp)
		Retiree Health Insurance Credit (RHIC)
		Employee Assistance Program (EAP)



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report. One item was closed from the prior quarter. Staff have been proactive about addressing recommendations as they are made in which case they would not be included on this report.

III. Administrative

- A. Audit Committee Charter Matrix – In order to confirm all responsibilities outlined in the Audit Committee charter are carried out annually, a matrix was developed to review each objective and ensure that the Audit Committee is meeting its responsibilities. The matrix was reviewed and discussed for progress made over the past quarter.
- B. Internal Audit Charter Matrix – A copy of the Internal Audit Charter matrix with progress made over the previous quarter was provided to the Audit Committee for their review and information. Discussion took place around Status Updates on the annual audit plan and Internal Audit’s assistance with fieldwork being completed by the external auditors.
- C. Audit Committee Meeting Dates & Times – The next Audit Committee meeting is scheduled for Monday, November 7, 2022 at 3:00 p.m. It will be held both in person and with an option for virtual attendance.

IV. Miscellaneous

- A. Travel Expenditures – There were no out-of-state travel expenditures incurred by the Executive Director or Board for the period May 1, 2022 through July 31, 2022. This was provided for the Audit Committee’s information.
- B. CPEs, 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 May 1, 2022 through July 31, 2022 was provided to the committee for their review.

V. Additional Discussion

- A. Bonus Recommendation – CAO stepped out of the meeting. Based on discussions with management and the Audit Committee, a recommendation was made to give a \$500 bonus, in line with previous bonuses given to PERS staff, to the CAO to recognize her hard work on the Sanford 2017-2019 Final Settlement Audit. The CAO was then brought back into the meeting. Senator Dever moved to give the CAO a \$500 bonus for her hard work. The motion was seconded by Ms. Rindy. This was followed and approved by voice vote.

The meeting adjourned at 3:59 p.m, by Ms. Rindy.

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