



North Dakota
Public Employees Retirement System
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MEMORANDUM

TO: NDPERS Board

FROM: Jamie Kinsella *Jamie*

DATE: August 19, 2015

SUBJECT: **May 20, 2015 PERS Audit Committee Minutes**

Attached are the approved minutes from the May 20, 2015 meeting. Those who attended the meeting are available to answer any questions you may have.

The minutes may also be viewed on the NDPERS web site at www.nd.gov/ndpers.

The next audit committee meeting is currently scheduled for November 18th at 10:00 a.m., in the NDPERS Conference Room.

Attachment



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MEMORANDUM

TO: Audit Committee
Jon Strinden
Arvy Smith
Rebecca Dorwart

FROM: Jamie Kinsella, Internal Auditor *Jamie*

DATE: June 3, 2015

SUBJECT: **May 20, 2015 Audit Committee Meeting**

In Attendance:

Jon Strinden
Arvy Smith
Rebecca Dorwart
Jamie Kinsella
Julie McCabe
Sparb Collins
Sharon Schiermeister
Thomas Rey
Jason Ostroski
Brian Kiernan
Nathan Chadsey

The meeting was called to order at 10:03 a.m.

I. February 18, 2015 Audit Committee Minutes

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

II. Internal Audit Reports

- A. Quarterly Audit Plan Status Report – A summary of the internal audit staff time spent for the past quarter was included with the audit committee materials. There is a new table added to the report entitled “Retirement Benefits & Refunds Audit; overall recap of results from July to the end of prior month.” This is to show the Audit Committee the potential number of errors in the total population of new retirees based on audit results to date. There was discussion on the error rate and whether we should have a benchmark to work toward. Met with Benefit Manager and she feels the high rate is unacceptable.

- B. Audit Recommendations 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 found by the internal auditor. The report has been updated to reflect what has been accomplished during February 1, 2015 through April 30, 2015.
- C. Benefit/Premium Adjustments Report – The quarterly benefit adjustment report was provided to the audit committee. The report is in two sections, Retirement and Insurance. This report has 6 retirement and 36 insurance adjustments.

III. Administrative

- A. Audit Committee Meeting Date & Time – The next audit committee meeting is scheduled for August 19, 2015 at 10:00 a.m.
- B. Annual Performance Evaluation – Sparb Collins will prepare a draft review for Ms. Kinsella and send it to the audit committee for review and comment. This needs to be finished by mid-June so it can be a part of the considerations relating to the July 1 salary adjustment.

IV. Miscellaneous

- A. Introduction to CliftonLarsonAllen, External Auditors – Thomas Rey, Jason Ostroski and Brian Kiernan of CliftonLarsonAllen from Timonium, Maryland were in attendance to meet and review their methodology and approach to their audit and to answer any questions the audit committee had.
- B. Travel Expenditures Update – There are no travel expenditures incurred by the Board and/or Executive Director for out-of-state travel for the period February 1, 2015 through April 30, 2015.
- C. Risk Management Report - The Loss Control Committee provides quarterly to the Audit Committee a copy of the Loss Control Committee's agenda from their last meeting as well as the approved minutes. Copies of the December 16, 2014 minutes and the agenda for the March 30, 2015 meeting were provided to the audit committee.
- D. Report on Consultant Fees - According to the Audit Committee Charter, the audit committee should "Periodically review a report of all costs of and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon-procedures and any non-audit services provided." A copy of the report showing the actuary/consulting audit, legal, investment and administrative fees paid during the quarter ended December 2014 is attached. The report for the quarter ended March 31, 2015 has not been provided to the board as of May 7th.
- E. Publications – The January/February 2015 and March/April 2015 publications of the Tone at the Top were provided to the audit committee for their perusal.

- F. Webinars and CPE's – Ms. Kinsella and Ms. McCabe have been participating in free Webinars that the Institute of Internal Auditors provides for their members. Each 1 hour webinar provides 1 hour of continuing professional education credits. The internal auditors have attended five webinars from April 1, 2015 through April 30, 2015. These webinars are held during the lunch hour so the internal auditors remain available to staff during normal business hours.

Meeting adjourned at 10:55 a.m.