

## MEMORANDUM

**TO:** Audit Committee  
Jon Strinden  
Ron Leingang

**FROM:** Jamie Kinsella, Internal Auditor

**DATE:** May 23, 2007

**SUBJECT:** **February 21, 2007 Audit Committee Meeting**

In Attendance:

Jon Strinden via conference call  
Ron Leingang  
Rebecca Dorwart  
Jamie Kinsella  
Sparb Collins  
Sharon Schiermeister  
Leon Heick

The meeting was called to order at 10:34 a.m.

**I. December 6, 2006 Audit Committee Minutes**

The audit committee minutes were examined and approved by the Audit Committee.

**II. Internal Audit Quarterly Report**

- A. Internal Audit Status Update – Included with the audit committee minutes was the Internal Audit quarterly report which listed all of the projects that are in active status.
- B. Quarterly Audit Finding 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 findings of the external auditors, as well as any found by the internal auditor. The report included recommendations made by Brady Martz during the 2006 fiscal year end audit. Recommendations by Internal Audit are included after the final audit report has been issued to management that includes their responses to the recommendations. A review of the updated report showed that no progress was made during this period. The primary reason for this is the Business Replacement Project, which took up much of staff's time.

### III. Administrative

- A. Update on Group Insurance Staffing Status – Ms. Kinsella provided an update on the Group Insurance staffing status since the last Audit Committee meeting. Discussion followed.
- B. Internal Audit Plan for 2007 – Ms. Kinsella conveyed because of the time involved in the Group Insurance Division, she had not been able to develop an Internal Audit Plan for 2007. Ms. Kinsella indicated she hoped to have a plan developed by the next Audit Committee meeting in May for the latter half of the calendar year.
- C. Pharmacy Benefits Manager (PBM) Project – Mr. Collins provided an update on the situation with this project.

### IV. Miscellaneous

- A. Audit Committee Meeting - The next Audit Committee meeting will be held on May 23, 2007 at 10:30am in the NDPERS Conference room, Wells Fargo Bank Building.
- B. FlexComp PeopleSoft – The NDPERS FlexComp Program uses the PeopleSoft software for administration of the FlexComp plan. Staff has experienced issues with the recent upgrade. Discussion followed. Ms. Schiermeister will provide an update at the next Audit Committee meeting.
- D. Publications – A copy of “The Role of Auditing in Public Sector Governance” was included with the Audit Committee materials for information only.
- E. Annual Performance Evaluation – Mr. Collins inquired how the Audit Committee wanted to handle Ms. Kinsella’s performance evaluation. Mr. Strinden and the Audit Committee members concurred to do the same as in the past. Mr. Collins will compile the information for their review.

The meeting adjourned at 11:15 a.m.