



# Audit Committee Agenda

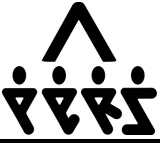
**Location:** NDPERS Conference Room, 1600 East Century Avenue, Bismarck ND  
By phone: 701.328.0950 Conference ID: 284 015 971#

**Date:** **Monday November 13, 2023**

**Time:** 3:00 P.M. [Click here to join the meeting](#)

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- I. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION**
    - A. Conflict of Interest Disclosure Consideration (**Committee Action**)
  
  - II. AUDIT COMMITTEE MINUTES**
    - A. May 8, 2023 Audit Committee Minutes (**Committee Action**)
    - B. August 14, 2023 Audit Committee Minutes (**Committee Action**)
  
  - III. PRESENTATIONS**
    - A. CliftonLarsonAllen Report (Information)
  
  - IV. INTERNAL AUDIT REPORTS**
    - A. Quarterly Audit Plan Status Report (Information)
    - B. Retirement Benefit Payment Status Report (Information)
    - C. Benefit / Premium Adjustments Report (Information)
    - D. Outstanding Issues Status Report (Information)
  
  - V. ADMINISTRATIVE**
    - A. 2024 Meeting Dates (**Committee Action**)
    - B. Audit Committee Charter Matrix (Information)
    - C. Internal Audit Charter Matrix (Information)
  
  - VI. MISCELLANEOUS**
    - A. Report on Consultant Fees (Information)
    - B. Travel Expenditures (Information)
    - C. CPE, Training and Webinars (Information)
-



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Public Employees Retirement System**

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**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Conflict of Interest Disclosure Consideration**

Per direction from the Attorney General's Office this will need to be on the agenda every meeting for the Board and its Subcommittees to consider any conflict of interest disclosures concerning any of the agenda topics. Please review the agenda and consider whether you have a conflict with any of the topics. If so, please complete the Conflict of Interest Disclosure form for the committee's consideration.

Attachment

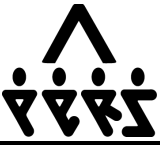
**Committee Action Requested:**

- Address any conflict of interest disclosures submitted.









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**MEMORANDUM**

**TO:** Audit Committee  
Mona Rindy  
Adam Miller  
Joe Morrisette  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

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

**DATE:** Monday May 8, 2023

**SUBJECT:** **May 8, 2023 Audit Committee Meeting**

In Attendance:

Adam Miller  
Jason Grueneich  
Dirk Wilke  
Dean DePountis  
Shawna Piatz  
Scott Miller  
Rebecca Fricke  
Derrick Hohbein  
Steve Webster

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

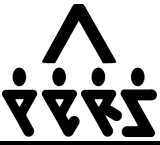
**I. Approval of prior Audit Committee Minutes**

A. The Audit Committee minutes from the prior Audit Committee meeting held on February 13, 2023 and the Special Audit Committee meeting held on March 15, 2023 were examined. Mr. Wilke moved approval of the minutes. The motion was seconded by Mr. Grueneich. This was followed and approved by voice vote.

**II. External Audit Report**

A. ND PERS Prescription Drug Coverage Performance Audit Review – The auditing firm hired by the State Auditor’s Office, Myers and Stauffer LC, has provided their final report of the NDPERS Prescription Drug Coverage Performance Audit. The

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



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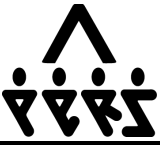
report was presented to the NDPERS Board on February 3, 2023 at which time it was referred to the Audit Committee for their review and guidance on the audit findings. The Audit Committee met on March 15, 2023 to review the report and discuss responses to propose to the Board for their consideration. The Chief Audit Officer presented the Memo drafted to present to the May Board. Mr. Wilke moved approval of Audit Report and Letter for discussion at Board Meeting May 9, 2023. The motion was seconded by Mr. Grueneich and carried by roll call vote.

**III. Internal Audit Reports**

- A. Sanford 2022 Claims Audit – NDPERS performed a review of a sample of the Sanford health plan and medical and pharmacy claims and the Humana Medicare Part-D prescription drug plan claims. Findings were presented to and discussed by the Audit Committee.
- B. Quarterly Audit Plan Status Report – A summary of the Internal Audit staff time spent for the past quarter along with a status update on each area of the 2022 – 2023 Audit Plan was included with the Audit Committee materials. Of the total hours reported, 56.02% was spent in audit, 8.5% in consulting, and 35.48% in administrative hours. The general hours were spent training new Internal Auditor staff and on legislation and other various meetings. The audit hours were spent on the monthly retirement program audit, Pop-up Benefit verifications, the Sanford and Humana Claims Audit, and the Service Purchases Audit. The consulting hours were attributable to a number of clean-up projects, PIR testing, the external PBM audit, HR/staffing support and various reviews and reconciliations for the Benefits and Accounting divisions.
- 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. In fiscal year 2023, to date a total of 527 out of 911 new retirees were audited, which equates to \$2,372,725 of \$3,929,305 being audited. An internal calculation accuracy rate of 85.20% was achieved fiscal year to date as of April 2023 for new retirement benefit payments, which is below the 97% goal. The fiscal year to date compliance/other accuracy rate is 94.12% resulting in an overall accuracy rate of 79.32% for FY 2023.

In fiscal year 2023, to date a total of 109 of the 1,782 refunds issued were audited, which equates to \$4,396,844 of \$16,140,090. An internal calculation accuracy rate of 90.83% was achieved fiscal YTD as of April 2023 for retirement refunds. This falls below the 97% accuracy rate goal. The fiscal year to date compliance/ other accuracy rate is 98.17% resulting in an overall accuracy rate of 88.99% for FY 2023. 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.

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)
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		Employee Assistance Program (EAP)



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- 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 corrections. The dollar amount and the number of errors has increased slightly over the last quarter. There were 17 adjustments that were new this quarter and 17 previously reported adjustments remain outstanding. The new adjustments were due to the untimely notification of changes in membership status or information, system programming errors and processing errors.
- E. Outstanding Issues Status Report – The Outstanding Issues Status report has been updated to reflect new and outstanding issues as of April 30, 2023. There were four existing recommendations where progress was made, three existing recommendation with no change, three existing recommendations that were closed from the prior quarter, and twenty-four new recommendations added to this report. Staff continue to be proactive about addressing recommendations as they are made. Any recommendations made in the previous quarter that have already been addressed would not be included in this report.

**IV. Administrative**

- A. Audit Committee Members Update – Per the Audit Committee Charter, “The audit committee will consist of two to five members with the majority of the members selected from the Board of Directors, and one may be selected from outside the organization.” With Julie Dahle’s notice of resignation as of May 2023, Nina Strand was recommended for the open Audit Committee position by Mona Rindy. The motion to approve this nomination was made by Mr. Grueneich. The motion was seconded by Mr. Wilke. This was followed and approved by a voice vote. The nomination will be presented to and voted on by the Board at the next Board meeting.
- B. Audit Committee Charter Updates – The Audit Committee Charter was established in 1993 and last updated in 2014. The Chief Audit Officer has reviewed the Charter and provided suggested updates and edits that the Audit Committee discussed. A motion was made by Mr. Wilke to approve the changes as presented. The motion was seconded by Mr. Grueneich. This was followed and approved by a voice vote. The approved changes will be presented to the Board for approval at the June Board meeting.
- C. 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 quarterly and ensure that the Audit Committee is meeting its responsibilities. The matrix was reviewed and discussed for progress made over the past quarter.
- D. Internal Audit Charter Matrix – A summary matrix of the progress made and activities completed by the Internal Audit division through April 2023 was presented to the Audit Committee for review. The proposed updates to the Internal Audit Charter approved at the February 2023 Audit Committee meeting

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will be taken to the June 2023 Board meeting for their review and approval. Once approved the matrix will be updated to reflect any changes.

- E. 2022 CAO Annual Performance Evaluation – The Chief Audit Officer discussed the process and timing for staff annual evaluations. The final CAO evaluation was presented at the Audit Committee meeting for their final review and approval. A motion was made by Mr. Wilke that the process being followed for other staff members for the equity increases be followed for the CAO as well and that she be considered a higher performer related to performance increases. The motion was seconded by Mr. Grueneich and approved by roll call vote.

**V. Miscellaneous**

- A. Risk Management Report – During a previous review of the Audit Committee’s charter, it was determined that a Risk Management Policy for PERS would not be necessary because we have a Loss Control Committee in place to manage risk for the agency. The Audit Committee decided in May 2022 to review the Loss Control Committee minutes annually, unless major areas of risk arise. Approved minutes for the Loss Control Committee over the previous year were presented and discussed.
- B. Travel Expenditures – There were no out-of-state travel expenditures incurred by the Board or Executive Director for the period of February 1, 2023 through April 30, 2023. This was provided for the Audit Committee’s information.
- C. 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 February 1, 2023 through April 30, 2023 was provided to the committee for their review.
- D. Audit Committee Meeting Dates & Times – The next Audit Committee meeting is scheduled for August 14, 2023 at 3 pm. It will be held both in person and with an option for virtual attendance.

The meeting adjourned at 4:54 p.m, by Mr. A Miller.

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**MEMORANDUM**

**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

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

**DATE:** Monday August 14, 2023

**SUBJECT:** **August 14, 2023 Audit Committee Meeting**

In Attendance:

Mona Rindy  
Adam Miller  
Nina Sand  
Joe Morrisette  
Dean DePountis  
Shawna Piatz  
Shannon Ennen  
Scott Miller  
Rebecca Fricke  
Derrick Hohbein

The meeting was called to order at 3:00 p.m. by Ms. Rindy.

**I. Conflict of Interest Disclosure**

A. Allyson Hicks from the Attorney General’s Office advised ND PERS that this will need to be on the agenda every meeting for the Board to consider any conflict of interest disclosures received concerning any of the agenda topics. Allyson will be at the August 15, 2023 Board meeting to present on the State Government Ethics code and review the conflict of interest disclosure form.

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

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- A. The Audit Committee minutes from the prior Audit Committee meeting held on May 8, 2023 were examined. Mr. Morrisette 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 – A summary of the Internal Audit staff time spent for the past quarter along with a status update on each area of the 2022 – 2023 Audit Plan was included with the Audit Committee materials. Of the total hours reported, 37.92% was spent in audit, 8.71% in consulting, and 53.37% in administrative hours. The general hours were spent training new Internal Auditor staff and on legislation and other various meetings. The audit hours were spent on the monthly retirement program audit, Pop-up Benefit verifications, the Sanford and Humana Claims Audit, and the Service Purchases Audit. The consulting hours were attributable to a number of clean-up projects, PIR testing, the external PBM audit, HR/staffing support and various reviews and reconciliations for the Benefits and Accounting divisions.

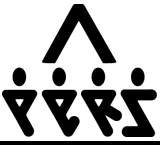
- B. Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or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

In fiscal year 2023, to date a total of 604 out of 1052 new retirees were audited, which equates to \$2,726,999 of \$4,564,350 being audited. An internal calculation accuracy rate of 87.09% was achieved fiscal year to date as of June 2023 for new retirement benefit payments, which is below the 97% goal. The fiscal year to date compliance/other accuracy rate is 94.7% resulting in an overall accuracy rate of 81.79% for FY 2023.

In fiscal year 2024, to date a total of 55 out of 92 new retirees were audited, which equates to \$190,370 of \$307,232 being audited. An internal calculation accuracy rate of 100% was achieved fiscal year to date as of July 2023 for new retirement benefit payments, which is above the 97% goal. The fiscal year to date compliance/other accuracy rate is 98.18% resulting in an overall accuracy rate of 98.18% for FY 2024.

In fiscal year 2023, to date a total of 129 of the 2,145 refunds issued were audited, which equates to \$5,163,905 of \$19,133,055. An internal calculation accuracy rate of 91.47% was achieved fiscal YTD as of June 2023 for retirement refunds. This falls below the 97% accuracy rate goal. The fiscal year to date compliance/ other accuracy rate is 98.45% resulting in an overall accuracy rate of 89.92% for FY 2023. 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

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is likely to have occurred.

In fiscal year 2024, to date a total of 16 of the 182 refunds issued were audited, which equates to \$412,557 of the \$2,003,716. An internal calculation accuracy rate of 81.25% was achieved fiscal YTD as of July 2023 for retirement refunds. This falls below the 97% accuracy rate goal. The fiscal year to date compliance/ other accuracy rate is 87.50% resulting in an overall accuracy rate of 68.75% for FY 2024. 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. Service Purchase Audit - Internal Audit has completed the audit on the NDPERS Service Purchases. The purpose of this audit was to ensure service purchases were completed with adherence to rules, regulations, policies and procedures. A sample of 122 purchases from a total population of 12,312 purchases from January 2011 through August 2022 were reviewed focusing on purchases made in 2019 through 2022. Findings were presented to the Audit Committee for review.
- 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 corrections. The dollar amount and the number of errors has increased slightly over the last quarter. There were 24 adjustments that were new this quarter and 18 previously reported adjustments remain outstanding. The new adjustments were due to the untimely notification of changes in membership status or information, system programming errors and processing errors.
- E. Outstanding Issues Status Report – The Outstanding Issues Status report has been updated to reflect new and outstanding issues as of July 31, 2023. There were sixteen existing recommendation with no change and thirty new recommendations added to this report. Staff continue to be proactive about addressing recommendations as they are made. Any recommendations made in the previous quarter that have already been addressed would not be included in this report.

Staff requested that at the November 13, 2023 Audit Committee meeting, a discussion be held for the new Internal Audit Division Annual Plan expectations and scope of work for the upcoming year.

**IV. Administrative**

- A. Audit Committee Members Update – Per the Audit Committee Charter, “The audit committee will consist of two to five members with the majority of the members selected from the Board of Directors, and one may be selected from outside the organization. The Board or its nominating committee will appoint committee members and the committee chair. The Board should attempt to

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appoint committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.” With the departure of Julie Dahle (external member), Dirk Wilke and Jason Grueneich left three positions on the committee open. At the July Board meeting, the Board appointed Joe Morrissette and Nina Sand (external) to serve on this committee.

- B. Audit Committee & Internal Charter Updates – The Audit Committee Charter was established in 1993 and last updated in 2014. The Committee has reviewed and provided suggested updates to both the Audit Committee Charter and the Internal Audit Charter. These updates were provided to the Board during the June 2023 meeting for their review and approval. Both Charters were approved as edited and to their final versions. These will be presented at the February Audit Committee Meeting for their signatures.
- C. 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 quarterly and ensure that the Audit Committee is meeting its responsibilities. The matrix was reviewed and discussed for progress and activities completed through July 2023.
- C. Internal Audit Charter Matrix – A summary matrix of the progress made and activities completed by the Internal Audit division through July 2023 was presented to the Audit Committee for review.

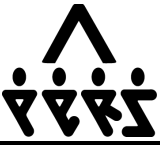
**V. Miscellaneous**

- A. 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.”

Due to previous discussions with the Audit Committee these reports have not been reviewed for the prior year but will be reviewed again going forward. A summary of the consulting, investment and administrative fees paid during the prior fiscal year ended June 2023 was provided for review.

- B. Travel Expenditures – There were out-of-state travel expenditures incurred by the Board or Executive Director for the period of May 1, 2023 through July 31, 2023. This was provided for the Audit Committee’s information.
- C. 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 May 1, 2023 through July 31, 2023 was provided to the committee for their review.
- D. Audit Committee Meeting Dates & Times – The next Audit Committee meeting is

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scheduled for November 13, 2023 at 2 pm. It will be held both in person and with an option for virtual attendance.

The meeting adjourned at 4:44 p.m, by Ms. Rindy.

DRAFT

**Group Insurance**

Health & Life  
Dental & Vision

**Retirement Plans**

Public Employees  
Law Enforcement  
Public Safety  
Judges  
Job Service  
Highway Patrol

**Other Programs**

Flexible Spending Account (FlexComp)  
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**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: CliftonLarsonAllen Report**

CLA has completed most of their field work with no material issues noted. Brittany Smith from CLA will present the preliminary results and be available to answer any questions. The final results will be provided to the Board at the December meeting. This is for your information.



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

Preliminary Audit Results Presentation

November 13, 2023

# North Dakota Public Employees Retirement System – Audit Committee



# Engagement Scope



Audit of NDPERS' financial statements as of June 30, 2023



Audit of NDPERS' GASB 68 and 75 schedules as of June 30, 2023



Report on Internal Controls and Compliance (in accordance with *Government Auditing Standards*)



Written communications with the Board



# Critical Audit Areas



Investments



Contributions



Benefit payments



Actuarial data



# 2023 Audit Results (Anticipated)

- Independent Auditors' Report - Unmodified “clean” opinion that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Limited procedures were performed, and no opinion rendered, on management's discussion and analysis, required supplemental information, and the Introductory, Investment, Actuarial, and Statistical sections.
- Unmodified “in relation to” opinion issued on the supplemental schedules



# 2023 Audit Results – Other Communications (Anticipated)



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

No material weaknesses

No material findings associated with compliance with laws and regulations or other matters



Letter to the Board providing required communications with those charged with governance upon completion of the audit.



# Required Governing Body Communications (anticipated)



Auditor's responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*



Significant accounting policies

No new significant accounting policies  
GASB 96 considerations



Financial statement disclosures



# Required Governing Body Communications (anticipated) (continued)

No passed  
adjustments

No corrected  
or uncorrected  
misstatements

No significant  
unusual  
transactions



# Required Governing Body Communications (anticipated) (continued)

Significant risk areas for material misstatement:

Management  
override

Valuation of  
alternative  
investments

Existence of  
alternative  
investments

Valuation of  
actuarial  
disclosures

# Required Governing Body Communications (anticipated) (continued)

- Management judgments and accounting estimates
  - Actuarial information, assumptions and methods used
    - Census data testing including employer attest reports
    - Use of an auditor's specialist
    - Confirm NDPERS' actuary's independence
    - Review NDPERS' actuary's valuation reports
    - Evaluate the reasonableness of the long term rate of return (LTRoR) and other assumptions
      - Compare to industry standards and circumstances specific to NDPERS
      - Review most recent asset allocation, actuarial audits, experience studies, long-term historical data and current market data
      - Review of the discount rate calculation



# Required Governing Body Communications (anticipated) (continued)

- Management judgments and accounting estimates
  - Valuation of alternative investments
    - Walkthroughs of financial reporting
    - Review of RIO's financial statements

# Required Governing Body Communications (anticipated) (continued)



Management was very cooperative and professional during the audit process



No disagreements with management



Management did not consult with other accountants on the application of GAAP or GAAS



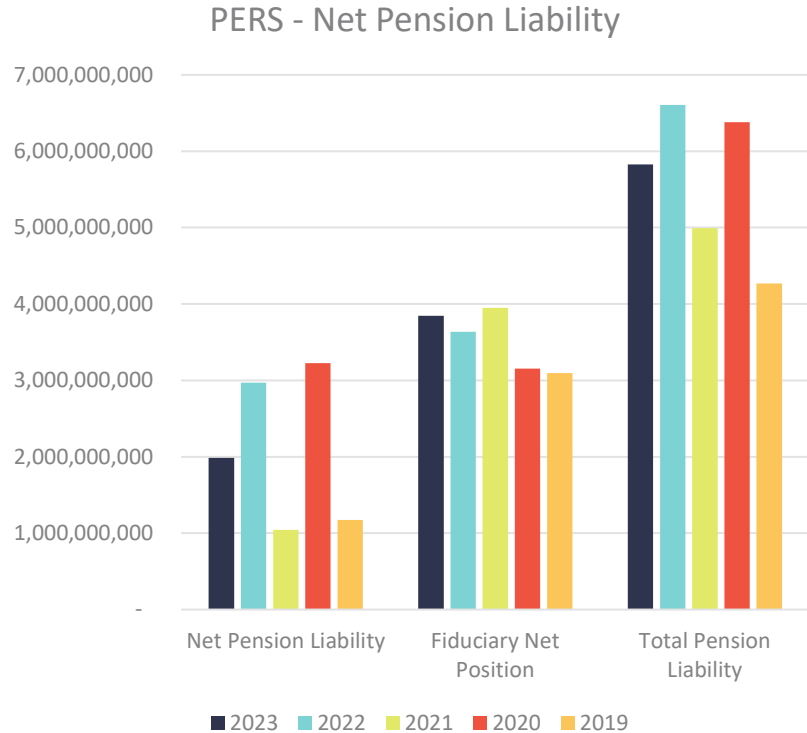
No major issues were discussed with management prior to retention



Management Representations



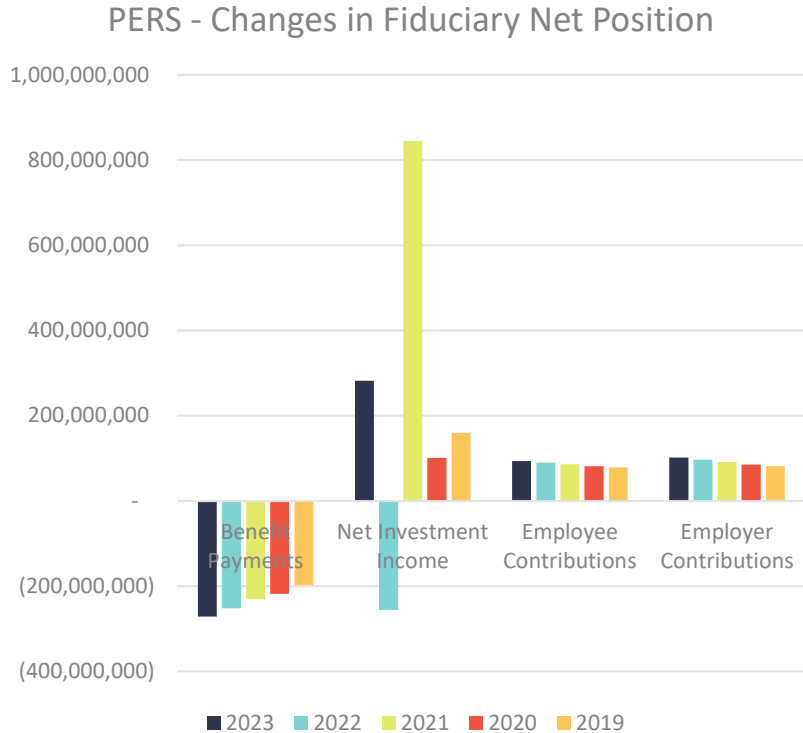
# Financial Highlights – PERS



- Fiduciary Net Position as a % of Total Pension Liability increased from 55.03% in 2022 to 65.96% in 2023



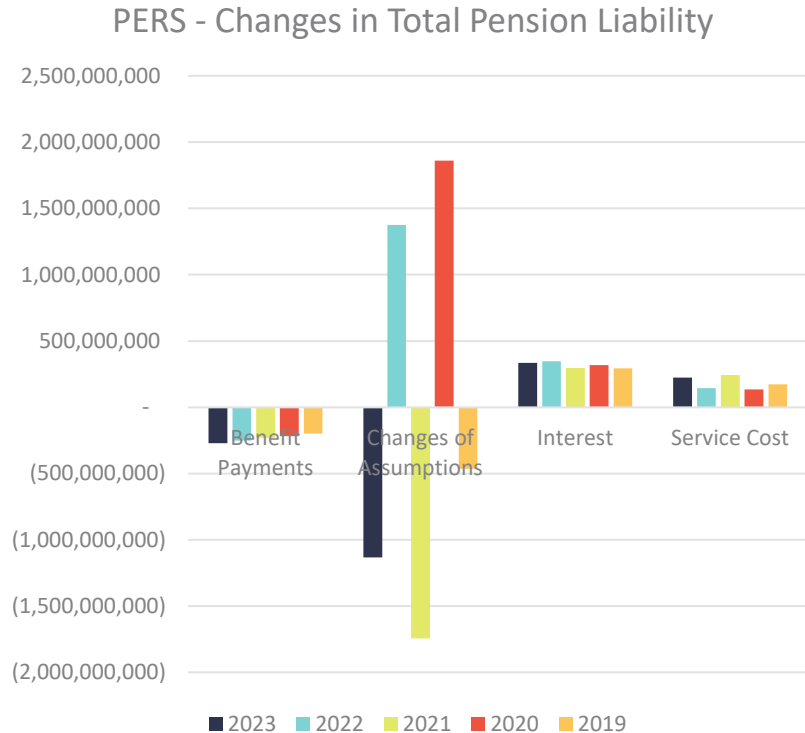
# Financial Highlights – PERS (continued)



- Contributions
  - Active members increased from 24,779 in 2022 to 25,019 in 2023
- Investment Income
  - 8.13% money-weighted rate of return in 2023
- Benefit Payments
  - Retirees increased from 14,204 or 4.6% in 2022 to 14,997 in 2023



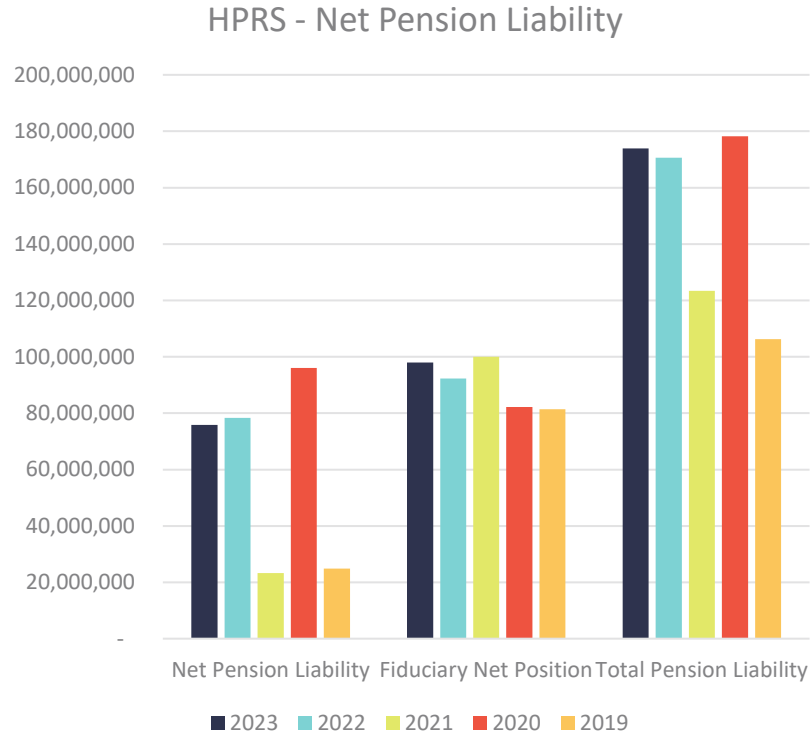
# Financial Highlights – PERS (continued)



- The Single Discount Rate increased from 5.10% in 2022 to 6.50% in 2023
- The Single Discount Rate decreased from 7.0% in 2021 to 5.10% in 2022 (6.50% LTRoR and 3.69% municipal bond rate)
- The Single Discount Rate increased from 4.64% in 2020 to 7.0% in 2021
- The Single Discount Rate decreased from 7.50% in 2019 to 4.64% in 2020 (7.00% LTRoR and 2.45% municipal bond rate)
- Other assumption changes from experience study covering 7/1/14 to 6/30/19



# Financial Highlights – HPRS

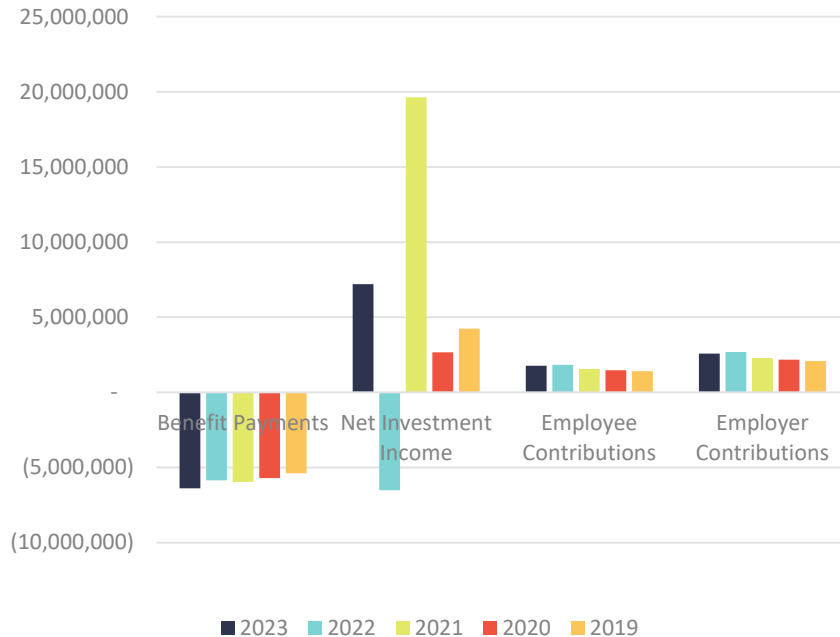


- Fiduciary Net Position as a % of Total Pension Liability increased from 54.10% in 2022 to 56.37% in 2023



# Financial Highlights – HPRS (continued)

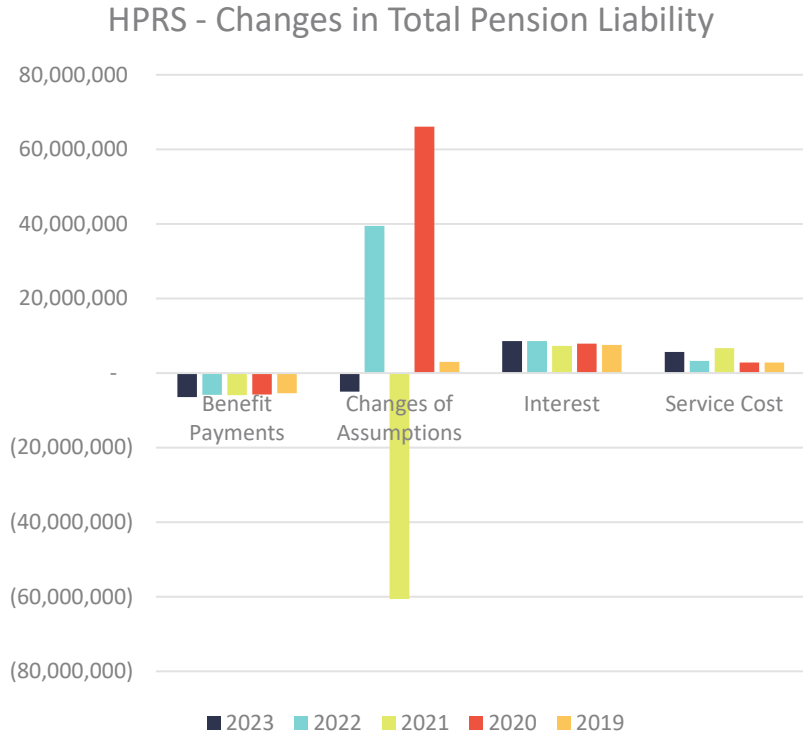
HPRS - Changes in Fiduciary Net Position



- Contributions
  - Active members decreased from 151 in 2022 to 144 in 2023
- Investment Income
  - 7.86% money-weighted rate of return in 2023
- Benefit Payments
  - Retirees increased from 135 in 2022 to 143 in 2023.



# Financial Highlights – HPRS (continued)

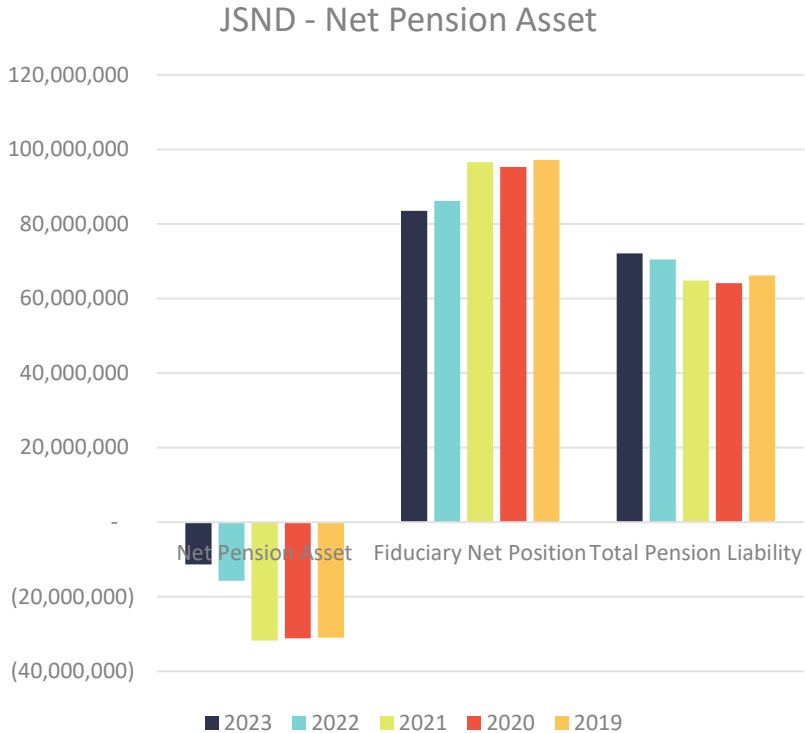


- Single Discount Rate was increased from 5.02% in 2022 to 5.22% in 2023 (6.50% LTRoR + 3.86% municipal bond rate)
- Single Discount Rate was decreased from 7.0% in 2021 to 5.02% in 2022
- Single Discount Rate was increased from 4.09% in 2020 to 7.00% in 2021
- Single Discount Rate was decreased from 7.50% in 2019 to 4.09% in 2020
- Other assumption changes from experience study covering 7/1/14 to 6/30/19





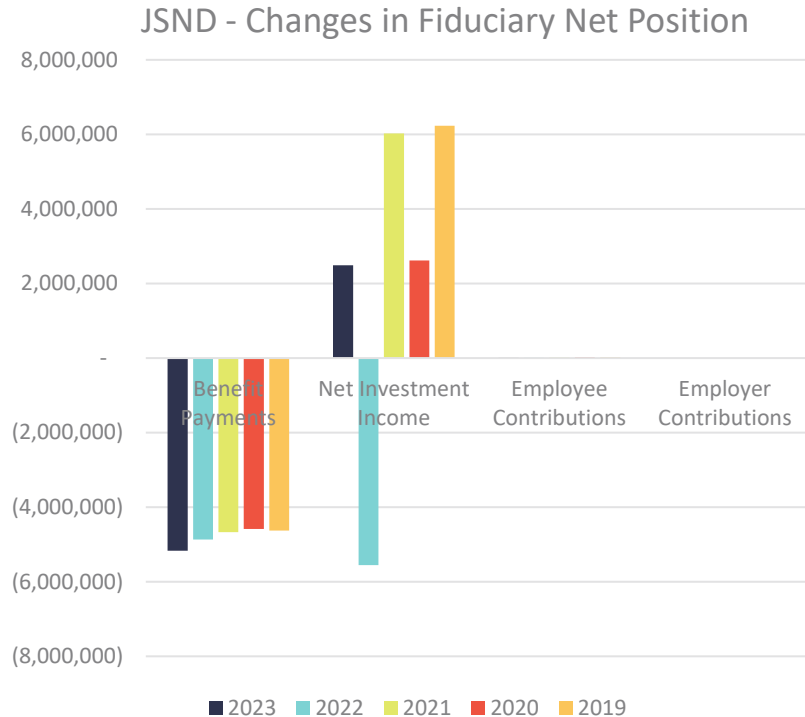
# Financial Highlights – JSND



- JSND is a closed plan
- Fiduciary Net Position as a % of Total Pension Liability decreased from 122.25% in 2022 to 115.73% in 2023



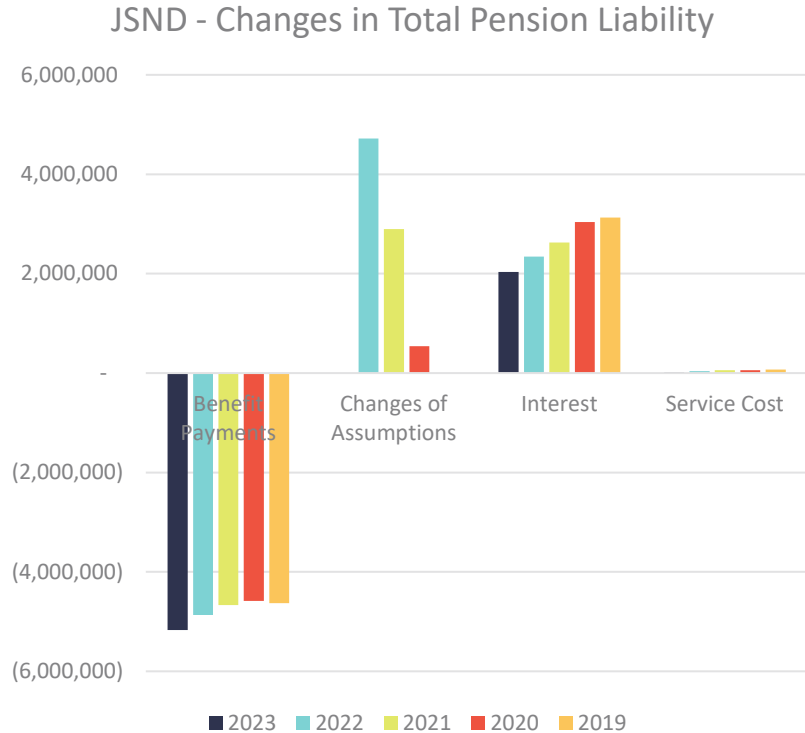
# Financial Highlights – JSND (continued)



- Contributions
  - Active members remained at 1 for both 2022 and 2023
  - No employer contributions and minimal member contributions given the small population and closed, overfunded status of the plan
- Investment Income
  - 3.30% money-weighted rate of return in 2023
- Benefit Payments
  - Retirees decreased from 175 in 2022 to 169 in 2023



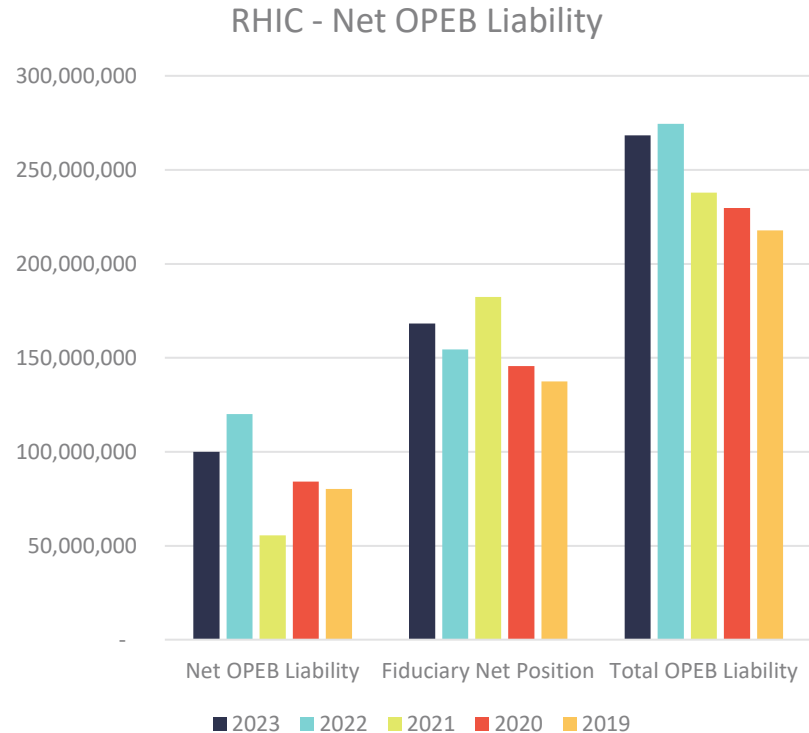
# Financial Highlights – JSND (continued)



- The Single Discount Rate was 3.00% for both 2022 and 2023



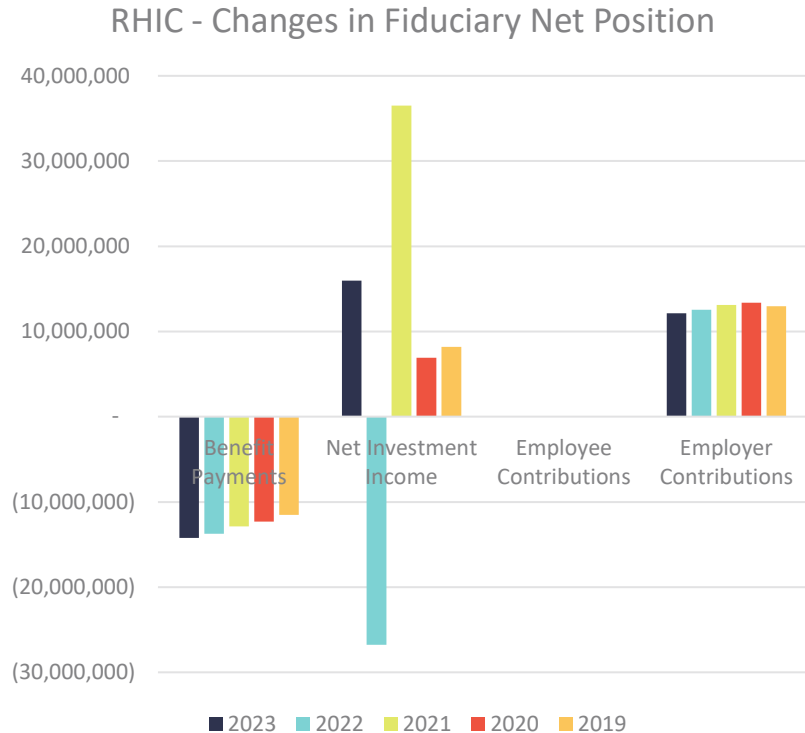
# Financial Highlights – RHIC



- Fiduciary Net Position as a % of Total OPEB Liability increased from 56.28% in 2022 to 62.74% in 2023



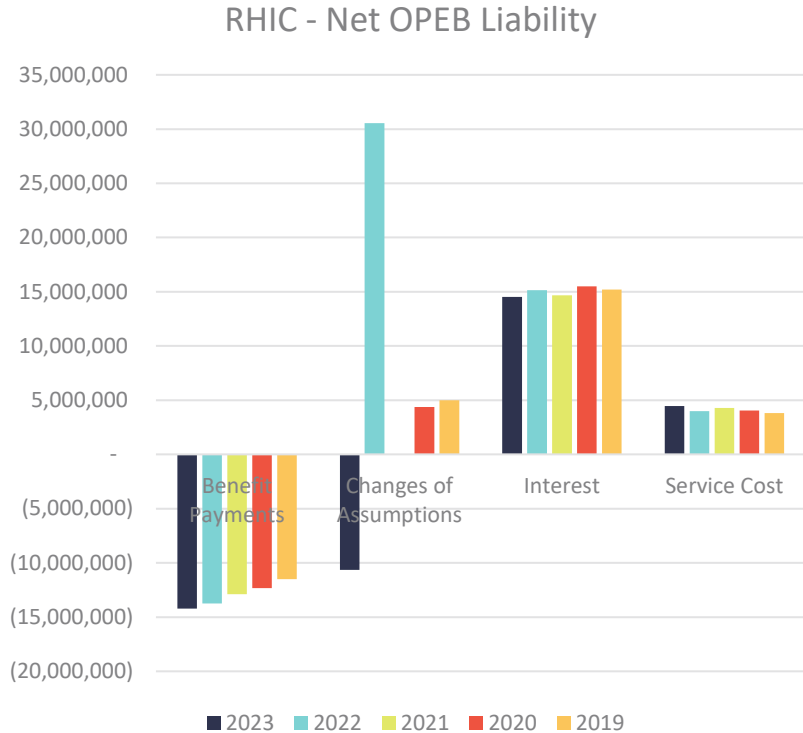
# Financial Highlights – RHIC (continued)



- Contributions
  - Active members decreased from 19,018 in 2022 to 17,283 in 2023
- Investment Income
  - 10.82% money-weighted rate of return in 2023
- Benefit Payments
  - Retirees increased from 14,290 in 2022 to 14,996 in 2023



# Financial Highlights – RHIC (continued)



- Single Discount Rate was increased from 5.39% in 2022 to 5.75%
- Single Discount Rate was decreased from 6.50% in 2021 to 5.39% in 2022 (5.75% LTRoR and 3.69% municipal bond rate)
- Discount Rate was decreased from 7.25% in 2019 to 6.50% in 2020



# Financial Highlights – Group Insurance

## Statement of Changes in Proprietary Fund Net Position (in thousands)

	June 30, 2023	% Change	June 30, 2022	% Change	June 30, 2021
<b>Operating Revenues</b>					
Premium Revenues	\$ 355,842	-0.3%	\$ 356,896	-2.7%	\$ 366,941
Administrative Fee	952	-0.1%	953	-2.9%	981
Miscellaneous	(728)	102.8%	26,113	652925.0%	(4)
Total Operating Revenues	356,066	-7.3%	383,962	4.4%	367,918
<b>Non-Operating Revenues</b>					
Net Investment Income	2,275	-234.6%	(1,690)	-232.3%	1,277
Total Revenues	358,341	-6.3%	382,272	3.5%	369,195
<b>Operating Expenses</b>					
Premium Expenses	355,924	-0.3%	356,984	-2.7%	366,959
Administrative Expenses	2,110	26.2%	1,672	-8.7%	1,832
Total Operating Expenses	358,034	-0.2%	358,656	-2.7%	368,791
<b>Non-Operating Expense</b>					
Transfer Out	280	71.8%	163	85.2%	88
<b>Change in Net Position</b>	\$ 27	-99.9%	\$ 23,453	7321.8%	\$ 316
<b>Total Net Position</b>	\$ 59,619	0.0%	\$ 59,593	64.9%	\$ 36,140

The net position for the proprietary fund increased by \$0.026 million during the fiscal year ended June 30, 2023 primarily due to investment earnings. The net position for the proprietary fund increased by \$23.5 million during the fiscal year ended June 30, 2022 primarily due to a moratorium of PPACA fees, as well as a gain share on the health plan where premiums exceeded claims. The net position for the proprietary fund increased by \$0.3 million during the fiscal year ended June 30, 2021 primarily due to positive investment earnings.



# GASB 68 and 75 Schedule Audit Update



## Employer Census Testing

Selected 17 Employers for testing  
No significant differences/exceptions  
have been identified



Expect to begin work on the GASB 68 and 75  
Schedules in January 2024



Expect to issue our final report on the schedules no  
later than February 2024





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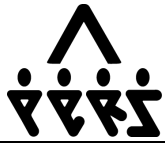


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Tyler Erickson  
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Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Quarterly Audit Plan Status Report**

Following is a summary of the past quarter's activity:

	August	September	October	Total	
<b>0000 DEPARTMENT MANAGEMENT &amp; ADMINISTRATION</b>	46.3	27.0	39.5	112.8	10.32%
<b>0050 TRAINING</b>	2.3	11.0	4.5	17.8	1.63%
<b>0100 FINANCIAL</b>	5.0	8.5	9.5	23.0	2.11%
<b>1000 RETIREMENT PROGRAM</b>	145.0	183.8	119.0	447.8	40.99%
<b>1100 DEFINED CONTRIBUTION PROGRAM</b>	0.0	0.0	0.0	0.0	0.00%
<b>2000 GROUP INSURANCE PROGRAM</b>	106.8	23.5	22.5	152.8	13.98%
<b>3000 DEFERRED COMPENSATION PROGRAM</b>	0.0	0.0	0.0	0.0	0.00%
<b>3100 PEP PROGRAM</b>	0.0	0.0	0.0	0.0	0.00%
<b>4000 FLEX COMP PROGRAM</b>	0.0	0.0	0.0	0.0	0.00%
<b>5000 RETIREE HEALTH INSURANCE CREDIT PROGRAM</b>	0.0	0.0	0.0	0.0	0.00%
<b>6000 CONFERENCE ACCOUNT &amp; MISCELLANEOUS</b>	0.0	0.0	0.0	0.0	0.00%
<b>7000 INFORMATION TECHNOLOGY</b>	0.0	5.0	62.3	67.3	6.16%
<b>8000 EXECUTIVE</b>	20.5	15.5	21.0	57.0	5.22%
<b>8100 CONSULTING</b>	29.5	24.0	15.0	68.5	6.27%
<b>9000 LEAVE</b>	29.8	42.3	73.5	145.5	13.32%
<b>TOTAL</b>	<u>385.0</u>	<u>340.5</u>	<u>366.8</u>	<u>1092.3</u>	100.00%

<b>Audit Hours (50-60%)</b>	251.8	207.3	141.5	600.5	54.98%
<b>Consulting Hours (5-10%)</b>	29.5	24.0	15.0	68.5	6.27%
<b>Administrative Hours (20-30%)</b>	103.8	109.3	210.3	423.3	38.75%

The activities August 1 through October 31 were:

**General:**

- Prepared materials for audit committee meeting
- Attended various management and staff meetings
- Legislation Information
- Work with external auditor
- Risk Assessment reviews
- Records retention clean up
- Webinars and CPE
- PIR log and testing

**Audit:**

- FY 2024 Retirement Benefits & Refunds Audit
- Pop-up Benefit verifications
- Sanford Health Plan ICR Audit

**Consulting:**

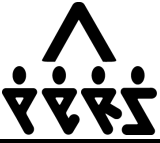
- Reviews and reconciliations for Benefits and Accounting
  - QDROs
  - TFFR duals
  - Pop-up payments
  - 401(a) limitations
- Clean Up Projects
  - QDRO benefit multiplier review
  - QDRO OMG / AB confirmations
  - Vested ER calculation discrepancies
  - Purchase posting dates on refunds
  - Bonus spreads to LOAs / MDs

**Audit Plan 2022-2023** The goals and objectives set forth in the 2022-2023 audit plan are listed below, with a status update provided at the right.

<b>Audit Projects</b>			
<b>Priority</b>	<b>Area</b>	<b>Division</b>	<b>Status Update</b>
<b>1</b>	New Retirement Benefit Payments	Benefits	FY 2023: Audited 604 of 1,052 or 57.41% of the FY 2023 retirement benefits paid through June 1, 2023 FY 2024: Audited 259 of 569 or 45.52% of the FY 2024 retirement benefits paid through November 1, 2023
<b>2</b>	Retirement Refund Payments	Benefits	FY 2023: Audited 129 of the 2,145 or 6.01% of the FY 2023 refunds paid through June 1, 2023 FY 2024: Audited 68 of the 976 or 6.97% of the FY 2024 refunds paid through November 1, 2023
<b>3</b>	Sanford Interest Calculation Report – Audit 2017-2019 (June 2020 Final Settlement)	Accounting	Complete
<b>4</b>	Sanford Interest Calculation Report – Audit 2019-2021 – Initial & Final Settlements	Accounting	Finalizing review on initial settlement. Waiting on response from Sanford on Subrogation charges. Reviewing Final settlement. Working with SHP on Subrogation and billing discrepancies.
<b>5</b>	Service Purchases	Accounting / Benefits	Completed
<b>6</b>	Other 457/403b plan – Employer Reporting	Accounting / Benefits	Not started
<b>7</b>	Accounts Receivable / Cash Receipts	Accounting	Not started
<b>8</b>	Flex Comp / HSA	Accounting / Benefits	Not started
<b>9</b>	Employer Payroll Reporting	Accounting	Not started
<b>10</b>	HIPAA Security / Confidentiality	Compliance	Not started
<b>11</b>	Sanford Claims Audit	Benefits	Completed

<b>Consulting and Clean-Up Projects</b>		
<b>Area</b>	<b>Division</b>	<b>Status Update</b>
New W-4 reporting programming	Accounting	Complete
Job Service Deferred Retirees	Benefits	Completed review – sent to Benefits for review & response
QDRO – Benefit Multiplier increases	Benefits	Completed review – sent to Benefits for review & response
QDRO – OMG / AB splits	Benefits	In process
Vested ER calculation discrepancies (PIR 25196)	Accounting	In Process
Purchase Posting Dates with Refunds (PIR 25553)	Accounting	In Process
Bonus Spreads to LOAs / MDs – Disability	Benefits	In process

<b>Administrative/Other</b>	
<b>Area</b>	<b>Status Update</b>
Annual & Sick Leave	68.5 hours of annual and sick leave and 60 hours of post adoption leave were used between August 1, 2023 and October 31, 2023.
Audit/Board Related Activities	Prepared materials for and attended Audit Committee and Board meetings as needed. Listened to legislative and committee meetings as needed.
Audit Plan Development and Issuance	Completed in February 2022 & reviewed for updates in February 2023. Currently working on risk assessment updates to use for 2024 Audit Plan.
Liaison Activities with External Auditors, including Field Work	CLA was on-site June 19–23 for initial field work and presented previous year’s audit to LAFRC 7/26/2023. CLA will present their draft report to the audit committee in November 2023.
Record Retention Purge	In process for 2023.
Review and Update Internal Audit and Audit Committee Charters	Presented proposed changes to the Audit Committee in February and May 2023. Changes approved at June 2023 Board meeting.
Training/Continuing Education (40 CPE hours required annually)	Attended various in-house and external training sessions over the past quarter
Internal Quality Assessment	Reviewing and updating documentation as time allows



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**TO:** Audit Committee  
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Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Retirement Benefit Payment Status Report**

It is the Agency's goal to identify weaknesses and develop improvements in processes to generally achieve a 97% accuracy rate with retirement benefit payments. As discussed with the Audit Committee, effective June 1, 2019 Internal Audit reduced the audit sample from the previous 100% audit for the retirement benefits audit. Internal Audit's current process is as follows:

- Review 100% of retirement benefits processed by new staff until 97% accuracy for internal calculation errors is achieved for three consecutive months
- Review 100% of new retirement benefits reviewed by only one Benefits Determination Specialist
- Review a sample of all remaining retirement benefits

Internal Audit has also been requested to review the following scenarios as they occur prior to the final approval:

- Pop-Ups
- QDROs
- Duals
- FAS Overrides
  - 415 Annual Compensation Limits
  - Bonus spreads with LOAs and MDs

The tables on the next page show the total number of new retirees retired each month, how many were audited by Internal Audit, and the respective accuracy rate.

Retirement New Retiree Benefit  
Audit Statistics

Internal Audit  
11/8/2023 2:14 PM

**Total Benefits Paid to New Retirees FY 2023**

Month	Total Gross Benefits Paid	Total # New Retirees	Total # Retirees Audited	% Retirees Audited	Procedure Issue	System Issue	Internal Calc Accuracy %	Compliance/Other Procedure	Compliance/Other System	Compliance/Other Accuracy %	Total # Retirees with Issues	Overall Accuracy %
7/1/2022	\$236,835.45	65	53	81.54%	2	0	96.23%	2	3	90.57%	7	86.79%
8/1/2022	\$440,877.68	134	134	100.00%	0	0	100.00%	2	1	97.76%	3	97.76%
9/1/2022	\$394,660.93	129	58	44.96%	2	0	96.55%	0	0	100.00%	2	96.55%
10/1/2022	\$378,539.03	89	43	48.31%	1	0	97.67%	0	0	100.00%	1	97.67%
11/1/2022	\$437,406.76	80	26	32.50%	1	0	96.15%	0	0	100.00%	1	96.15%
12/1/2022	\$408,447.91	78	30	38.46%	0	0	100.00%	1	0	96.67%	1	96.67%
1/1/2023	\$222,881.02	58	21	36.21%	0	1	95.24%	0	1	95.24%	2	90.48%
2/1/2023	\$473,858.33	100	50	50.00%	0	0	100.00%	4	0	92.00%	4	92.00%
3/1/2023	\$482,851.98	100	70	70.00%	69	1	0.00%	4	0	94.29%	74	-5.71%
4/1/2023	\$452,946.39	78	41	52.56%	1	0	97.56%	11	0	73.17%	12	70.73%
5/1/2023	\$325,631.68	68	29	42.65%	0	0	100.00%	0	0	100.00%	0	100.00%
6/1/2023	\$309,412.60	73	49	67.12%	0	0	100.00%	3	0	93.88%	3	93.88%
<b>Total Paid</b>	<b>\$4,564,349.76</b>	<b>1052</b>	<b>604</b>	<b>57.41%</b>	<b>76</b>	<b>2</b>	<b>87.09%</b>	<b>27</b>	<b>5</b>	<b>94.70%</b>	<b>110</b>	<b>81.79%</b>

**Total Benefits Paid to New Retirees FY 2024**

Month	Total Gross Benefits Paid	Total # New Retirees	Total # Retirees Audited	% Retirees Audited	Internal Calc Procedure Issue	Internal Calc System Issue	Internal Calc Accuracy %	Compliance/Other Procedure Issue	Compliance/Other System Issue	Compliance/Other Accuracy %	Total # Retirees with Issues	Overall Accuracy %
7/1/2023	\$307,231.81	92	55	59.78%	0	0	100.00%	1	0	98.18%	1	98.18%
8/1/2023	\$506,545.89	151	108	71.52%	1	0	99.07%	1	0	99.07%	2	98.15%
9/1/2023	\$403,930.15	130	36	27.69%	2	0	94.44%	3	0	91.67%	5	86.11%
10/1/2023	\$330,226.89	105	32	30.48%	2	1	90.63%	3	0	90.63%	6	81.25%
11/1/2023	\$336,397.97	91	28	30.77%	0	0	100.00%	0	0	100.00%	0	100.00%
12/1/2023	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
1/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
2/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
3/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
4/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
5/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
6/1/2024	\$0.00	-	-	0.00%	0	0	0.00%	0	0	0.00%	0	0.00%
<b>Total Paid</b>	<b>\$1,884,332.71</b>	<b>569</b>	<b>259</b>	<b>45.52%</b>	<b>5</b>	<b>1</b>	<b>97.68%</b>	<b>8</b>	<b>0</b>	<b>96.91%</b>	<b>14</b>	<b>94.59%</b>

## **Statistics:**

The audit population is divided into the following segments:

1. New Retirees: These are members retiring receiving a retirement check for the first time.
2. Refunds: These are members who are requesting a refund of their account balance after they have terminated employment. This group is broken down into:
  - a. Pre-Retirement Death Refunds
  - b. Post-Retirement Death Refunds
  - c. Regular Refunds
  - d. Auto Refunds (non-vested, account balance less than \$1,000)
3. Secondary Payment Stream: These are members who are one of four categories:
  - a. Post-Retirement Deaths: Member electing a Joint & Survivor or Term & Certain benefit, or who has an Account Balance remaining and deceases so a benefit is payable to their beneficiary.
  - b. Pop-Ups: Member elected a Joint & Survivor benefit and the spouse deceases resulting in the benefit being "popped up" to a single life retirement benefit to the member.
  - c. Disability to Normal: Member went on disability prior to their normal retirement date and has reached normal retirement age or the Rule and gets the higher benefit of either their disability benefit or their normal retirement benefit.
  - d. Return to Work: Member retired once, returned to work, and is retiring again.
4. Existing retirees: This group consists of retirees who have been receiving benefits and an issue was found during the year for other reasons and do not fit in the above categories.

### **New Retiree Benefit Audit**

FY 2023: For FY 2023, 604 of the 1,052 new retirees or \$2,726,999 of the \$4,564,350 total gross benefits issued were audited. The fiscal year-to-date internal calculation accuracy rate was 87.09% for FY 2023. The fiscal year-to-date compliance/other accuracy rate was 94.7% resulting in an overall accuracy rate of 81.79% for FY 2023.

FY 2024: As of November 1, 2023, 259 of the 569 new retirees or \$863,850 of the \$1,884,333 total gross benefits issued have been audited. The fiscal year-to-date internal calculation accuracy rate is 97.68% for FY 2024. The fiscal year-to-date compliance/other accuracy rate is 96.91% resulting in an overall accuracy rate of 94.59% for FY 2024.

### **Refund Audit**

FY 2023: For FY 2023, 129 of the 2,145 or \$5,163,905 of the \$19,133,055 total gross refunds issued for FY 2023 were audited. The fiscal year-to-date internal calculation accuracy rate was 91.47% for FY 2023. The fiscal year-to-date compliance/other accuracy rate was 98.45% resulting in an overall accuracy rate of 89.92% for FY 2023.

FY 2024: As of November 1, 2023, 68 of the 976 or \$2,097,519 of the \$8,592,113 total gross refunds issued for FY 2024 were audited. The fiscal year-to-date internal calculation accuracy rate is 91.18% for FY 2024. The fiscal year-to-date compliance/other accuracy rate is 94.12% resulting in an overall accuracy rate of 85.29% for FY 2024.

### **Secondary Payment Stream Audit**

A random sample of this group is audited each month. All benefits audited are incorporated into the attached statistics reports.

Attachment



Retirement New Retiree Benefit  
Audit Statistics

<b>Period Audited:</b>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>			
<b>Audited Through Payment Date:</b>	June, 2022	June, 2023	November, 2023			
<b>Unresolved Issues Remaining</b>	0	0	0			
<b><u>Analysis of New Retiree Population and Issues</u></b>						
Total New Retirees Retired	964	1052	569			
Total Retirees Audited	475	604	259			
% New Retirees Audited	<b>49.27%</b>	<b>57.41%</b>	<b>45.52%</b>			
Total Retirees with Issues	38	110	14			
<i>Internal Calculation Issue</i>	22	78	6			
<i>Compliance Issues</i>	16	32	8			
<b>Accuracy Rates</b>						
<i>Internal Calculation Accuracy Rate</i>	<b>95.37%</b>	<b>87.09%</b>	<b>97.68%</b>	<b>97% Goal</b>		
<i>Compliance Accuracy Rate</i>	<b>96.63%</b>	<b>94.70%</b>	<b>96.91%</b>			
Overall Accuracy Rate	<b>92.00%</b>	<b>81.79%</b>	<b>94.59%</b>			
Minimum Amount (understated)	(\$2,499.36)	(\$3,266.16)	(\$139.84)			
Maximum Amount (overstated)	\$32,776.13	\$1,658.11	\$1,007.17			
<hr/>						
	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
	Count	Amount	Count	Amount	Count	Amount
Monthly Benefit Understated	22	(\$22,230.25)	12	(\$5,935.03)	2	(\$144.84)
Monthly Benefit Overstated	3	\$59,879.34	74	\$10,927.71	2	\$1,080.68
Compliance Errors	13	\$0.00	24	\$0.00	10	\$0.00
	38	\$37,649.09	110	\$4,992.68	14	\$935.84
<hr/>						
	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
	Count	Amount	Count	Amount	Count	Amount
Final Average Salary Issues Total	2	(\$0.22)	7	(\$216.63)	2	\$0.00
Years of Service Issues Total	1	(\$5.52)	0	\$0.00	2	\$1,007.17
Reduction Factor Issues Total	1	(\$402.48)	4	(\$3.22)	1	(\$139.84)
Payee Account Issues Total	1	(\$2,366.00)	8	\$1,649.00	1	(\$5.00)
Benefit Option Issues Total	0	\$0.00	0	\$0.00	0	\$0.00
Account Balance/Minimum Guarantee Issues Total	3	\$59,879.34	1	(\$3,266.16)	1	\$73.51
Retiree Health Insurance Credit Issues Total	17	(\$16,956.67)	68	\$6,826.85	0	\$0.00
Employer/Employee Contributions Issues Total	0	\$0.00	0	\$0.00	0	\$0.00
No Impact to Benefit Amount Issues Total	0	\$0.00	1	\$2.84	0	\$0.00
Compliance Issues Total	12	\$0.00	16	\$0.00	6	\$0.00
Errors Found by Staff other than Internal Audit Division Total	1	(\$2,499.36)	0	\$0.00	0	\$0.00
System Errors Found by Internal Audit Not Impacting Benefit Amounts Total	0	\$0.00	0	\$0.00	0	\$0.00
Errors Found Requiring Research Total	0	\$0.00	0	\$0.00	0	\$0.00
Correspondence Issues	0	\$0.00	5	\$0.00	1	\$0.00
	38	\$37,649.09	110	\$4,992.68	14	\$935.84

Retirement New Retiree Benefit

Internal Audit

Audit Statistics

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Period Audited	FY 2022		FY 2023		FY 2024	
	Count	Amount	Count	Amount	Count	Amount
<b>Total Audited Benefits Paid YTD by Plan</b>						
Main	454	\$1,847,020.01	573	\$2,464,101.48	236	\$762,843.87
Main 2020	2	\$292.15	13	\$10,878.86	7	\$2,642.98
PS w PS	11	\$58,262.61	7	\$37,397.02	3	\$9,168.54
PS wo PS	1	\$497.24	3	\$13,870.70	5	\$6,325.95
BCI LE	0	\$0.00	0	\$0.00	2	\$23,859.80
State PS	0	\$0.00	0	\$0.00	2	\$12,722.30
HP	2	\$5,131.40	9	\$115,679.98	3	\$37,556.41
Judges	1	\$6,623.70	3	\$46,561.47	1	\$8,729.82
State LE	1	\$2,099.30	6	\$33,441.32	0	\$0.00
Job Service	1	\$11,911.28	1	\$5,068.58	0	\$0.00
DC	2	\$0.00	0	\$0.00	0	\$0.00
<b>Total Audited</b>	<b><u>475</u></b>	<b><u>\$1,931,837.69</u></b>	<b><u>615</u></b>	<b><u>\$2,726,999.41</u></b>	<b><u>259</u></b>	<b><u>\$863,849.67</u></b>
<b>Total Audited Benefits Paid YTD by Benefit Option</b>						
5 Yr TC	1	\$135.20	0	\$0.00	0	\$0.00
10 Yr TC	2	\$6,614.30	3	\$6,470.79	3	\$3,867.30
20 Yr TC	4	\$22,404.03	12	\$66,854.97	5	\$13,874.94
100% J&S	165	\$729,132.41	235	\$1,293,772.43	89	\$354,425.74
50% J&S	78	\$380,349.99	76	\$335,586.70	32	\$144,785.96
50% Life Time	10	\$28,265.56	11	\$29,017.12	4	\$2,434.53
Life of AP - 10 Yr TC	1	\$374.95	0	\$0.00	2	\$2,166.85
Life of AP - 20 Yr TC	0	\$0.00	0	\$0.00	1	\$3,196.20
Life of AP - SL	2	\$5,106.28	2	\$981.06	3	\$3,804.79
Life of BAO - 5 Yr TC	0	\$0.00	1	\$84.84	0	\$0.00
Life of BAO - 10 Yr TC	0	\$0.00			0	\$0.00
Life of BAO - SL	0	\$0.00	1	\$581.46	0	\$0.00
Normal	1	\$1,456.11	1	\$25,763.46	2	\$17,793.63
Periodic Payment	2	\$0.00	0	\$0.00	0	\$0.00
Single Life	208	\$746,087.58	273	\$967,886.58	118	\$317,499.73
Straight Life	1	\$11,911.28	0	\$0.00	0	\$0.00
<b>Total Audited</b>	<b><u>475</u></b>	<b><u>\$1,931,837.69</u></b>	<b><u>615</u></b>	<b><u>\$2,726,999.41</u></b>	<b><u>259</u></b>	<b><u>\$863,849.67</u></b>

Retirement New Retiree Benefit  
Audit Statistics

Internal Audit  
11/8/2023 2:16 PM

Type of Issue Summaries												
Procedure/System Total Issue Count	FY 2022				FY 2023				FY 2024			
	Count		Dollar		Count		Dollar		Count		Dollar	
Internal Calc Procedure	22	57.89%	(\$22,230.25)	-59.05%	76	69.09%	\$7,122.34	142.66%	5	35.71%	\$1,075.68	114.94%
Internal Calc System	0	0.00%	\$0.00	0.00%	2	1.82%	(\$512.50)	-10.27%	1	7.14%	(\$139.84)	-14.94%
Compliance Procedure	16	42.11%	\$59,879.34	159.05%	27	24.55%	\$1,649.00	33.03%	8	57.14%	\$0.00	0.00%
Compliance System	0	0.00%	\$0.00	0.00%	5	4.55%	(\$3,266.16)	-65.42%	0	0.00%	\$0.00	0.00%
Total	38	100.00%	\$37,649.09	100.00%	110	100.00%	\$4,992.68	100.00%	14	100.00%	\$935.84	100.00%
<b>Pre or Post PERSLink Total Issue Count</b>												
Pre PERSLink	0	0.00%	\$0.00	0.00%	0	0.00%	\$0.00	0.00%	0	0.00%	\$0.00	0.00%
Post PERSLink	38	100.00%	\$37,649.09	100.00%	110	100.00%	\$4,992.68	100.00%	14	100.00%	\$935.84	100.00%
Total	38	100.00%	\$37,649.09	100.00%	110	100.00%	\$4,992.68	100.00%	14	100.00%	\$935.84	100.00%

RETIREMENTS BY MONTH PER FISCAL YEAR												
Fiscal Year	FY 2022			FY 2023			FY 2024			Monthly Averages		
Month	Count	Rate	Rank	Count	Rate	Rank	Count	Rate	Rank	Average	Rank	
July	67	6.95%	9	65	6.74%	11	92	9.54%	4	74.7	5	
August	<b>167</b>	17.32%	1	<b>134</b>	13.90%	1	<b>151</b>	15.66%	1	<b>150.7</b>	1	
September	<b>104</b>	10.79%	2	<b>129</b>	13.38%	2	<b>130</b>	13.49%	2	<b>121.0</b>	2	
October	87	9.02%	3	89	9.23%	5	<b>105</b>	10.89%	3	93.7	3	
November	73	7.57%	6	80	8.30%	6	91	9.44%	5	81.3	4	
December	69	7.16%	8	78	8.09%	7	0	0.00%	0	49.0	9	
January	55	5.71%	11	58	6.02%	12	0	0.00%	0	37.7	12	
February	83	8.61%	4	<b>100</b>	10.37%	3	0	0.00%	0	61.0	6	
March	63	6.54%	10	<b>100</b>	10.37%	3	0	0.00%	0	54.3	7	
April	77	7.99%	5	78	8.09%	7	0	0.00%	0	51.7	8	
May	49	5.08%	12	68	7.05%	10	0	0.00%	0	39.0	11	
June	70	7.26%	7	73	7.57%	9	0	0.00%	0	47.7	10	
Total	964	100.00%		1052	109.13%		569	59.02%		861.7		
Average	80.3			87.7			47.4			71.8		
Rank	2			1			3					

Retirement Refunds  
Audit Statistics

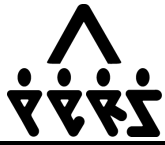
Period Audited Audited Through Payment Date	FY 2022	FY 2023	FY 2024			
	Jun 1, 2022	Jun 1, 2023	Nov 1, 2023			
<b>Number of Unresolved Issues Remaining</b>	0	0	0			
<b><u>Analysis of Refund Population and Issues</u></b>						
Total Refunds Paid	1951	2145	976			
Total Refunds Audited	73	129	68			
% of Refunds Audited	<b>3.74%</b>	<b>6.01%</b>	<b>6.97%</b>			
Total Refunds with Issues	7	13	10			
<i>Internal Calculation Issue</i>	6	11	0			
<i>Compliance Issues</i>	1	2	0			
<i>Employer Issues</i>	0					
<i>Internal Calculation Accuracy Rate</i>	<b>91.78%</b>	<b>91.47%</b>	<b>91.18%</b>	97% Goal		
<i>Compliance Accuracy Rate</i>	<b>98.63%</b>	<b>98.45%</b>	<b>94.12%</b>			
<i>Employer Accuracy Rate</i>	<b>100.00%</b>					
<b>Overall Accuracy Rate</b>	<b>90.41%</b>	<b>89.92%</b>	<b>85.29%</b>			
Maximum Overstated	\$613.24	\$2,253.39	\$25.63			
Minimum Understated	(\$35.26)	(\$98.53)	(\$776.51)			
<b><u>Summary of Total Issue Results (Effect on gross Refund)</u></b>						
	<b><u>FY 2022</u></b>		<b><u>FY 2023</u></b>		<b><u>FY 2024</u></b>	
	<b><u>Count</u></b>	<b><u>Amount</u></b>	<b><u>Count</u></b>	<b><u>Amount</u></b>	<b><u>Count</u></b>	<b><u>Amount</u></b>
Total Refund Understated	2	(\$64.87)	4	(\$196.30)	5	(\$2,054.58)
Total Refund Overstated	3	\$794.24	7	\$3,786.03	2	\$42.38
Other Issues	2	\$0.00	2	\$0.00	3	\$0.00
	7	\$729.37	13	\$3,589.73	10	(\$2,012.20)
<b><u>Issues impacting Refund (Net total):</u></b>						
	<b><u>FY 2022</u></b>		<b><u>FY 2023</u></b>		<b><u>FY 2024</u></b>	
	<b><u>Count</u></b>	<b><u>Amount</u></b>	<b><u>Count</u></b>	<b><u>Amount</u></b>	<b><u>Count</u></b>	<b><u>Amount</u></b>
Cause of Issue Impacting Refund Amount	1	\$151.29	5	\$192.91	3	(\$1,033.63)
Cause of Issue Impacting Account Balance Total	4	(\$35.16)	6	\$1,143.43	4	(\$978.57)
Cause of Issue Impacting Payee Account Total	1	\$613.24	1	\$2,253.39	0	\$0.00
Compliance Deficiencies (no dollar impact on refund)	0	\$0.00	1	\$0.00	3	\$0.00
Errors Found by Staff other than Internal Audit Division Total	0	\$0.00	0	\$0.00	0	\$0.00
System Errors Found by Internal Audit Not Impacting Refund Amount Total	1	\$0.00	0	\$0.00	0	\$0.00
Errors Found Requiring Research	0	\$0.00	0	\$0.00	0	\$0.00
Correspondence Issues	0	\$0.00	0	\$0.00	0	\$0.00
	7	\$729.37	13	\$3,589.73	10	(\$2,012.20)

Retirement Refunds  
Audit Statistics

Period Audited	FY 2022		FY 2023		FY 2024	
	Count	Amount	Count	Amount	Count	Amount
<b>Total Audited Benefits Paid YTD by Plan</b>						
Main	56	\$2,705,596.17	89	\$4,750,565.60	44	\$1,946,019.42
Main 2020	12	\$32,921.71	27	\$48,666.59	13	\$29,138.73
PS w PS	2	\$216,580.67	6	\$186,299.13	6	\$87,287.07
PS wo PS	1	\$848.79	1	\$12,062.16	2	\$11,368.54
BCI LE	0	\$0.00	0	\$0.00	2	\$22,921.04
National Guard	0	\$0.00	0	\$0.00	1	\$784.62
HP	2	\$7,897.21	3	\$164,560.56	0	\$0.00
Judges	0	\$0.00	0	\$0.00	0	\$0.00
State LE	0	\$0.00	2	\$1,747.37	0	\$0.00
Job Service	0	\$0.00	0	\$0.00	0	\$0.00
DC	0	\$0.00	1	\$3.16	0	\$0.00
<b>Total Audited</b>	<b>73</b>	<b>\$2,963,844.55</b>	<b>129</b>	<b>\$5,163,904.57</b>	<b>68</b>	<b>\$2,097,519.42</b>
<b>Total Audited Benefits Paid YTD by Benefit Option</b>						
Post-Retirement Death	10	\$357,143.51	10	\$376,178.89	2	\$108,104.40
Pre-Retirement Death	16	\$1,165,841.34	18	\$1,346,967.15	9	\$544,516.00
Regular Refund	34	\$1,429,534.30	79	\$3,422,395.46	12	\$1,436,027.83
Auto Refund	13	\$11,325.40	22	\$18,363.07	45	\$8,871.19
<b>Total Audited</b>	<b>73</b>	<b>\$2,963,844.55</b>	<b>129</b>	<b>\$5,163,904.57</b>	<b>68</b>	<b>\$2,097,519.42</b>

Type of Issue Summaries												
Procedure/System Total Issue Count	FY 2022				FY 2023				FY 2024			
	Count	Dollar	Count	Dollar	Count	Dollar	Count	Dollar	Count	Dollar		
Procedure	1	14.29%	\$29.71	4.07%	1	7.69%	\$157.76	4.39%	2	20.00%	(\$158.26)	7.87%
System	5	71.43%	\$699.66	95.93%	10	76.92%	\$3,431.97	95.61%	4	40.00%	(\$1,870.69)	92.97%
Compliance	1	14.29%	\$0.00	0.00%	2	15.38%	\$0.00	0.00%	4	40.00%	\$16.75	-0.83%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>\$729.37</b>	<b>100.00%</b>	<b>13</b>	<b>100.00%</b>	<b>\$3,589.73</b>	<b>100.00%</b>	<b>10</b>	<b>100.00%</b>	<b>(\$2,012.20)</b>	<b>100.00%</b>
<b>Pre or Post PERSLink Total Issue Count</b>												
PrePERSLink	0	0.00%	\$0.00	0.00%	0	0.00%	\$0.00	0.00%	0	0.00%	\$0.00	0.00%
PostPERSLink	7	100.00%	\$729.37	100.00%	13	100.00%	\$3,589.73	100.00%	10	100.00%	-\$2,012.20	100.00%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>\$729.37</b>	<b>100.00%</b>	<b>13</b>	<b>100.00%</b>	<b>\$3,589.73</b>	<b>100.00%</b>	<b>10</b>	<b>100.00%</b>	<b>(\$2,012.20)</b>	<b>100.00%</b>

RETIREMENTS BY MONTH PER FISCAL YEAR											
Fiscal Year	FY 2022			FY 2023			FY 2024			Monthly Averages	
	Month	Count	Rate	Rank	Count	Rate	Rank	Count	Rate	Rank	Average
July	135	6.92%	12	148	6.90%	12	182	8.48%	#N/A	155.0	5
August	156	8.00%	9	163	7.60%	10	159	7.41%	#N/A	159.3	4
September	178	9.12%	2	201	9.37%	1	224	10.44%	#N/A	201.0	1
October	170	8.71%	4	190	8.86%	4	220	10.26%	#N/A	193.3	2
November	170	8.71%	4	195	9.09%	3	191	8.90%	#N/A	185.3	3
December	163	8.35%	6	189	8.81%	5	0	0.00%	0	117.3	8
January	162	8.30%	8	177	8.25%	8	0	0.00%	0	113.0	10
February	146	7.48%	10	178	8.30%	7	0	0.00%	0	108.0	11
March	193	9.89%	1	184	8.58%	6	0	0.00%	0	125.7	6
April	137	7.02%	11	157	7.32%	11	0	0.00%	0	98.0	12
May	178	9.12%	2	165	7.69%	9	0	0.00%	0	114.3	9
June	163	8.35%	6	198	9.23%	2	0	0.00%	0	120.3	7
<b>Total</b>	1951	100.00%		2145	100.00%		976	45.50%		1690.7	
<b>Average</b>	162.6			178.8			81.3			140.9	
<b>Rank</b>		<b>2</b>			<b>1</b>			<b>3</b>			



**North Dakota  
Public Employees Retirement System**

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**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Benefit/Premium Adjustments Report**

Attached is the quarterly benefit adjustment report for the period August 1, 2023 through October 31, 2023. The report is in several sections to indicate the type of corrections needed.

A summary of the adjustment amounts and the total number of each adjustment type is shown below and a summary of the detail is attached.

<b>Program</b>	<b>1/31/2023</b>		<b>4/30/2023</b>		<b>7/31/2023</b>		<b>10/31/2023</b>	
Retirement Overpaid	14	\$18,425.45	17	\$19,936.96	25	\$151,770.15	28	\$156,692.14
Retirement Underpaid	2	\$1.58	3	\$37.73	2	(\$241.64)	3	(\$220.07)
RHIC Overpaid	4	\$773.74	5	\$8,405.63	4	\$8,299.36	4	\$8,299.36
RHIC Underpaid	0	\$0.00	2	(\$766.25)	0	\$0.00	0	\$0.00
Refunds Overpaid	0	\$0.00	1	\$2,253.40	2	\$2,613.52	0	\$0.00
Refunds Underpaid	0	\$0.00	0	\$0.00	4	(\$1,266.43)	2	(\$848.69)
Insurance Overpaid	1	\$619.22	1	\$619.22	2	\$643.92	2	(\$1,543.92)
Insurance Underpaid	11	\$16,059.96	11	\$15,378.56	7	\$15,102.84	6	\$15,008.59
<b>Total Combined</b>	<b>32</b>	<b>\$35,879.95</b>	<b>40</b>	<b>\$45,865.25</b>	<b>46</b>	<b>\$176,921.72</b>	<b>45</b>	<b>\$177,387.41</b>

Attachment

FYE 2024 Quarterly Benefit Adjustment Report - Draft

Retiree	Date	Subject Title	Plan	Amount Due NDPERS/ (Member)	Interest Due (Member)	Status Update	Cause (Employee, Employer, Retiree, Staff, System, Vendor)	Explanation of Adjustment	Error in IA Statistics Report
<b>RETIREMENT BENEFIT CORRECTIONS</b>									
1	10/19/2023	Retirement Overpayment	Main	\$521.31	\$0.00	A reclaim of funds was submitted and confirmed to be successful by ND PERS Accounting group	Employee	Member deceased and PERS was not notified timely	No
2	8/25/2023	Retirement Overpayment	Main	\$1,564.85	\$0.00	No response received, COU sent follow up letter on 11/8/2023 for recovery	Employee	Member deceased and PERS was not notified timely	No
3	8/24/2023	Retirement Overpayment	Main	\$120.09	\$0.00	Paid in Full	Employee	Member deceased and PERS was not notified timely	No
4	9/19/2023	Retirement Overpayment	Main & RHIC	\$7,508.85	\$0.00	Paid in Full - Remaining balance recovered from estate	Employee	Member deceased and PERS was not notified timely	No
5	10/12/2023	Retirement Overpayment	Main	\$517.90	\$0.00	Paid in Full	Employer	Member returned to work and PERS was not notified timely	No
6	9/29/2023	Retirement Overpayment	Main	\$443.10	\$0.00	Elected to pay over 2 months. \$221.55 paid so far and \$221.55 remains to be paid.	Employer	Member returned to work and PERS was not notified timely	No
7	9/19/2023	Retirement Overpayment	Main	\$531.69	\$0.00	No response received, 2nd notice sent 10/19/23	Employer	Member returned to work and PERS was not notified timely	No
8	9/21/2023	Retirement Overpayment	Public Safety	\$905.06	\$917.43	Actuarial reduction applied	Employer	Member returned to work and PERS was not notified timely	No
9	8/1/2023	Retirement Overpayment	Main	\$73.51	\$0.00	Corrected prior to Checkwrite	Staff	During the August 2023 Retirement audit, there was an alternate payee from a QDRO who was set up to begin payments prior to when they were eligible. Payments were to begin when the member started receiving retirement benefits. The member met normal retirement 8/1 but has not yet retired however AP was set up to begin payments 8/1 and should not have been.	Yes
10	10/1/2023	Retirement Overpayment	Main	\$1.34	\$0.00	Corrected prior to Checkwrite	Staff	During the October 2023 Retirement audit, a discrepancy was found in which the initial month of contributing employment was listed in the system as a Missed Deposit and was not included in dual FAS calculations causing a discrepancy. It was determined that the month should instead be non-contributing due to delayed payroll and has been updated accordingly.	Yes

FYE 2024 Quarterly Benefit Adjustment Report - Draft

Retiree	Date	Subject Title	Plan	Amount Due NDPERS/ (Member)	Interest Due (Member)	Status Update	Cause (Employee, Employer, Retiree, Staff, System, Vendor)	Explanation of Adjustment	Error in IA Statistics Report
11	10/24/2023	Retirement Underpayment	Main	(\$67.43)	\$0.00	Payment of \$4.20 made resulting in \$37 remaining to be paid. This amount will be reduced from the \$104.43 due to the member resulting in a net underpayment to the estate of \$67.43  Remaining payment and recovery was setup and completed 11/1/2023.	Employee	There was an overpayment on this member's account that the member had agreed to repay with a lifetime reduction. Upon the member's passing, there remained a balance owed to PERS.  There were two or more uncashed checks to the member's account resulting in monthly payments being stopped and an underpayment of monthly benefits resulting based on the date of death. The overpayment will be net against the underpayment owed to the member's estate resulting in a net underpayment due to the member of \$67.	No
12	10/1/2023	Retirement Underpayment	Main	(\$139.84)	\$0.00	Corrected prior to Checkwrite	Staff	During the October 2023 Retirement audit, Internal Audit found a member who was receiving disability payments and converting to a normal retirement benefit due to reaching normal retirement age, who also previously had their benefit popped-up to a Single Life benefit due to the death of their spouse, but was reverted back to the Joint & Survivor benefit by the system.	Yes

**REFUND CORRECTIONS**

13	8/1/2023	Refund Underpayment	Main	(\$72.18)	\$0.00	Corrected prior to Checkwrite	System	During the August 2023 Refund audit, a member was found with a discrepancy in the amount of Vested ER calculation. Because of an adjustment done in February 2013 to move wages from July 2012 to June 2012, the increase in the vesting percentage shifted up one month but the system did not recognize this for 2013 and 2014.	Yes
14	10/1/2023	Refund Underpayment	Main 2020	(\$776.51)	\$0.00	Remaining auto refund payment has been setup for payment 12/1/2023	Staff	During the October 2023 Refund audit, Internal Audit found a member that had dual plans and both plans had met the criteria for being an auto refund, both individually and in aggregate, and yet only one of the plans was set up as an auto refund and the other plan remained deferred.	Yes

**INSURANCE CORRECTIONS**

15	8/31/2023	Insurance Underpayment	Medicare Part D	\$139.44	\$0.00	No response received	Employee	After the death of a member, the spouse was sent an application to enroll in the Medicare Part D plan but the application was not returned. The beneficiary owes premiums for the two months after the member's death and prior to the plan being cancelled.	No
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FYE 2024 Quarterly Benefit Adjustment Report - Draft

Retiree	Date	Subject Title	Plan	Amount Due NDPERS/ (Member)	Interest Due (Member)	Status Update	Cause (Employee, Employer, Retiree, Staff, System, Vendor)	Explanation of Adjustment	Error in IA Statistics Report
16	7/31/2023	Insurance Underpayment	Health Plan	\$45.36	\$0.00	Paid in Full	System	A member was part of a new employer group in the NDPERS health plan and was paying the new group rates. This member's premiums were not converted to the existing employer group rates at the start of the new biennium resulting in the member being undercharged health care premiums.	No

**CORRECTIONS REPORTED PREVIOUSLY - SETTLEMENT AGREEMENT REACHED**

17	6/7/2023	Retirement Overpayment	Main	\$124.76	\$0.00	Account written off	System	Vesting percentage was calculated incorrectly by the system and the member's Vested ER was overfunded.	Yes(Vesting Query)
18	6/13/2023	Retirement Overpayment	Main	\$140.36	\$0.00	Account written off	System	Vested ER was calculated incorrectly by the system and was overfunded.	Yes(Vesting Query)
19	6/13/2023	Retirement Overpayment	Public Safety	\$218.68	\$0.00	Paid in Full	System	Vested ER was calculated incorrectly by the system and was overfunded.	Yes(Vesting Query)
20	6/21/2023	Retirement Overpayment	Main	\$206.49	\$0.00	Paid in Full	System	Vested ER was calculated incorrectly by the system and was overfunded.	Yes(Vesting Query)
21	5/8/2023	Insurance Underpayment	Vision	\$10.80	\$0.00	Paid in full. Per Accounting, the employer has paid the underpayment and is responsible for collecting from member.	Staff	Member's dependent was incorrectly removed from their coverage, per member's request, mid-year without an approved qualifying event.	No
22	12/27/2022	Insurance Overpayment	HSA	(\$1,319.22)	\$0.00	Paid in Full	Employee	This is an HSA overcontribution. Member got married but did not combine plans with spouse (also state employee) at time of marriage. Upon discovery, member/spouse were combined under one health plan (through her spouse) making her ineligible for the HSA contributions she received. NDPERS was unable to reverse with her HSA as she received distributions. MOU rec'd 2/6/23 to pay installments. 5/1/23: Member was overpaid twice with HSA and payment plan was set up for both. Total overpayment is now \$1,319.22. 11/1/2023: Member made final payments and no overpayment remains	No

FYE 2024 Quarterly Benefit Adjustment Report - Draft

Retiree	Date	Subject Title	Plan	Amount Due NDPERS/ (Member)	Interest Due (Member)	Status Update	Cause (Employee, Employer, Retiree, Staff, System, Vendor)	Explanation of Adjustment	Error in IA Statistics Report
23	7/28/2023	Insurance Overpayment	HSA	(\$224.70)	\$0.00	Paid in Full	Employer	There was a change to HSA employer contributions effective 7/1/2023 which resulted in the member exceeding the HSA annual limit. The employer refigured the maximum the member could contribute with the higher employer contribution, which calculated to the member over-contributing by \$224.70. The employer refunded this amount back to the member through payroll. NDPERS attempted to collect this money back from HQY (HSA vendor) but the funds were not there. NDPERS sent overpayment letter 7/28/23 to collect the overpayment back.	No

**CORRECTIONS REPORTED PREVIOUSLY - SETTLEMENT NOT REACHED**

24	6/7/2023	Retirement Overpayment	Main	\$509.94	\$0.00	Second notice sent, appealing to Board	System	Vested ER was calculated incorrectly by the system and was overfunded.	Yes(Vesting Query)
25	6/7/2023	Retirement Overpayment	Main	\$292.97	\$0.00	Paid \$262.50 of benefit due but refused to pay \$30.47 interest (not simple interest) due	System	Vesting percentage was calculated incorrectly by the system and the member's Vested ER was overfunded.	Yes(Vesting Query)
26	2/28/2022	Retirement Overpayment	Main	\$525.24	\$0.00	Payment made - balance remains. Offset to future beneficiary payments	Retiree	Member deceased and received payments after their death. Currently reviewing options with AG Office for repayment of tax withholding as this can't be recovered from IRS. Appears it will be a future reduction of beneficiary payment due to extenuating circumstances (Family non-responsive, beneficiary in prison). On hold per AG guidance.	No
27	9/27/2022	Retirement Overpayment	Main	\$1,037.13	N/A	Offset upon subsequent retirement	Retiree	RTW retiree - benefits suspended 9/1/2022. Overpayment will be offset upon subsequent retirement.	No
28	11/25/2022	Retirement Overpayment	Main	\$423.17	\$0.00	Lifetime reduction requested upon second retirement	Employee	Member returned to work and current retirement benefit payment was issued prior to PERS being notified of the member's re-employment.	No
29	10/14/2022	Retirement Overpayment	Main	\$335.96	N/A	Payment made - balance remains	Retiree	RTW retiree - benefits suspended 9/1/2022 - Rec'd MOU 10/28/22 stating monthly payments would be made.	No
30	5/23/2023	Retirement Overpayment	Main	\$125,539.68	\$0.00	Agreement reached to pay back at subsequent retirement through actuarial adjustment	Staff	Member returned to work and retirement benefits should have been suspended but were not. Correction in progress.	No
31	5/23/2023	RHIC Overpayment	Main	\$7,614.37	\$0.00	Agreement reached to pay back at subsequent retirement	Staff	Member returned to work and RHIC benefits should have been suspended but were not. Correction in progress.	No

FYE 2024 Quarterly Benefit Adjustment Report - Draft

Retiree	Date	Subject Title	Plan	Amount Due NDPERS/ (Member)	Interest Due (Member)	Status Update	Cause (Employee, Employer, Retiree, Staff, System, Vendor)	Explanation of Adjustment	Error in IA Statistics Report
32	3/1/2023	Retirement Underpayment	Main	\$0.00	(\$12.80)	Benefit underpayment of \$61.74 paid to member. Interest still needs to be issued.	Staff	This member was a Disability to Normal payee. In reviewing their original benefit, IA found a wage spread that was spread to months without existing wages.	Yes
33	6/13/2023	Retirement Overpayment	Main	\$246.15	\$0.00	Sent to AG for collection	System	Vested ER was calculated incorrectly by the system and was overfunded.	Yes(Vesting Query)
34	1/8/2021	Retirement Overpayment	Main	\$2,488.90	\$0.00	Sent to AG for collection	Employee	Member received benefit payments after their death. Second MOU sent 4/29/2021. Third MOU sent 8/9/2021. Under review at the AG Office. With Civil Litigation.	No
35	3/1/2021	Retirement Overpayment	Main	\$953.53	\$0.00	Sent to AG for collection	Employee	Member received benefit payments after their death. MOU returned and no forwarding address was left. Sent to the AG's office 7/16/2021. Under review at the AG Office. With Civil Litigation.	No
36	11/10/2021	Retirement Overpayment	Main	\$329.00	\$0.00	Sent to AG for collection	Employee	Member received benefit payment after their death, before PERS was notified on 11/4/2021. MOU sent 11/10/2021. Appears multiple attempts for collection were made. Under review at the AG Office. With Civil Litigation.	No
37	1/1/2014	Insurance Underpayment	Health	\$11,632.67	\$0.00	Sent to AG for collection	Retiree	Underpayment of insurance premiums. Under review at the AG Office. Member appealed repayment. With Civil Litigation.	No
38	10/26/2015	Insurance Underpayment	Health	\$1,567.66	\$0.00	Sent to AG for collection	Retiree	Past due insurance premiums. Under review at the AG Office. With Civil Litigation.	No
39	8/24/2016	Retirement Overpayment	Main	\$4,655.25	\$0.00	Sent to AG for collection	Retiree	Member received benefit payments after their death. Unable to locate spouse to obtain death certificate and set up spouse benefits. PERS is working with the AG office on collection but it is currently on hold as PERS is unable to locate spouse to correct record. On hold per AG guidance.	No
40	12/28/2017	Insurance Underpayment	Health	\$1,612.66	\$0.00	Sent to AG for collection	Retiree	Underpayment of insurance premiums. Under review at the AG Office. With Civil Litigation.	No
41	3/15/2018	Retirement Overpayment	Main	\$5,425.02	\$0.00	Sent to AG for collection	System	Refund amount doubled in error. Under review at the AG Office. With Civil Litigation.	No
42	12/16/2019	RHIC Overpayment	Main	\$210.00	\$0.00	Sent to AG for collection	Retiree	Member received RHIC payments after their death. Under review at the AG Office. With Civil Litigation.	No
43	1/27/2020	Retirement Overpayment	Main	\$134.78	\$0.00	Sent to AG for collection	Retiree	Member's beneficiary deceased resulting in 1 month of overpaid retirement benefits. Under review at the AG Office. With Civil Litigation.	No
44	1/27/2020	RHIC Overpayment	Main	\$274.16	\$0.00	Sent to AG for collection	Retiree	Member's beneficiary deceased resulting in 1 month of overpaid RHIC benefits. Under review at the AG Office. With Civil Litigation.	No
45	1/25/2021	RHIC Overpayment	Main	\$200.83	\$0.00	Sent to AG for collection	Retiree	Member received RHIC payments after their death. Under review at the AG Office. With Civil Litigation.	No



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**TO:** Audit Committee  
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Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Outstanding Issues Status Report**

As stated in the Audit Policy #103, the Internal Audit Division is to report quarterly to management and the Audit Committee the status of the audit recommendations of the external auditors, as well as any made by Internal Audit.

The attached report has been updated to reflect what has been accomplished August 1, 2023 through November 31, 2023. Fifteen new issues were added and 33 outstanding issues remain. A summary is as follows:

Status	Closed	New	Progress Made	No Change	No Response	Total
Previous Month Total	15	30	14	2	0	46
Accounting	1	1	0	1	0	2
Administration	0	0	0	0	0	0
Benefits	10	14	3	3	22	43
Operations	0	0	0	0	0	1
Internal Audit	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0
<b>Current Month Total</b>	<b>11</b>	<b>15</b>	<b>3</b>	<b>4</b>	<b>22</b>	<b>46</b>

Attached is the Audit Recommendations Implementation Summary including recommendations from the external auditors as well as internal auditors. Management responses and updates to the recommendations are included in this report.

Attachment

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
<b>EXTERNAL AUDIT ISSUES</b>				
<b>INTERNAL AUDIT ISSUES</b>				
<b>Monthly Retirement &amp; Refund Audit</b>				
2021-01 IA	<b>Issue Description</b>	During the monthly retirement payment audit, IA found a member whose OMG & AB was overstated due to the system not including the amount removed for the AP Benefit Payment in December 2014. The amount allocated to the AP is also incorrect and needs to be adjusted.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	Re-Issue a PIR 15023 to correct the AB allocated to the Alternate Payee.  Issue PIR 24141 to correct this member's OMG & AB to reflect the amount allocated to the Alternate Payee.  Request a query be run to find others in payment/refund status with this issue.  Determine if system can be fixed to catch others with this issue prior payment or come up with a work around to ensure the proper amount is being paid out.			
<b>NDPERS Response/Resolution</b>	<b>Update 5/2022:</b> PIR 20177 has been confirmed and is still pending as "Assigned to Sagitec" <b>Update 8/2022 - 2/2023:</b> PIR in same status - no update <b>Update 5/2023:</b> Query is currently being reviewed by IA. <b>Update 8/2023:</b> No update <b>Update 11/2023:</b> 10/24/2023 programmer indicated PIR 20177 is QDRO related and is pending process redesign in 2024.			
2022-01 IA	<b>Issue Description</b>	Internal Audit found a QDRO that was approved in 1997 and the benefit payable to alternate payee was based on the benefit factor of 1.77 applicable at that time. The alternate payee started receiving payments in 2022 when the benefit factor is 2% however the 1.77% benefit factor was still being used.  There is a clause in each DRO template requiring benefit enhancements provided by the North Dakota Legislature for service during the marital relationship which are adopted after the end of the marital relationship to apply to the alternate payee's portion of benefits as well.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	The current member's benefit needs to be corrected. A query has been requested from IT to review if there are other alternate payees in receiving status who have not had the correct benefit factor applied to their monthly benefit.  <b>Update 5/2023:</b> Internal Audit discovered additional members with this same issue.			
<b>NDPERS Response/Resolution</b>	<b>Update 11/2022:</b> The member has been corrected but query still pending to determine if there are other impacted members. <b>Update 2/2023:</b> Query obtained, being reviewed to determine if any other members impacted. Item will remain open until research complete. <b>Update 5/2023:</b> Query is currently being reviewed by IA. <b>Update 8/2023:</b> Query and IA findings are being reviewed by Benefits. <b>Update 11/2023:</b> Two QDRO account adjustments sent for review and confirmation of adjustments 10/25/2023 and 11/6/2023. One account is pending letter to member and AP for correction to incorrect data in QDRO on file.			

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-01 IA	<b>Issue Description</b>	In recalculating the account balance for a refund payment, Internal Audit found a purchase payment on 8/5/2021 with an effective date of July 2021 and a removal of that payment on 8/11/2021 with an effective date of August 2021. Since the funds were in the member's account for one month, they earned compounding interest on that amount until payment distribution even though the funds were removed. Payments should be posted to the member's account based on the date the money is received but that is not happening with manual check payments.	<b>Open</b>	Derrick (Accounting)
	<b>Auditor Recommendations</b>	This member's account balance has been adjusted and an MOU has been sent out. A query should be requested to identify member's who have previously refunded out that also had a purchase payment and corrections should be made where necessary.		
	<b>NDPERS Response/Resolution</b>	<b>Update 2/2023:</b> PIR 25553 was logged to address this issue. Once this PIR is in production, we'll do a historical review to see if anyone refunded their accounts that previously had done installment payments on a purchase. <b>Update 5/2023:</b> The system enhancement has been placed into production and we have a query that identifies historical refunds that may be issued. Staff plans on reviewing this query in Q2 2023. <b>Update 8/2023:</b> Staff did not have time during Q2 with rate changes on our Health & Life plans, as well as Legislative Implementation related to the State Public Safety expanded benefits. This will be a goal to complete before the end of the year. <b>Update 11/2023:</b> No update since last quarter.		
2023-02 IA	<b>Issue Description</b>	During the monthly retirement audit, Internal Audit found a member who is a Disability to Normal payee. In reviewing their original benefit, Audit found a wage that was spread to months without existing wages. A clean up project had previously been done to find and correct these instances however this member was not included in the query, possibly because they were a disability benefit at the time.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Internal Audit requested the original query be updated to include disability payees. There are 66 additional members in that query that will need to be reviewed and corrected if necessary.  The current member's wages and monthly benefit should be corrected. The additional 66 member's found on the query should be reviewed and corrections made if necessary.		
	<b>NDPERS Response/Resolution</b>	<b>Update 5/2023:</b> Accounting team updated and corrected OMB 3/28/2022 (PIR 24699) <b>Update 8/2023:</b> Monthly benefit corrected 6/1/2023 and interest setup for payment 9/1/2023 <b>Update 11/2023:</b> Pending audit query analysis		
2023-03 IA	<b>Issue Description</b>	During the July 2023 Refund audit, Internal Audit found a situation in which the final interest update amount was not included in a member's refund. This member had a QDRO on file and the Alternate Payee was already in payment.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	The remaining amount of the account balance should be refunded to the member.  System programming should also be reviewed to determine if part of the issue was related to the Alternate Payee being in payment prior to the member receiving their refund.		
	<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> Payment to member was cancelled and a new benefit payment was setup to correct the calculations for interest, since this was incorrectly applied for the final payment. PIR 25952 logged to determine why final interest update was not included in payment. <b>Update 11/2023:</b> On 8/31/2023 PIR 25952 is assigned to Sagitec and pending to review programming logic for interest posting		

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-04 IA	<b>Issue Description</b>	During the August 2023 Retirement audit, there was an alternate payee from a QDRO who was set up to begin payments prior to when they were eligible. Payments were to begin when the member started receiving retirement benefits. The member met normal retirement 8/1 but has not yet retired however AP was set up to begin payments 8/1 and should not have been.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	AP's benefit was cancelled and will be set up upon the member's retirement and commencement of retirement benefits.		
	<b>NDPERS Response/Resolution</b>	Update 11/2023: Closed		
2023-05 IA	<b>Issue Description</b>	During the August 2023 Retirement audit, there was a payment to the beneficiary of a Pre-Retirement Death member with issues in the payment and tax applications due to the member having dual plans with PERS.  1) Only 1 surviving spouse application was completed even though member has 2 plans both a Public Safety with Prior Service plan and a Public Safety without Prior Service plan.  2) The beneficiary also only filled out one tax withholding form which has been previously addressed by adding the plan name to the tax form. The box selecting the applicable plan was not checked.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure separate applications and elections are submitted for each plan individually when a member is enrolled in more than one PERS plan.		
	<b>NDPERS Response/Resolution</b>	Update 11/2023: Updates to applications and forms are in process to account for multiple plans. Previous procedures in place allowed for one form to be completed for multiple plans only if written consent on the form was provided by the member indicating that it should be applied to multiple plans or "apply to both NDPERS plans".		
2023-06 IA	<b>Issue Description</b>	During the August 2023 Refund audit, a member was found with a discrepancy in the amount of Vested ER calculation. Because of an adjustment done in February 2013 to move wages from July 2012 to June 2012, the increase in the vesting percentage shifted up one month but the system did not recognize this for 2013 and 2014.	Closed	Derrick (Accounting)
	<b>Auditor Recommendations</b>	The member's account will need an adjustment of additional Vested ER and related interest.		
	<b>NDPERS Response/Resolution</b>	Update 11/2023: System enhancements were made to add the criteria to our monthly report that identifies vesting issues on refunded accounts.		
2023-07 IA	<b>Issue Description</b>	During the August 2023 Refund audit, an issue was found where the system incorrectly calculated the RMD taxes by applying the 10% RMD tax rate times the non-RMD distribution amount. Correct RMD tax displayed in the Federal tax withholding screen but an incorrect amount was applied in the payment screen.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	PIR 25946 logged to fix RMD issue going forward.		
	<b>NDPERS Response/Resolution</b>	Update 11/2023: Closed		

Date FY- Issue #	<i>General Information</i>		<b>Status</b> Open/ Closed	Staff (Category)
2023-08 IA	<b>Issue Description</b>	During the September 2023 Retirement audit, an issue was found where an incorrect amount was entered by staff when setting up the member's tax election resulting in the incorrect amount of taxes being withheld.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure correct information is entered based on elections made by members.		
	<b>NDPERS Response/ Resolution</b>	Update 11/2023: Closed		
2023-09 IA	<b>Issue Description</b>	During the September 2023 Retirement audit, there was a TFFR member with the following discrepancies:  1) The sum of the wage breakout provided by TFFR does not equal the total annual wages provided although it did not impact the wages in the final FAS. 2) The TFFR Final Account copy was not saved to the member's files.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure documentation is accurate and saved to member's files.		
	<b>NDPERS Response/ Resolution</b>	Update 11/2023: Closed		
2023-10 IA	<b>Issue Description</b>	During the September 2023 Retirement audit, there was a member who was a dual with both TFFR and TIAA and had the following discrepancies:  1) There was overlap in the service credit between all three systems but because the member only needed credit for a few months to reach normal retirement a review was not completed to remove any overlap. This resulted in the member receiving dual service credit for more time than the member has worked. There was no impact on the final benefit calculations. 2) The non-highest FAS was written down incorrectly on the Dual Membership Worksheet. This did not have an impact on the members final benefit calculations.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure documentation is accurate and saved to member's files.		
	<b>NDPERS Response/ Resolution</b>	Update 11/2023: Closed		
2023-11 IA	<b>Issue Description</b>	During the September 2023 Retirement audit, Internal Audit found a member who made changes to their Insurance Application but did not initial or re-sign indicating they were the ones making the changes. Staff indicated this form is sent back to members frequently.	Closed	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Any changes made on an application should have a member's signature or initials indicating they made and approve of the changes. Reformatting the form or adding a statement that if insurance is declined no other information beyond a signature is needed may help reduce the back and forth.		
	<b>NDPERS Response/ Resolution</b>	Update 11/2023: Closed		



Date FY- Issue #	<i>General Information</i>		<b>Status</b> Open/ Closed	Staff (Category)
2023-12 IA	<b>Issue Description</b>	During the October 2023 Retirement audit, a member with a deferred normal retirement option (DNRO) was found in which one month of dual service credit was not removed resulting in the benefit effective date being one month later than what was set up and paid to member.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Member's benefit effective date should be corrected and the overpayment of one month of benefits should be recovered.		
	<b>NDPERS Response/Resolution</b>	<b>Update 11/2023:</b> Member benefit is pending adjustment and correction for 12/1 pension payment		
2023-13 IA	<b>Issue Description</b>	During the October 2023 Retirement audit, a discrepancy was found in which the initial month of contributing employment was listed in the system as a Missed Deposit and was not included in dual FAS calculations causing a discrepancy. It was determined that the month should instead be non-contributing due to delayed payroll and has been updated accordingly.	<b>Closed</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	When a contribution is not received in the initial month of contributing employment due to delayed payroll, the month should be set up in the system as non-contributing.		
	<b>NDPERS Response/Resolution</b>	<b>Update 11/2023:</b> This member's start date was in 2013. Current procedures are that BES updates the first month of employment to non-contributing to account for delayed payroll, but this member was prior to that procedural update. This member's first month has been updated to non-contributing. No impact to calculation of benefits.		
2023-14 IA	<b>Issue Description</b>	During the October 2023 Retirement audit, Internal Audit found a member who was receiving disability payments and converting to a normal retirement benefit due to reaching normal retirement age, who also previously had their benefit popped-up to a Single Life benefit due to the death of their spouse, but was reverted back to the Joint & Survivor benefit by the system.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	A PIR should be submitted to determine if a programming update is needed so that members converting from disability to normal retirement with a previous popped-up benefit do not revert back to the Joint and Survivor benefit option.		
	<b>NDPERS Response/Resolution</b>	<b>Update 11/2023:</b> PIR 26074 logged for Disability To Normal Retirement w/Pop Up w/ wrong factors to provide system error or account for pop-up on account upon conversion.		
2023-15 IA	<b>Issue Description</b>	During the October 2023 Retirement audit, there was a member who only completed one ACH form completed even though member has 2 plans; Main and PS.	<b>Closed</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure separate applications and elections are submitted for each plan individually when a member is enrolled in more than one PERS plan.		
	<b>NDPERS Response/Resolution</b>	<b>Update 11/2023:</b> Updates to applications and forms are in process to account for multiple plans. Previous procedures in place allowed for one form to be completed for multiple plans only if written consent on the form was provided by the member indicating that it should be applied to multiple plans or "apply to both NDPERS plans".		
2023-16 IA	<b>Issue Description</b>	During the October 2023 Retirement audit, Internal Audit found two members where the Dual Membership Worksheet not scanned in to the member's files.	<b>Closed</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	Ensure documentation is accurate and saved to member's files.		
	<b>NDPERS Response/Resolution</b>	<b>Update 11/2023:</b> Documentation has been scanned to each member file.		

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-17 IA	<b>Issue Description</b>	During the October 2023 Refund audit, Internal Audit found a member that had dual plans and both plans had met the criteria for being an auto refund, both individually and in aggregate, and yet only one of the plans was set up as an auto refund and the other plan remained deferred.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	System programming should be reviewed to determine why both plans did not auto refund simultaneously.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 11/2023:</b> PIR 26088 logged as Refund Application & Calculation should have a suppressible error warning for dual members		
2023-18 IA	<b>Issue Description</b>	During the November 2023 Refund audit, a member with dual plans was found that had the following issues:  1) The member has two plans, Main and Public Safety. Initially only one application was received and staff notated the application as being the Main Plan (checkbox to elect plan was not available on this application). Member elected to not have state tax withheld on this application. A new application was returned which included the plan election check boxes and the member checked the box for the Main plan and did not check the box to not withhold state taxes. The member included a MN address on the second application, which was different from the ND address we have in the system. There was an Address Update request sent out but not returned. Staff did not follow up to get new applications or determine which application was for which plan but instead annotated the application where the member elected "Main" as being for the PS plan.  2) On the second application received, the member did not check the box indicating that state taxes should not be withheld. However, staff annotated that since the member included a MN address and elected to not have state taxes withheld on the first application, they would be set up to not have state taxes withheld on the second application as well.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	1) The application indicated as Main by member should not have been annotated Public Safety by staff without follow up and the member's initials to indicate their approval of any changes made.  2) Staff should not have overridden the member's tax election based on the election made in a previous application or by member's address since they had an application indicating otherwise.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 11/2023:</b> Pending November audit monthly review meeting on 11/8/2023 to review findings with staff and discuss.		
<b>SHP Claims Audit</b>				
2023-19 IA	<b>Issue Description</b>	During the 2022 SHP Claims Audit, three Institutional Psych claims were reviewed. One of the claims had deductibles taken correctly however, co-insurance was not taken fully and the limit had not previously been met. This claim was part of a bundled service price claim, which may be the reason for the inaccurate co-insurance calculation. SHP researched and found that cost shares for this member were met prior to year end through other claims. SHP is reviewing to determine the cause of this calculation error and was unable to find other errors with similar criteria.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	NDPERS management should continue to monitor until a final response is received from SHP and it is determined if the issue is resolved or if programming changes need to be made to the SHP system.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 5/2023:</b> NDPERS management will continue to monitor for final response and determine if changes in SHP system are needed. <b>Update 8/2023:</b> SHP Response - An internal review of system configuration revealed no explanation for the claim to process as it did. Discovery of other examples were unsuccessful as we could not replicate the claim processing situation. Epic (Vendor) resources have been employed to locate the root cause with impact analysis to be performed and communicated to NDPERS. This item should remain open. <b>Update 11/2023:</b> Continuing to work with SHP to determine outcome.		

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-20 IA	<b>Issue Description</b>	During the 2022 SHP Claims Audit, three Institutional Chemical Dependency claims were reviewed. For inpatient stays, active medical coverage will follow the member through discharge if they were admitted prior to the termination of their coverage, regardless of the length of their stay. This is a typical industry practice and was the case for two claims (for the same member) in this category. However, the plan did not take cost shares on these claims, but should have. The member had met their deductible max but not the co-insurance max and should have been charged co-insurance. At the time of the claims review, there was \$562.00 remaining of the member's out-of-pocket maximum. Since that time, claims received with a date of service prior to the termination date result in \$63.00 remaining of the out-of-pocket maximum.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	NDPERS management should direct SHP as to if the claims should be reprocessed. NDPERS should continue to monitor to determine if updates need to be made to SHP's claims processing system to ensure cost shares are applied to claims for in-patient stays extending beyond a member's active coverage.		
	<b>NDPERS Response/Resolution</b>	<p><b>Update 5/2023:</b> SHP should reprocess the claims for appropriate member cost-sharing application. SHP should update their claims processing system to ensure that cost-sharing is appropriately applied regardless of the active coverage end date.</p> <p><b>Update 8/2023:</b> SHP Response - At the time of the claims review, there was \$562.00 remaining of the member's out-of-pocket maximum. Through the passage of time, claims received with a date of service prior to the termination date resulted in \$63.00 remaining of the out-of-pocket maximum. The claim was reprocessed with \$63.00 applied to the out-of-pocket maximum. Current system capabilities restrict professional services rendered after the termination date to be processed systematically. SHP is researching with Epic (Vendor) whether the claims platform can be enhanced to allow claims to be processed after the effective date that are narrowly related to the admission. This item will remain open.</p> <p><b>Update 11/2023:</b> Continuing to work with SHP to determine outcome.</p>		
<b>All outstanding audit issues related to the IA Service Purchase Audit are pending until fall/winter 2023. Benefits and accounting teams will review issues as a special project at that time.</b>				
<b>Service Purchase Audit</b>				
2023-21 IA	<b>Issue Description</b>	<p>Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Years of Service calculations.</p> <p>YOS Issue 1) The system is programed to include the service credit and wages that have both, (1) a transaction date that occurs prior to the date and time the service purchase estimate is run and (2) an effective date that occurs in the month prior to or earlier than the month in which the service purchase estimate was run.</p> <ul style="list-style-type: none"> <li>- For two members, the Years of Service calculation used an additional month of service credit that should not have been included due to the effective date being in the month the service purchase estimate was run. For both of these examples, service credit for this month was given but the respective wages for the same month were not used in the FAS calculations.</li> <li>- There is a third member that appears to have this same issue however it is difficult to confirm this is the root issue since Current YOS was not a displayed field at the time this service purchase estimate was run.</li> <li>- There is a fourth member that appears to have this same issue however it is also difficult to confirm this is the root issue. For this member, all of the individual components that go into the Total Service Purchase Costs are displayed correct in the system, however, there is still a discrepancy which results in the system calculated Total Purchase Cost being incorrect. It appears it is due to the Total Current Service amount that is used in the Total Purchase Cost calculation is different than the amount that is displayed in the system.</li> </ul>	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	The system programming should be reviewed to understand why an additional month of service credit was incorrectly included in these service purchase estimates and a fix should be prioritized if necessary.		
	<b>NDPERS Response/Resolution</b>	<p><b>Update 8/2023:</b> No response</p> <p><b>Update 11/2023:</b> No response</p>		

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2023-22 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Years of Service calculations.  YOS Issue 2) The Current YOS field and amount used to calculate the Total Service Purchase Cost for two members appear to be continually updating with each month worked instead of being an amount locked in as of the date the service purchase cost estimate was run. One of the estimates is currently in a Void status and the other is Paid in Full.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	The system should be reviewed to determine what the Current YOS field is continually updating instead of being a locked in calculation and a fix should be implemented if necessary.		
	<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-23 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Years of Service calculations.  YOS Issue 3) For two members who also had an existing service purchase that was in payment at the time and additional service purchase cost estimate was run, the system did not include the full amount of the previous service purchase contract in the calculation of the normal and earliest retirement ages for the new service purchase cost estimates, as it should have been programmed to do.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	System programming for these two estimates should be reviewed to determine why the full amount of service purchases currently in payment were not used in the calculated retirement ages of the current estimates.		
	<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-24 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 1) During the review of sick leave purchases, it was noted that the system is using estimated wages from the date of the service purchase estimate through the time of the member's projected termination date. Once the termination date is official and all actual wages are received, a true-up should be done between the estimates that were used and the actual wages that were posted and the member should be refunded any excess cost paid or billed for any cost still owed. These true-up calculations have not been done for some time.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	ND PERS staff should start doing true-up reconciliations for sick leave purchases one a termination date and all wages have been posted, collecting any additional amount due to ND PERS or refunding any amount due back to the member.		
	<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-25 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 2) During the review of sick leave purchases, it was noted that the system is using estimated wages from the date of the service purchase estimate through the time of the member's projected termination date. For this member, the system used projected wages for the last two months, however it included two lines for each of those months giving one line the projected wages and the other line \$0 wages. The \$0 wages artificially lowered the FAS.	<i>Open</i>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the last two months were doubled with one of those being listed as having \$0 wages.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-26 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 3) There were multiple member's service purchase estimates that only used 35 wages in the FAS calculation even though there were more than 36 wages available.	<i>Open</i>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	These purchases should be reviewed to determine why the system did not use 36 wages and determine if there is a programming fix that needs to be implemented.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-27 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 4) The Final Average Salary calculation for one member did not include the a month of wages that should have been included based on both the effective date and the transaction date being before the cost estimate was run.	<i>Open</i>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the month's wages noted above were not included in the FAS calculation and a system fix should be implemented if necessary.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		

Date FY- Issue #	<i>General Information</i>		<b>Status</b> Open/ Closed	Staff (Category)
2023-28 IA	<b>Issue Description</b>  <b>Auditor Recommendations</b>  <b>NDPERS Response/ Resolution</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 5) A service purchase estimate for a member with only 3 months of wages at the time the cost estimate was found. The first month of wages were a little more than half of their normal monthly wages. PER NDAC 71-02-03-02.5, #2: "2. For members working full time with less than twelve months of service credit, by using the calculation found in subsection 2 of North Dakota Century Code section 54-52-17, but disregarding any month in which the member was paid less than a full-month salary. A full-month salary is the compensation the member and the member's employer agreed the member would be paid for working a full month." FAS should only include the 2 full months of wages.  This purchase should be reviewed to determine why the month with the lower wages was not excluded from the FAS calculation and a system fix should be implemented if necessary.  <b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response	<b>Open</b>	Rebecca (Benefits)
2023-29 IA	<b>Issue Description</b>  <b>Auditor Recommendations</b>  <b>NDPERS Response/ Resolution</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found in the Final Average Salary calculations.  FAS Issue 5) There was one member in which Internal Audit was unable to determine how the system calculated the Final Average Salary. There does not appear to be a Benefit Estimate associated with this purchase.  This purchase should be reviewed to determine if a system fix is needed.  <b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response	<b>Open</b>	Rebecca (Benefits)
2023-30 IA	<b>Issue Description</b>  <b>Auditor Recommendations</b>  <b>NDPERS Response/ Resolution</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the documentation.  Documentation Issue 1) For a number of sick leave purchases, there was no documentation in the member's file to support the employer's confirmation of the sick leave available as is currently required. Most of the instances noted were from 2011 – 2013 when this may not have been a documentation requirement however one estimate is from 2020 when this would have been a requirement.  Ensure staff are trained on necessary documentation requirements.  <b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response	<b>Open</b>	Rebecca (Benefits)

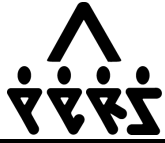
Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-31 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the documentation.  Documentation Issue 2) There were three sick leave service purchases in which the Final Purchase documentation was not generated or imaged to the member's file. These purchases were from 2011 and 2012 and the current process is for these letters to be automatically generated through a batch process so this should not be an issue in the future.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	This should no longer be an issue with current processes in place.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			
2023-32 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the documentation.  Documentation Issue 3) There were no Purchase Cost Information letters confirming the number of months and total cost of service requested to be purchased for a number of members.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	A best practice would be to print and mail a Purchase Cost Information letter each time an official estimate is requested as a way to document the request.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			
2023-33 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the system Action Status indications.  Action Status Issue 1) The action status for a couple of members was listed as Pending in the system when it was past the 90 purchase window and should be in a Void status. Some of these statuses have now been updated to Void and some have not. One member had already started receiving benefit payments prior to their purchase being marked as Void.  During discussions with staff, it was noted that the system is programmed to change a purchase from Pending to Void 60 days after the 90 day purchase window has closed because there are times when a member may appeal and get appropriate approval to still move forward with the purchase.  It was also noted that if staff had approved the purchases in error, the system would never change the action status to void.  While Internal Audit recognizes that exceptions to the 90 day window may be approved, these approvals should be infrequent and do not support leaving all purchases open for an additional 60 days. Even with dual controls in place and although the risk would be low, not having a purchase in a Void status would leave the opportunity that a purchase would be incorrectly allowed to be acted on after the allotted 90 day window had expired.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	The amount of time that the system is scheduled to change a service purchase estimate to Void status should be reduced, preferably to less than 30 days. When there are instances that a staff member approves an estimate in error, the approval should be reversed so it cannot be incorrectly acted upon.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			

Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-34 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the system Action Status indications.  Action Status Issue 2) A purchase was found in which the Action Status was listed as Paid in Full however, there was only one payment made on this purchase for \$1.91 but then backed out and no service credit given. It would appear the Action Status should be listed as Closed or Void in the system.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	The action status for this service purchase estimate should be updated.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-35 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the actuarial factors.  Actuarial Factor Issue 1) The system pulled the actuarial factors to determine the benefit cost and the future employee cost from the Main Non-State spreadsheet when they should have been pulled from the Main State spreadsheet.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the system used the incorrect actuarial table.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-36 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the actuarial factors.  Actuarial Factor Issue 2) The system pulled the actuarial factors to determine the benefit cost and the prefunding RHIC cost from the 2019 Main State spreadsheet, however the purchase estimate was completed on January 23, 2020 so the factors should have been pulled from the 2020 Main State tables.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the system used the incorrect actuarial table.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		
2023-37 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the actuarial factors.  Actuarial Factor Issue 3) Even though there is documentation to support updating the system to round the current age up at .5 and above and the retirement ages up at .26 and above in 2018 and later, it appears that the majority of the cost calculations prior to 2018 used this same methodology. There were a handful that rounded differently and we could not find a common thread to explain the exceptions. There were two purchase estimates that had discrepancies in the actuarial factors used but it did not appear to be a rounding issue and the cause could not be determined.	<b>Open</b>	Rebecca (Benefits)
	<b>Auditor Recommendations</b>	These purchases should be reviewed to determine why the incorrect rounding was used and if programming needs to be fixed.		
	<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response		



Date FY- Issue #	<i>General Information</i>		Status Open/ Closed	Staff (Category)
2023-38 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a number of issues were found with the actuarial factors.  Actuarial Factor Issue 4) The system was programmed to round the current age up at .5 and above and the retirement ages up at .26 and above in 2018 and later. There was a purchase from 2020 in which the earliest retirement age did not round up until .5 causing a discrepancy in the factors being used.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the incorrect rounding was used and if programming needs to be fixed.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			
2023-39 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, an issues was found with the Rule of 85 / 90.  Rule of 85 / 90 Issue 1) Multiple service purchase estimates were found where the system used the incorrect Rule based on the member's hire date.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	These purchase estimates should be reviewed to determine why the incorrect Rule is being applied when determining the Normal Retirement Age and the Earliest Retirement Age. A system fix should be put in place to correct any issues noted.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			
2023-40 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, an issues was found with the payment documentation.  Payment Documentation Issue 1) Payments for a purchase were not noted in the Payments section of the Service Purchase screen; however, there were a number of payments made that should have been noted in the service purchase screens. Also the transaction date of the first payment in the PCD is noted as February 17, 2012 which would be outside the 90 day timeframe of when the Cost Confirmation was prepared and sent out (10/27/2011) but there was no documentation on file to support approval of a late payment.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	This purchase should be reviewed to determine why the payments were not noted in the service purchase screens. This purchase should be further reviewed to determine why the first payment was allowed to be made after the 90 day window.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			
2023-41 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, an issues was found with purchases of NDPERS staff.  NDPERS Staff Purchases Issue 1) While reviewing service purchases, it was discovered that ND PERS staff were not precluded from modifying or approving their own service purchases and that although multiple dual approval steps are in place, there were instances when a staff member was noted in the system as last modifying their own purchase.	<b>Open</b>	Rebecca (Benefits)
<b>Auditor Recommendations</b>	System limitations should be implemented to preclude ND PERS staff from modifying or approving their own service purchase or any other information within PERSLink.			
<b>NDPERS Response/Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			

Date FY- Issue #	<i>General Information</i>		<b>Status</b> Open/ Closed	Staff (Category)
2023-42 IA	<b>Issue Description</b>	Internal Audit completed an audit on Service Purchases. During the audit, a couple of issues were found with purchases of previous NDPERS service.  Purchase of Previous NDPERS Service Issue 1) It appears that when members request to buy previous PERS service, the system either - does not calculation any amount for the refund plus interest comparison or - uses the previous refund amount but does not calculate the cost of interest from the time of the refund to the time of the service purchase estimate is being requested. - It was also discovered that when members request to buy previous PERS service, there is no consideration for the portion of the cost that would be attributable to the amount of service being requested to be purchased when that time is less than the full amount of the time that was previously refunded.	Open	Rebecca (Benefits)
<b>Auditor Recommendations</b>	The system should be reviewed to determine why there are some instances when no amount is calculated for the previous refund plus interest through the date of the service purchase estimate. The system should also be reviewed to determine why interest is not being added to the amount calculated for the previous refund through the date of the service purchase estimate. Additionally, it should be determined if it would be possible to include a calculation for the proportion of time requested to be purchased back when that request is for less than the full amount of time previously refunded.			
<b>NDPERS Response/ Resolution</b>	<b>Update 8/2023:</b> No response <b>Update 11/2023:</b> No response			



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**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT:** **2024 Meeting Dates**

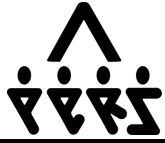
Every year at this time a schedule of meetings for the next year is proposed and approved by the Audit Committee. The Audit Committee meetings are currently scheduled to be the afternoon prior to the board meetings at 3 pm, typically the second Monday of every third month, except for August which is adjusted due to a conflict with the National Association of State Retirement Administrators annual conference. The meeting dates for 2024 are being taken to the Board for consideration and approval at the next Board but have not been approved yet. Following are the proposed Audit Committee meeting dates for 2024, contingent on the final Board meeting schedule being approved.

- February 12
- May 13
- August 19
- November 11

Once approved, the dates will be posted with the Secretary of State and meeting notices will be sent out, however these dates can be changed if necessary. Thank you.

**Committee Action Requested:**

- Review and approve the proposed audit committee meeting dates for 2024



**North Dakota  
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Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Audit Committee Charter Matrix Review 2023**

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 practices to ensure that the audit committee is meeting its responsibilities. Attached is a summary of the progress made and activities completed through October 2023 for your review.

Attachment

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

Audit Committee Charter Objective	Status	Scheduled Meeting			
		May	Aug	Nov	Feb
<b>STRUCTURE</b>					
1. The Committee will consist of two to five members with the majority of the members selected from the Board of Trustees, and one may be selected from outside the agency. The Board will appoint Committee members and the Committee chair.	<p>Senator Dick Dever was replaced by Jason Grueneich in January 2023.</p> <p>The external Audit Committee member, Julie Dahle, has announced her resignation from the Committee after the May 2023 meeting. Nina Sand has been elected by the Board as the external Committee member.</p> <p>The legislature changed the Board make up resulting in Dirk Wilke and Jason Grueneich being removed from the Committee and Joe Morrissette being newly appointed and one position remaining open.</p> <p>There was a change in the Board make up resulting in Joe Morrissette being removed from the Committee and Tyler Erickson being newly appointed. Two positions remain open.</p>	X	X	X	
2. The Board should attempt to appoint Committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.	At least one member has knowledgeable experience in financial matters.	X	X	X	
<b>MEETINGS</b>					
3. The Committee will meet as often as it determines is appropriate, but not less frequently than quarterly.	A special Audit Committee was held in March 2023.	X	X	X	
4. All Committee members are expected to attend each meeting, in person or via tele- or video- conference, with a majority of the Committee required for a quorum.		X	X	X	
5. If necessary, the Committee will hold individual meetings with management, the internal auditors or the external auditor.		N/A	N/A	N/A	
6. The Committee may invite any officer or employee of the agency, the external auditor, the agency's outside counsel, or others to attend meetings and provide pertinent information.	The Executive Director, Chief Operating Officer/Chief Financial Officer, Chief Benefits Officer and Attorney General representative are invited to each of the Audit Committee meetings.	X	X	X	
7. Meeting agendas will be prepared by the Chief Audit Officer (CAO) and provided in advance to members, along with appropriate briefing materials.		X	X	X	
8. Minutes will be kept by a member of the Committee or a person designated by the Committee.		X	X	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

Audit Committee Charter Objective	Status	Scheduled Meeting			
9. Members of the Committee will be compensated for attendance at Committee meetings in accordance with NDPERS' policy for compensation in effect at the time for Board members. Audit Committee members who are not NDPERS board members will be compensated at the same rate.	A memo is provided to Payroll Administrator following each meeting with required information.	X	X	X	
<b>AUTHORITY</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
10. The Audit Committee is empowered to seek any information it requires from NDPERS employees, external auditors, consultants, and external parties. All parties are directed by the Board to cooperate with the Committee's requests.	The external auditors will be available to present their draft report at the November meeting.	X	X	X	
11. The Audit Committee is empowered to oversee the work of all external auditors employed by the agency or by the state Auditor's Office.	Internal Audit is the primary contact for CLA.	X	X	X	
12. The Audit Committee is empowered to assist in resolving any disagreements between management and the external auditors.		N/A	N/A	N/A	
13. The Audit Committee is empowered to oversee the retention of independent counsel, accountants or others to advise or assist the Committee in the performance of its responsibilities.		N/A	N/A	N/A	
14. The Audit Committee is empowered to approve the consultants, or others requested by Internal Audit to assist in the conduct of an audit, review, and/or a special investigation.		N/A	N/A	N/A	
15. The Audit Committee is empowered to oversee the consultants, or others retained by or on behalf of the agency to assist in the conduct of an audit, review, and/or a special investigation		N/A	N/A	X	
16. The Audit Committee is empowered to meet with management, external and internal auditors, or outside counsel as necessary.	The Audit Committee meets quarterly. Internal Audit and management are present at these meetings.	X	X	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

RESPONSIBILITIES						
1) Financial Reporting:		May	Aug	Nov	Feb	
a.	Obtain information and/or training to enhance the Committee members' expertise in financial reporting standards and processes so the Committee may adequately oversee financial reporting.	Relevant articles are provided to Audit Committee when available. The CAO would like to start sending the quarterly Audit Committee Brief emails issued by Deloitte.	N/A	N/A	X	
b.	Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, and understand their impact on the financial statements.		N/A	N/A	N/A	
c.	Review with management, the external auditors, and the internal auditors the results of the external audit, significant adjustments or revisions to the financial statements, including attestation on the effectiveness of the internal control structure and procedures for financial reporting and any difficulties encountered.	The external auditors will be available to present their draft report at the November meeting.	N/A	N/A	X	
d.	Inquire as to the external auditors' independent judgment about the appropriateness, not just the acceptability, of the accounting principles adopted by the agency and clarity of financial statements.	The external auditors will be available to present their draft report at the November meeting.	N/A	N/A	X	
e.	Review the annual financial statements, consider whether they are complete, consistent with information known to the Committee, and reflect appropriate accounting principles.		N/A	N/A	N/A	
f.	Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.	The external auditors will be available to present their draft report at the November meeting.	N/A	N/A	X	
g.	Review the responsiveness and timeliness of management's actions to address findings and recommendations resulting from the financial statement audit or internal audits.	The Outstanding Audit Issues are reported to the Audit Committee quarterly.	X	X	X	
h.	Review with the General Counsel the status of legal matters that may have an effect on the financial statements, as deemed appropriate.		N/A	N/A	N/A	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

<b>2) Risk Management</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Obtain information and/or training to enhance the Committee's understanding of the agency and its related risk management processes.	The CAO sends the quarterly Audit Committee Brief emails issued by Deloitte.	N/A	N/A	X	
b. Review the adequacy of the agency's policy on risk management.		X	N/A	N/A	
c. Review the effectiveness of the agency's system for assessing, monitoring, and controlling significant risks or exposures.	The agency is currently updating the risk assessments. Results will be provided at the next audit committee meeting.	N/A	N/A	N/A	
d. Review management's reports on risks and related risk mitigations.	The agency is currently updating the risk assessments. Results will be provided at the next audit committee meeting.	N/A	N/A	N/A	
e. Hire outside experts and consultants in risk management, as necessary.		N/A	N/A	N/A	
<b>3) Internal Control</b>					
a. Obtain information and/or training to enhance the Committee's understanding of the agency's system of internal control.		X	X	X	
b. Consider the effectiveness of the agency's internal controls, including information technology security and controls.	Internal audit includes a review of internal controls as part of each audit, consulting project, and/or special examination.	X	X	X	
c. Understand the scope of the external auditor's review of the agency's internal control over financial reporting.	External auditors conduct a review of internal accounting controls annually. The external auditors will be available to present their draft report at the November meeting.	X	N/A	X	
d. Review internal and external audit findings and recommendations, together with management's responses.	The Outstanding Audit Issues report is reviewed at each quarterly Audit Committee meeting.	X	X	X	
<b>4) Internal Audit</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Obtain information and/or training to enhance the Committee's understanding of the internal audit function.	Relevant articles are provided to Audit Committee when available. The CAO sends the quarterly Audit Committee Brief emails issued by Deloitte.	N/A	N/A	X	
b. Periodically review and approve the Internal Audit Division Charter.	Internal Audit has reviewed the Internal Audit Charter and presented proposed changes to the Audit Committee at the February 2023 meeting. Changes incorporated as discussed will be presented to the Board for approval in June 2023.	X	X	N/A	
c. Concur in the appointment, replacement, or dismissal of the CAO.		N/A	N/A	N/A	



NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

d. Review the performance of the CAO and the internal audit function annually.	The 2022 CAO annual performance review is presented for discussion and approval at the May 2023 meeting.	X	N/A	N/A	
e. Review and confirm, through organizational structure and/or by other means, the independence of the internal audit function annually.	The CAO reports functionally to the Audit Committee and administratively to the Executive Director. Structure is in accordance with best practices.	X	X	N/A	
f. Review with management and the CAO the charter, objectives, plans, activities, and organizational structure of the internal audit function.	Internal Audit has reviewed the Internal Audit Charter and presented proposed changes to the Audit Committee at the February 2023 meeting. Changes incorporated as discussed will be presented to the Board for approval in June 2023.  The approved Internal Audit Plan is reviewed each quarter.	X	X	N/A	
g. Review and approve the risk-based Internal Audit annual plan.	The biennium Internal Audit Plan is approved by the Audit Committee before each odd year and a review is done for any needed updates in each even year. The 2022 – 2023 Audit Plan was reviewed for updates at the February 2023 Audit Committee meeting. <a href="#">The agency is currently updating the risk assessments. Results will be provided at the next audit committee meeting. The completed risk assessments will be used to draft the 2024 Annual Plan.</a>	X	N/A	N/A	
h. Review Internal Audit reports provided to the Committee.	Completed Internal Audit reports are reviewed and discussed with the Audit Committee quarterly.	X	X	X	
i. Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported audit findings and recommendations.	The Outstanding Audit Issues report is reviewed at each quarterly Audit Committee meeting.	X	X	X	
j. Bring to the attention of the Board any internal audit issues the Committee determines significant and appropriate for consideration by the Board.		X	X	X	
k. If necessary, meet separately with the CAO to discuss any matters the Committee or Internal Audit believes should be discussed privately (subject to open meeting laws).		N/A	N/A	N/A	
l. Designate the CAO as the primary point of contact for handling all matters related to audits, examinations, investigations or inquiries of the state auditor and other state or federal agencies.		X	X	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

<b>5) Engagement of External Auditors</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Obtain information and/or training to enhance the Committee's understanding of the agency's financial statement audit and the role of external auditors.	Relevant articles are provided to Audit Committee when available. <a href="#">The CAO sends the quarterly Audit Committee Brief emails issued by Deloitte and the external auditors will be available to present their draft report at the November meeting.</a>	N/A	N/A	X	
b. Review the performance of the external financial statement audit firm, and review the State Auditor's recommendation for the final approval on the request for proposal for, and the appointment, retention or discharge of the audit firm.	CLA was present at the November 2022 Audit Committee meeting.  Quarterly consultant fee reports are provided quarterly to the Audit Committee.	N/A	X	X	
c. Review the external auditor's audit scope and approach, including coordination of efforts with Internal Audit.	CLA was present at the November 2022 Audit Committee meeting. CLA was on-site in June 2023 and presented the prior year audit results to the LAFRC in July 2023. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	N/A	X	X	
d. Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the agency for all audit and non-audit services.	<a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	N/A	N/A	X	
e. As necessary, meet separately with the external financial statement audit firm to discuss any matters the Committee or auditors believe should be discussed privately (subject to open meeting laws).	CLA was present at the November 2022 Audit Committee meeting. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	N/A	N/A	X	
<b>6) Compliance</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Review the effectiveness of the agency's system for monitoring compliance with laws and regulations, contracts, and policies and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.	Compliance with laws and regulations are reviewed for each specific audit by the internal auditors during audits and the annual risk assessment updates. Any concerns will be brought before management, the Audit Committee and/or board as necessary.	X	X	X	
b. Review the findings of any examinations by regulatory agencies, any auditor observations, and the responsiveness and timeliness of management's actions to address the findings or observations.	Any examinations completed by outside parties are reviewed by Internal Audit.	X	X	X	
c. Obtain updates from management and the agency's legal counsel regarding compliance matters, as needed.		X	X	X	
<b>7) Special Investigations and Whistleblower Process</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Review the adequacy of the agency's Code of Ethical Responsibilities		X	X	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Audit Committee Charter Review Matrix

For Year Ending December 31, 2023

11/9/2023

b. Institute and oversee special investigations, as needed.	The CAO is the point of contact for any staff concerns of fraud or abuse.	X	X	X	
c. Ensure the creation and maintenance of an appropriate whistleblower mechanism for reporting any fraud, noncompliance, and/or inappropriate activities.		X	X	X	
d. Retain independent counsel, accountants, or other specialists to advise the Committee or assist in the conduct of an investigation if necessary.		N/A	N/A	N/A	
<b>8) Other Responsibilities</b>		<b>May</b>	<b>Aug</b>	<b>Nov</b>	<b>Feb</b>
a. Report at least annually to the Board of Trustees the Committee activities, audit findings, and related recommendations.	Copies of the Audit Committee minutes are provided to the board after the Audit Committee 's approval of the minutes.	X	X	X	
b. Confirm and sign off annually that 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.	The Audit Committee Charter Matrix is reviewed and updated quarterly.  Internal Audit has reviewed the Audit Committee Charter and presented proposed changes to the Audit Committee at the February 2023 meeting. The Board approved all proposed changes at the June 2023 Board meeting. A signature line has been added to the Audit Committee Charter for signature of acknowledgement of all requirements.	X	X	X	
c. Evaluate the Committee's performance in conjunction with any Quality Assessments performed by Internal Audit and report the results of the evaluation to the Board annually.		N/A	N/A	N/A	
d. Provide an open avenue of communication between the internal auditors, external auditors, management and the Board.	The external auditors work directly with Internal Audit and updates and reports are provided at each quarterly Audit Committee meeting when available. CLA was present at the November 2022 Audit Committee meeting. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	X	X	X	
e. Avoid conflicts of interest, paying strict attention to Board matters.	A Conflict of Interest Disclosure form has been added as an agenda topic to all Audit Committee meetings.	X	X	X	
f. Perform other activities related to this Charter as requested by the Board.		X	X	N/A	



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Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Internal Audit Charter Matrix Review 2023**

Attached is the 2023 Internal Audit Charter Activity matrix. Included is a summary of the progress made and activities completed through October 2023 for your review. This is for your information.

Attachment

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Internal Audit Charter Review Matrix  
For the Year Ending December 31, 2023

11/8/2023

Internal Audit Charter Objective	Status Update	Work Completed			
<b>RESPONSIBILITIES AND ACCOUNTABILITY</b>		May	Aug	Nov	Feb
1. Select, train, develop and retain a competent internal audit staff that collectively has the abilities, knowledge, skills, experience, expertise and professional certifications necessary to accomplish the mission, objectives and scope of this Charter. Provide opportunity and support for staff obtaining professional training, professional examinations, and professional certifications.	The current Internal Audit department consists of the Chief Audit Officer and one Internal Auditor. There has been some turnover in the Internal Audit department. We have recently filled the Internal Auditor position with an initial start date of December 1, however due to her being an internal hire, she didn't start working in Audit full time until April.  CAO attended the APPFA Spring Conference in June 2023.	X	X	X	
2. Establish policies for conducting its activities and directing its technical and administrative functions according to the agency's policies and direction provided by the Audit Committee, and professional standards.	To date, there have been no policy revisions however audits are conducted in line with Audit Committee direction and professional standards.	X	X	X	
3. Coordinate the completion of an annual risk assessment and produce a flexible audit plan that will accomplish the mission, objectives and scope of this Charter. This plan will include some unassigned hours in order to provide flexibility for changing conditions. This plan shall in part be based upon risks and control concerns identified by Management in the completed annual risk assessments. This plan will be periodically updated as necessary.	To be completed in October 2023.  <a href="#">The agency is currently updating the risk assessments. Results will be provided at the next audit committee meeting.</a>	N/A	N/A	X	
4. Prepare a time budget that is complementary to the implementation of the audit plan.	A time budget in conjunction with the approved Audit Plan is reported to the Audit Committee quarterly.	X	X	X	
5. Implement the annual audit plan, as approved, including, any plan amendments, special tasks or projects requested by Management and the Audit Committee. Audits will include an evaluation of the adequacy and effectiveness of existing systems of internal control and the efficiency and effectiveness of carrying out business objectives.	Updates are provided quarterly to the Audit Committee.	X	X	X	
6. Coordinate with audit clients to finalize recommendations for improvement and identify implementation timelines. Internal audit staff shall consider costs and benefits while formulating and discussing their recommendations.	Internal Audit works with staff and management to complete outstanding and new audit recommendations. Updates are provided to the Audit Committee quarterly.	X	X	X	
7. Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.	There have been a number of staffing changes in 2023 due to retirements and terminations and legislation.  There will be many changes to services, processes, operations, and controls due to legislative mandates that IA is aware of and monitoring.	X	X	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Internal Audit Charter Review Matrix  
For the Year Ending December 31, 2023

11/8/2023

Internal Audit Charter Objective	Status Update	Work Completed			
8. Establish and maintain a system to follow up on and monitor the results of management's corrective actions to ensure they have been implemented effectively or that management has accepted the risk of not taking action.	A quarterly Outstanding Audit Recommendations report is updated by appropriate staff and reviewed at each quarterly Audit Committee meeting. Follow ups are completed when necessary.	X	X	X	
9. Issue periodic reports to the Audit Committee and Management summarizing results of audit activities, and summarizing the status of follow-up activities.	An Internal Audit Plan Status report is updated and reviewed at each quarterly Audit Committee meeting.	X	X	X	
10. Provide periodic summaries of consulting and advisory activities to the Audit Committee.	A Quarterly Internal Audit Plan Status report is updated and reviewed at each quarterly Audit Committee meeting.	X	X	X	
11. Attend all Audit Committee meetings, and ensure attendance of additional staff and attendance by auditees as appropriate.	Quarterly meetings are scheduled, held, and attended by all appropriate personnel and the Audit Committee.	X	X	X	
12. Establish and maintain a Quality Assurance and Improvement Program and obtain an external quality assessment through either a full-scope external quality assessment or a self-assessment with independent validation by a qualified independent assessor or assessment team from outside the agency as required by professional standards, no less frequently than every five (5) years as mandated by the IIA's <i>International Standards for the Professional Practice of Internal Auditing</i> .	This responsibility has not been accomplished to date due to time constraints and cost. Audit reports do not state the audits were "conducted in conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> " as that is allowed only if the results of the quality assurance and improvement program support the statement.  Internal Audit has begun to take steps to complete an internal self-assessment which is the first step in this process however minimal progress was made during the previous quarter due to staff turnover.	-	-	-	
13. Inform the Audit Committee of emerging trends and successful practices in internal auditing.	Relevant publications are provided to the Audit Committee when they become available. CAO can provide copies of the quarterly Audit Committee Brief email distributed by Deloitte if the Committee would prefer.	N/A	N/A	X	
14. Assist in the investigation of significant suspected fraudulent activities within the agency and notify the Audit Committee, the Executive Director and Management, as appropriate, of the results.	There have been none to date in 2023.	X	X	N/A	
15. Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the agency at a reasonable overall cost.	Internal Audit is the point of contact for the external auditors and reviews and provides comments on any RFPs that are issued for the selection of an external audit firm. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	X	X	X	
16. Review annually the quality of the annual financial report and suggest improvements in the presentation and disclosures.	Internal Audit reviews the financial reports when issued. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	N/A	N/A	X	

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Internal Audit Charter Review Matrix  
For the Year Ending December 31, 2023

11/8/2023

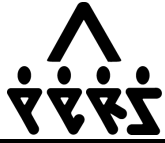
Internal Audit Charter Objective	Status Update	Work Completed			
17. Report to the Audit Committee on all activities and associated costs of work performed by the external financial statement auditors.	CLA was on-site in June 2023 to perform preliminary field work and presented the prior year audit report to the LAFR in July 2023. <a href="#">The external auditors will be available to present their draft report at the November meeting.</a>	X	X	X	
18. Consult with the agency's Management, as requested, on potential policy and procedure changes.	Internal Audit is a part of the proposed Admin Rules discussions and other meetings to discuss changes needed resulting from recent legislation changes.	X	X	X	
19. Participate, in an advisory capacity, in the planning, design, development, and implementation and modification phases of major information systems.	The CAO attends the weekly Change Control meeting and continues to work with management on system issues that need to be addressed and prioritized.	X	X	X	
20. Participate in professional audit organizations and other professional organizations related to the mission of the agency by attending meetings, joining the governing boards, presenting speeches and papers, and networking with other professionals.	The CAO renews organizational memberships as they become due and attends IIA luncheons when available. The CAO also sits on the Board of Governors for the local Central Nodak Chapter of the Institute of Internal Auditors.	X	X	X	
21. Act as the primary point of contact for handling all matter related to audits, examinations, investigations or inquiries of the State Auditor or other state or federal auditors.		X	X	X	
22. Review the agency's Fraud or Misconduct policy and Code of Ethical Responsibility policy periodically.	Reviewed and signed the agency's Code of Ethical Responsibilities Policy as part of the annual performance review process. The NDPERS Policy Manual contains a Fraud or Misconduct policy which Internal Audit also reviews periodically.	X	X	X	
<b>STANDARDS OF AUDIT PRACTICE</b>					

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 Internal Audit Charter Review Matrix  
 For the Year Ending December 31, 2023

11/8/2023

Internal Audit Charter Objective	Status Update	Work Completed			
Follow the applicable professional standards and guidance of relevant professional organizations including, but are not limited to, the following: <ul style="list-style-type: none"> <li>• Institute of Internal Auditors (IIA)                             <ul style="list-style-type: none"> <li>○ International Professional Practices Framework</li> <li>○ Code of Ethics</li> </ul> </li> <li>• American Institute of Certified Public Accountants (AICPA)                             <ul style="list-style-type: none"> <li>○ Professional Standards</li> <li>○ Code of Professional Conduct</li> </ul> </li> <li>• General Accounting Office (GAO)                             <ul style="list-style-type: none"> <li>○ Generally Accepted Government Auditing Standards (GAGAS)</li> </ul> </li> <li>• The Association of Certified Fraud Examiners (ACFE)</li> <li>• Other Professional agencies and standards, as applicable</li> </ul>	Internal Audit refers to professional standards for specific issues where necessary and receives information on any changes or updates as they become available.	X	X	X	





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**TO:** Audit Committee  
Adam Miller  
Tyler Erickson  
Nina Sand  
Scott Miller  
Derrick Hohbein  
Rebecca Fricke  
Dean DePountis  
Shannon Ennen

**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT:** **Report on Consultant Fees**

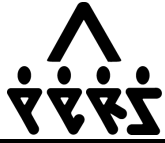
According to the Audit Committee Charter, the Audit Committee should “Periodically review a report of all costs of and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon-procedures and any non-audit services provided.”

Attached is a summary of the consulting, investment and administrative fees paid during the prior fiscal year ended September 2023. This is for your information.

Attachment

**North Dakota Public Employees Retirement System  
Consulting/Investment/Administrative Fees  
For the Quarter ended June 30, 2023**

		Program/Project	Fee Type	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Fees Paid Fiscal Year-To-Date
<b>Actuary/Consulting Fees:</b>								
Mid Dakota Clinic	Retirement Disability	Time charges	-	-	-	406	\$	406
Ice Miller	Legal fees Employee benefit matters		2,322	10,317	8,327	-	\$	20,966
Deloitte	Legislative Analysis		5,281	28,925	3,494	7,963	\$	45,663
Deloitte	Claims Projections		38,350	-	-	3,333	\$	41,683
Deloitte	Consulting		1,625	10,481	3,006	-	\$	15,113
State Auditor's Office	PBM Audit	Time charges	87,411	87,795	5,554	-	\$	180,759
Buck Consulting	Life/Dental/Vision RFP	Fixed Fee	14,166	17,499	12,500	12,824	\$	56,989
OSG	Microfiche Conversion	Per Document Fee	-	19,502	-	-	\$	19,502
Nexus	IT Consulting	Per Hour Fee	-	-	31,200	-	\$	31,200
						18,500		
Klausner, Kaufman, Jensen & Levinson	Litigation vs Legislature	Per Hour Fee	-	-	59,520	1,000	\$	60,520
Elsberry & Shively Inc	Litigation vs Legislature	Per Hour Fee	-	-	11,047	-	\$	11,047
						-		
Gabriel Roeder Smith & Company	Retirement	Fixed Fee	61,000	26,000	-	-	\$	87,000
Gabriel Roeder Smith & Company	RHIC	Fixed Fee	12,400	-	-	4,138	\$	16,538
Gabriel Roeder Smith & Company	GASB 67/68	Fixed Fee	20,000	6,750	-	5,743	\$	32,493
Gabriel Roeder Smith & Company	GASB 74/75	Fixed Fee	2,000	5,000	-	-	\$	7,000
Gabriel Roeder Smith & Company	Projections	Fixed Fee	11,800	-	-	1,800	\$	13,600
Gabriel Roeder Smith & Company	Actuarial Factor Updates	Fixed Fee	15,000	-	-	-	\$	15,000
Gabriel Roeder Smith & Company	Legislation	Time Charges	23,970	52,615	31,095	27,626	\$	135,306
Gabriel Roeder Smith & Company	Retirement	Time Charges	1,170	5,580	2,250	-	\$	9,000
Gabriel Roeder Smith & Company	RHIC	Time Charges	-	-	-	-	\$	-
Gabriel Roeder Smith & Company	Deferred Comp	Time Charges	-	-	-	-	\$	-
Gabriel Roeder Smith & Company	Flexcomp	Time Charges	-	-	-	68,250	\$	68,250
Callan & Associates	Asset Allocation & Liability Study	Fixed Fee	-	-	-	-	\$	-
Callan & Associates	Investment Consultant Expenses	Fixed Fee	12,450	12,450	12,824	14,072	\$	51,796
Callan & Associates	Record Keeper Search	Fixed Fee	-	-	-	7,020	\$	7,020
						73,880		
						3,594		
<b>Audit Fees:</b>								
Clifton Larson Allen	Annual Audit Fee	Fixed Fee	63,000	25,891	-	9,630	\$	98,521
<b>Legal Fees:</b>								
ND Attorney General	Administrative	Time charges	7,838	6,994	11,808	4,556,774	\$	4,583,415
						493,503		
						59,914		
<b>Investment Fees:</b>								
SIB - Investment Fees	Retirement (DB)	% Allocation	5,406,610	5,404,973	5,419,847	277,318	\$	16,508,748
SIB - Investment Fees	Ret Health Credit	% Allocation	406,378	418,647	412,742	256,530	\$	1,494,297
SIB - Investment Fees	Insurance	% Allocation	39,359	47,130	46,237	-	\$	132,726
SIB - Administrative Fees	Retirement (DB)	% Allocation	123,234	187,021	193,168	-	\$	503,423
						3,775,322		
<b>Administrative Fee:</b>								
Sanford Health Plan	Health Plan	Fixed fee	3,724,073	3,688,163	2,456,457	-	\$	9,868,693



**North Dakota  
Public Employees Retirement System**

1600 East Century Avenue, Suite 2 • PO Box 1657  
Bismarck, North Dakota 58502-1657

Scott Miller  
Executive Director  
(701) 328-3900  
1-800-803-7377

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**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: Travel Expenditures**

The report for out of state travel expenditures incurred by the Board and/or Executive Director for the period August 1, 2023 through October 31, 2023 is attached. This is for your information.

Attachment

Date	Traveler	Purpose	Location	Air Fare Costs	Lodging Costs	Meals	Miscellaneous Expenses	Total	Comments
8/4/2023	Scott Miller	NASRA Annual Conference	Broomfield, CO	\$619.80	\$1,146.85	\$138.00	\$70.00	\$1,974.65	NASRA Conf Reg fee \$1,500.00
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
								\$0.00	
Total				\$619.80	\$1,146.85	\$138.00	\$70.00	\$1,974.65	

This report is for all out of state travel by all board members and Executive Director.



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**FROM:** Shawna Piatz

**DATE:** November 13, 2023

**SUBJECT: CPE, Training and Webinars**

Training and education, including continuing professional education (CPE) webinars and seminars that have been attended August 1, 2023 through October 31, 2023 to keep current with Certified Public Accountant, Certified Internal Auditor and Certified Employee Benefit Specialist professional certifications are listed below. We try to attend webinars during our lunch hour when possible. This is for your information.

<b>Trainings attended by Internal Audit Staff</b>	<b>Date</b>	<b>Org</b>	<b>Staff</b>
3rd Quarter Security Awareness Training	8/17/2023	NDIT	Shannon Ennen
4th Quarter Security Awareness Training	10/17/2023	NDIT	Shannon Ennen
Leadercast	9/18/2023	HRMS	Shawna Piatz
Modernizing your approach to risk management	9/26/2023	Deloitte	Shawna Piatz
4th Quarter Security Awareness Training	10/20/2023	NDIT	Shawna Piatz