

**STATE INVESTMENT BOARD
AUDIT COMMITTEE MEETING
MINUTES OF THE
NOVEMBER 18, 2025, MEETING**

MEMBERS PRESENT: Thomas Beadle, State Treasurer, Chair
Cody Mickelson, TFFR Board, Vice Chair
Lisa Corbin, External Representative
Adam Miller, PERS Board
Todd Van Orman, External Representative

STAFF PRESENT: Missy Kopp, Executive Assistant
Sara Seiler, Suprv. of Internal Audit
Jodi Smith, Executive Director
Dottie Thorsen, Internal Auditor
Susan Walcker, Sr. Financial Manager

GUESTS: Bruce Mills, Weaver
Thomas Rey, UHY
Ivana Ritz, UHY

CALL TO ORDER:

Treasurer Beadle called the State Investment Board (SIB) Audit Committee meeting to order at 2:35 p.m. on Tuesday, November 18, 2025. The meeting was held in The WSI Board Room, 1600 E Century Ave., Bismarck, ND.

The following Audit Committee members were present representing a quorum, Treasurer Beadle, Ms. Corbin, Mr. Mickelson, and Mr. Van Orman.

AGENDA:

The agenda was considered for the November 18, 2025, meeting.

IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MS. CORBIN AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE NOVEMBER 18, 2025, MEETING AS DISTRIBUTED.

**AYES: MS. CORBIN, MR. VAN ORMAN, MR. MICKELSON, AND TREASURER BEADLE
NAYS: NONE
ABSENT: MR. MILLER
MOTION CARRIED**

MINUTES:

The minutes were considered for the September 3, 2025, meeting.

IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MS. CORBIN AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE SEPTEMBER 3, 2025, MEETING AS DISTRIBUTED.

**AYES: MR. VAN ORMAN, MS. CORBIN, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED**

GOVERNANCE

FY25 Financial Report and GASB Schedule Audit:

Mr. Rey, UHY, provided an overview of the financial statement audit, highlighting key accounting estimates, including the valuation of alternative investments based on net asset value and the actuarial valuation for TFFR. No new GASB disclosures were noted, and there were no disagreements with management, consultations with other accountants, or significant issues identified during the audit. The auditor commended staff for completing the audit despite staffing turnover. A minor, immaterial correction was identified in Note 2 related to TFFR deposits; the amount will be updated without impacting the financial statements or audit opinion date. Committee discussion followed.

IT WAS MOVED BY MR. VAN ORMAN AND SECONDED BY MS. CORBIN AND CARRIED BY A VOICE VOTE TO APPROVE THE FINANCIAL STATEMENT AND GASB SCHEDULES AUDIT.

**AYES: MS. CORBIN, MR. VAN ORMAN, AND TREASURER BEADLE
NAYS: NONE
ABSENT: MR. MICKELSON AND MR. MILLER
MOTION CARRIED**

2025-26 Internal Audit Workplan:

Ms. Seiler presented the FY 2025–26 Internal Audit Work Plan, noting that it was developed based on the anticipated onboarding of a third internal auditor. Since the selected candidate declined the position after the plan was finalized, staff will repost the position and revisit the work plan to prioritize and potentially scale back activities due to limited staffing capacity. The work plan incorporates updated risk assessments conducted with Weaver, including meetings with fiscal, investment, and retirement staff to identify emerging risks and areas not recently reviewed. Discussion also included the ongoing governance manual review by the State Investment Board, which may result in a revised governance manual by June 30, 2026. Committee members noted that changes to the governance structure could impact committee charters and responsibilities, with the Audit Committee likely assuming an expanded role, including greater visibility into risk and compliance reporting. Committee discussion followed.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE 2025-26 IA WORKPLAN.

**AYES: MR. VAN ORMAN, MS. CORBIN, MR. MICKELSON, MR. MILLER, AND TREASURER BEADLE
NAYS: NONE
MOTION CARRIED**

REPORTS

External Investment Oversight Audit:

Mr. Mills from Weaver presented the results of the External Investment Oversight Audit. The audit reviewed oversight of external investment managers across public and private asset classes, focusing on governance, manager selection and termination, ongoing due diligence and performance monitoring, operational risks, and contract terms. The review concluded that controls are generally well designed and operating effectively. Two specific findings Management actions underway, including the broader governance review and related RFPs,

were noted as addressing identified gaps and risk areas. Committee members acknowledged management's responsiveness and preparedness.

Weaver Internal Audit Fiscal Advisory Update:

Mr. Mills, Weaver, provided an update on the internal audit advisory project. Mr. Miller explained that advisory services focus on supporting the design and oversight of control processes during periods of significant organizational change, rather than performing retrospective audits. The advisory work has supported fiscal, accounting, and operational functions during recent transitions and helped prioritize critical activities and communications. Committee members and staff expressed appreciation for the advisory support and expertise provided, noting that recommendations and observations align with the ongoing governance review and related initiatives.

TFFR File Maintenance Audit:

Ms. Seiler reviewed the TFFR File Maintenance Audit, which reviewed fiscal year 2023 transactions and controls related to retirement system file maintenance. The audit examined user roles and security access, audit log activity, and document processing for member account updates, retirements, purchases, and refunds. Overall controls were found to be effective, with no material issues identified. Minor, isolated inaccuracies were noted and had already been corrected. Several observations identified during the review have been mitigated through controls built into the new system, which prevent errors from occurring going forward. Limited recommendations included performing a targeted review of select death-related files from FY 2023–24 to confirm required documentation and developing written procedures to supplement system process flows. Staff noted the audit required significant effort due to system implementation and that future reviews are expected to be more streamlined under the new system.

First Quarter IA Activities:

Ms. Seiler reviewed the FY26 first quarter audit activities. The report summarized audit and advisory activities discussed earlier, including completion of the External Investment Oversight Audit, support for issuance of the financial statement audit report, and continued work toward finalizing remaining audit activities later in the year. Staff also reviewed progress on the Bold and Balanced project, executive review and compensation committee updates, and significant efforts related to the ongoing governance assessment. Additional activities included fiscal advisory support, the TFFR file maintenance audit, and continued post-implementation work on the TFFR system, including development and refinement of reports needed for audit and actuarial purposes. Administrative activities and professional development were noted, along with plans to repost the internal auditor position. Upcoming work includes continued advisory support, system-related audits, participation in governance initiatives, review of the employer guide, and ongoing recruitment efforts.

Current Audit Activities:

Ms. Seiler reviewed the recruitment activities for the new Interval Auditor position which will be reposted in January. Committee discussion followed.

IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE REPORTS AS PRESENTED.

AYES: MS. CORBIN, MR. MILLER, MR. VAN ORMAN, MR. MICKELSON, AND TREASURER BEADLE

NAYS: NONE
MOTION CARRIED

ADJOURNMENT

With no further business to come before the Audit Committee, Treasurer Beadle adjourned the meeting at 4:28 p.m.

Prepared by: Missy Kopp, Assistant to the Board