

**ND STATE INVESTMENT BOARD  
AUDIT COMMITTEE MEETING**

Thursday May 25, 2017 – 3:00 PM  
Peace Garden Room, North Dakota State Capitol  
600 E Boulevard Ave, Bismarck, ND 58505

**AGENDA**

1. Call to Order and Approval of Agenda – Chair (committee action) (5 minutes)
2. Approval of February 23, 2017 Minutes – Chair (committee action) (5 minutes)
3. Presentation of July 1, 2016 to June 30, 2017 Fiscal Year Financial Audit Scope and Approach and Final GASB 68 Schedule Audit Report – CliftonLarsonAllen (committee action)(60 minutes)
4. 2016 - 2017 Third Quarter Audit Activities Report – Terra Miller Bowley (committee action)(10 minutes)
5. 2017-2018 Audit Services Workplan, Budgeted Hours, Employer Risk Assessment, and TFFR Employer Audit Plan – Terra Miller Bowley (committee action)(45 minutes)
6. Fraud Hotline – Terra Miller Bowley (information)(5 minutes)
7. Audit Services TFFR Board Education – Terra Miller Bowley (information)(5 minutes)
8. 2017-2018 SIB Audit Committee Meeting Schedule – Terra Miller Bowley (committee action)(5 minutes)
9. 2017-2018 SIB Audit Committee Membership – Terra Miller Bowley (information)(5 minutes)
10. Other – Next SIB Audit Committee Meeting

**\*\*PENDING APPROVAL\*\***

North Dakota State Capitol Building  
Thursday September 22, 2017 - 1:00 PM  
Peace Garden Room

11. Adjournment

Any individual requiring an auxiliary aid or service should contact the Retirement and Investment Office at (701) 328-9885 at least (3) days prior to the scheduled meeting.

**STATE INVESTMENT BOARD  
AUDIT COMMITTEE MEETING  
MINUTES OF THE  
FEBRUARY 23, 2017, MEETING**

**COMMITTEE MEMBERS PRESENT:** Rebecca Dorwart, Chair  
Mike Gessner, TFFR Board (TLCF)  
Mike Sandal, PERS Board  
Cindy Ternes, Workforce Safety & Insurance  
Josh Wiens, External Representative

**STAFF PRESENT:** Bonnie Heit, Assist to the Audit Committee  
David Hunter, ED/CIO  
Fay Kopp, Dep ED/CRO  
Terra Miller Bowley, Suprv Audit Services  
Dottie Thorsen, Internal Auditor

**GUESTS:** Jan Murtha, Attorney General's Office

**CALL TO ORDER:**

Ms. Dorwart called the State Investment Board (SIB) Audit Committee meeting to order at 3:00 p.m. on Thursday, February 13, 2017, at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

A quorum was present for the purpose of conducting business.

**AGENDA:**

**IT WAS MOVED BY MS. TERNES AND SECONDED BY MR. SANDAL AND CARRIED ON A VOICE VOTE TO APPROVE THE AGENDA FOR THE FEBRUARY 23, 2017, MEETING AS DISTRIBUTED.**

**AYES: MR. SANDAL, MS. TERNES, MR. WIENS, MR. GESSNER, AND MS. DORWART**

**NAYS: NONE**

**MOTION CARRIED**

**MINUTES:**

**IT WAS MOVED BY MR. SANDAL AND SECONDED BY MR. WIENS AND CARRIED ON A VOICE VOTE TO ACCEPT THE NOVEMBER 17, 2016, MINUTES AS AMENDED.**

**AYES: MR. GESSNER, MR. SANDAL, MS. TERNES, MR. WIENS, AND MS. DORWART**

**NAYS: NONE**

**MOTION CARRIED**

**AUDIT ACTIVITIES REPORT:**

Ms. Miller Bowley reviewed activities of the Audit Division for the period of October 1, 2016 - December 31, 2016.

As of February 23, 2017, 17 employer audits were completed with three more estimated to be closed within the next 30 days. Ms. Miller Bowley stated a 100 percent audit is currently being done on Ft. Yates and will likely encompass three fiscal years.

Ms. Miller Bowley indicated the Audit Division is currently in the fourth audit cycle, which commenced on May 23, 2016, and is estimated to be completed in 7-8 years if 20-25 audits are completed per year.

The TFFR File Maintenance Audit was completed for the first quarter of fiscal year 2017 and no exceptions were noted.

An organization wide RIO employee survey was administered in December 2016 to provide employees the opportunity to evaluate the effectiveness of the Executive Director/CIO in the areas of leadership, communications, and valuing employees. This survey is in conjunction with the annual Executive Limitations Audit.

Ms. Miller Bowley also stated Audit Services continues to pursue networking and professional development opportunities via the IIA's local chapter, Central Nodak.

Discussion followed on employers who have reoccurring reporting discrepancies.

**IT WAS MOVED BY MR. WIENS AND SECONDED BY MS. TERNES AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE OCTOBER 1, 2016 - DECEMBER 31, 2016, AUDIT ACTIVITIES REPORT.**

**AYES: MS. TERNES, MR. WIENS, MR. SANDAL, MR. GESSNER, AND MS. DORWART**

**NAYS: NONE**

**MOTION CARRIED**

**EXECUTIVE LIMITATIONS AUDIT:**

Ms. Miller Bowley stated the Executive Limitations Audit for the period of January 1, 2016 through December 31, 2016, has been completed. On an annual basis Audit Services completes an annual review of the Executive Director/CIO's level of compliance with SIB Governance Manual Executive Limitation policies A1-A11.

Audit Services review found the Executive Director/CIO was in compliance with the policies.

**IT WAS MOVED BY MR. SANDAL AND SECONDED BY MR. WIENS AND CARRIED BY A VOICE VOTE TO ACCEPT THE EXECUTIVE LIMITATIONS AUDIT FOR THE 2016 CALENDAR YEAR.**

**AYES: MR. GESSNER, MR. WIENS, MR. SANDAL, MS. TERNES, AND MS. DORWART**

**NAYS: NONE**

**MOTION CARRIED**

**GASB 68 SCHEDULE AUDIT:**

Ms. Miller Bowley informed the Committee CliftonLarsonAllen has concluded their audit of the GASB 68 schedules. The final audit report was issued in December 2016. CliftonLarsonAllen will be in attendance at the Audit Committee's May 25, 2017, meeting to present the results of the audit as well as the audit scope and approach for the upcoming financial audit of RIO for fiscal year July 1, 2016 to June 30, 2017.

**TFFR EMPLOYER AUDITING:**

Ms. Miller Bowley requested Ms. Jan Murtha, RIO legal counsel, to clarify N.D.C.C. §15-39.1-23 as far as options available to TFFR to encourage participating employers to improve accuracy in reporting and implement audit recommendations.

Ms. Murtha is under the opinion, based on the information provided to her, and review of the applicable statutory authority and TFFR policies, that the current enforcement tools available to TFFR could be utilized more frequently. Ms. Murtha recommended that the TFFR Board engage in a more proactive use of these existing tools prior to seeking statutory authority for additional enforcement options. Ms. Murtha suggested the following in response to Ms. Miller Bowley's concerns on behalf of the SIB Audit committee:

- Review and consider amendments to Policies C-8 and C-9 of the TFFR Program Manual to provide additional clarity regarding TFFR's reporting expectations for employers;
- Review and consider amendments to Policies C-8 and C-9 of the TFFR Program Manual to provide additional clarity regarding the circumstances under which penalties will be assessed;
- Review the process by which a civil money penalty and the restriction on the disbursement of state funds is applied and consider elaborating on this process in policy or administrative rule.

Discussion followed on the above recommendations. Ms. Dorwart suggested RIO personnel discuss the recommendations by legal counsel, put a plan together, and report back to the Audit Committee.

**ANNUAL MEETINGS WITH RIO STAFF:**

On an annual basis or at the will of the Chair, the Audit Committee may elect to meet with RIO's Management and or Supervisor of Audit Services separately and out of the presence of the independent auditors to discuss/review any concerns regarding the audit program at RIO per the Audit Committee Charter.

The Audit Committee elected to meet with Mr. Hunter and Ms. Kopp. The meeting began at 3:50 pm and concluded at 4:08 pm.

The Audit Committee elected to meet with Ms. Miller Bowley and Ms. Thorsen. The meeting began at 4:10 pm and concluded at 4:45 pm.

The Audit Committee appreciated the discussion with staff and felt it was beneficial to talk about issues and what are the priorities. The Audit Committee felt TFFR policies as currently applied under N.D.C.C. §15-39.1-23 need to be expanded in order for RIO's Audit Division to be effective. The Audit Committee left it up to RIO personnel to discuss the issues and put a plan together that works for them and the Governing bodies. The Audit Committee felt Ms. Miller Bowley and Ms. Thorsen continue to do a wonderful job.

**OTHER:**

The next Audit Committee meeting is scheduled for Thursday, May 25, 2017, at 3:00 pm at the State Capitol, Peace Garden Room.

With no further business to come before the Audit Committee, Ms. Dorwart adjourned the meeting at 4:50 p.m.

Respectfully Submitted:

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Ms. Rebecca Dorwart, Chair  
SIB Audit Committee

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Bonnie Heit  
Assistant to the Audit Committee

## MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee Terra Miller

**FROM:** Bowley, Supervisor of Audit Services

**DATE:** May 25, 2017

**SUBJECT:** 2016-2017 Fiscal Year Financial Audit Scope and Approach  
and Final GASB 68 Schedule Audit Report

CliftonLarsonAllen (CLA), will be discussing the upcoming financial audit of the Retirement and Investment Office (RIO) for the fiscal year ending June 30, 2017. Representatives will also be discussing the Final GASB 68 Schedule Audit Report issued on December 22, 2016. Time will be available to address any questions members of the board may have for our external audit firm.



May 25, 2017

**Presentation to:**

**North Dakota Retirement and Investment Office –  
2017 Audit Kick-off**



**CliftonLarsonAllen**

[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

# Engagement Scope

- Audit of the RIO's financial statements as of June 30, 2017
- Audit of TFFR's GASB 68 schedules as of June 30, 2017
- Report on Internal Controls and Compliance (in accordance with Government Auditing Standards)
- Written Communications with the Board

# CLA Audit Methodology



# Work Plan

- Audits to be conducted in accordance with governmental auditing standards generally accepted in the United States of America
- Phased Approach – Planning, Internal Control, Employer Census Data Testing, Substantive Testing and Reporting

# Government Pension Data Analytics

Your assigned audit team is versed in the use of data analytics. We have successfully utilized data analytics in our overall audit approach in the areas of:

- ◇ Contributions
  - ◇ Payments/Distributions
  - ◇ Actuarial Data
- Tremendous results have been obtained in our GASB 67/68 testing.
  - Potential management/internal audit benefits (Continuous auditing tools and training)
  - **Will share results and best practices with Internal Audit to assist with moving towards ‘Continuous Auditing’**

# Timing of Work

KEY MILESTONES	DATE
Planning	May 2017
Understanding and Testing of Internal Controls	May 2017
Census Data Testing	July - September 2017
Substantive Procedures	August - September 2017
Final Audit Reports	September – October 2017

# 2016 Audit Results – Schedules of Employer Allocations and Pension Amounts by Employer

- Independent Auditors’ Report - Unmodified “clean” opinion that the schedule of employer allocations and the net pension liability, total deferred outflows, total deferred inflows and total pension expense are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- 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 were identified.
  - No significant deficiencies were identified.

# Discussion of Risks

- **The Audit Committee's views about the risks of fraud**
- **Does the Audit Committee have knowledge of any fraud or suspected fraud affecting the entities**
- **Does the Audit Committee have an active role in oversight of the entities' assessment of the risks of fraud and the programs and controls established to mitigate those risks**
- **Other risks**

# Questions





**Thomas R. Rey, CPA**  
Engagement Principal  
thomas.rey@cliftonlarsonallen.com  
410-453-5574

**NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE -  
NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
Bismarck, North Dakota**

**SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
June 30, 2016**

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
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## Independent Auditors' Report

Governor Jack Dalrymple  
The Legislative Assembly  
David Hunter, Executive Director/CIO  
State Investment Board  
Teacher's Fund for Retirement Board  
North Dakota Retirement and Investment Office

### Report on Schedules

We have audited the accompanying schedule of employer allocations of the North Dakota Retirement and Investment Office - North Dakota Teachers' Fund for Retirement (TFFR), a department of the State of North Dakota, as of and for the year ended June 30, 2016, and the related notes.

We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense as of and for the year ended June 30, 2016 (specified column totals), included in the accompanying schedule of pension amounts by employer of TFFR, and the related notes.

### Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of pension amounts by employer and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of

pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense for the total of all participating entities for TFFR as of and for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the North Dakota Retirement and Investment Office (RIO), which includes TFFR, as of and for the year ended June 30, 2016, and our report thereon, dated November 7, 2016, expressed an unmodified opinion on those statements.

### **Restriction on Use**

Our report is intended solely for the information and use of the management of RIO, Board of Trustees, TFFR employers and their auditors as of and for the year ended June 30, 2016 and is not intended to be and should not be used by anyone other than these specified parties.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Audit Standards*, we have also issued our report dated December 22, 2016, on our consideration of RIO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RIO's internal control over financial reporting.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 22, 2016

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Alexander School	\$ 1,174,850	0.18082264%
Anamoose School	721,897	0.11110816%
Apple Creek Elem School	345,214	0.05313226%
Ashley School	950,933	0.14635934%
Bakker Elem School	34,500	0.00530994%
Barnes County North	1,587,049	0.24426476%
Beach School	2,138,290	0.32910704%
Belcourt School	8,310,828	1.27913029%
Belfield Public School	1,480,772	0.22790756%
Beulah School	3,422,543	0.52676803%
Billings Co. School Dist.	758,055	0.11667315%
Bismarck Public Schools	69,221,921	10.65403601%
Bismarck State College	-	0.00000000%
Blessed John Paul II Catholic Sch Network	-	0.00000000%
Bottineau School	3,759,574	0.57864088%
Bowbells School	553,570	0.08520072%
Bowman School	2,758,160	0.42451206%
Burke Central School	954,834	0.14695981%
Burleigh County Spec. Ed.	85,938	0.01322689%
Carrington School	2,963,661	0.45614091%
Cavalier School	2,232,972	0.34367967%
Center Stanton School	1,453,696	0.22374025%
Central Cass School	3,458,213	0.53225813%
Central Elementary School	62,919	0.00968396%
Central Valley School	1,231,138	0.18948599%
Dakota Prairie School	1,866,318	0.28724742%
Devils Lake School	10,315,055	1.58760361%
Dickinson School	18,433,992	2.83719976%
Divide School	2,329,371	0.35851646%
Drake School	504,034	0.07757658%
Drayton School	1,238,308	0.19058956%
Dunseith School	2,919,917	0.44940822%
E Central Ctr Exc Childn	772,971	0.11896896%
Earl Elem. School	31,500	0.00484820%
Edgeley School	1,281,117	0.19717837%
Edmore School	725,488	0.11166082%
Eight Mile School	1,544,356	0.23769386%
Elgin-New Leipzig School	1,130,691	0.17402614%
Ellendale School	1,731,625	0.26651659%
Emerado Elementary School	568,168	0.08744740%

The accompanying notes are an integral part of the Schedule of Employer Allocations

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Enderlin Area School District	2,017,580	0.31052838%
Fairmount School	971,080	0.14946017%
Fargo Public Schools	69,044,120	10.62667033%
Fessenden-Bowdon School	1,036,712	0.15956168%
Finley-Sharon School	986,519	0.15183640%
Flasher School	1,073,725	0.16525835%
Fordville Lankin School	584,838	0.09001321%
Fort Ransom Elem School	161,022	0.02478304%
Fort Totten School	1,530,700	0.23559199%
Fort Yates School	1,155,786	0.17788847%
Gackle-Streeter Pub Sch	777,812	0.11971402%
Garrison School	2,299,673	0.35394570%
Glen Ullin School	1,168,141	0.17979002%
Glenburn School	1,868,386	0.28756569%
Goodrich School	289,211	0.04451287%
Grafton School	4,477,799	0.68918388%
Grand Forks School	45,889,133	7.06285618%
Great North West Cooperative	178,220	0.02743007%
Grenora School	1,138,249	0.17518945%
Griggs County Central Sch	1,586,343	0.24415605%
Gst Educational Services	1,595,284	0.24553228%
Halliday School	446,155	0.06866837%
Hankinson School	1,442,217	0.22197355%
Harvey School	2,338,460	0.35991541%
Hatton Eielson Psd	1,131,379	0.17413199%
Hazelton - Moffit School	830,095	0.12776106%
Hazen School	2,881,712	0.44352809%
Hebron School	1,153,324	0.17750965%
Hettinger School	1,432,947	0.22054668%
Hillsboro School	2,456,998	0.37815974%
Hope School	671,562	0.10336098%
Horse Creek Elem. School	26,250	0.00404017%
James River Multidistrict Spec Ed Unit	1,336,061	0.20563488%
Jamestown School	13,078,614	2.01294651%
Kenmare School	1,730,269	0.26630798%
Kensal School	449,639	0.06920446%
Kidder County School District	2,169,113	0.33385103%
Killdeer School	2,636,155	0.40573407%
Kindred School	3,117,666	0.47984406%
Kulm School	1,066,482	0.16414361%

The accompanying notes are an integral part of the Schedule of Employer Allocations

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Lake Region Spec Ed	1,676,065	0.25796530%
Lakota School	1,151,669	0.17725483%
Lamoure School	1,557,013	0.23964192%
Langdon Area School	1,756,152	0.27029165%
Larimore School	2,107,946	0.32443670%
Leeds School	1,065,298	0.16396137%
Lewis And Clark School	2,631,930	0.40508382%
Lidgerwood School	1,168,186	0.17979704%
Linton School	1,651,466	0.25417932%
Lisbon School	3,480,999	0.53576506%
Litchville-Marion School	854,113	0.13145766%
Little Heart Elem. School	101,500	0.01562197%
Logan County	4,079	0.00062785%
Lone Tree Elem. School	256,697	0.03950858%
Lonetree Spec Ed Unit	158,056	0.02432653%
Maddock School	983,360	0.15135015%
Mandan Public Schools	19,302,655	2.97089678%
Mandaree School	1,666,376	0.25647410%
Manning Elem School	84,820	0.01305475%
Manvel Elem. School	803,290	0.12363539%
Maple Valley School	1,585,477	0.24402277%
Mapleton Elem. School	674,068	0.10374674%
Marmarth Elem. School	179,428	0.02761603%
Max School	1,184,279	0.18227395%
May-Port C-G School	2,747,734	0.42290734%
Mcclusky School	742,177	0.11422947%
Mckenzie County	40,223	0.00619078%
Mckenzie County School	6,556,916	1.00918344%
Medina School	1,035,829	0.15942583%
Menoken Elem School	156,600	0.02410251%
Midkota	975,732	0.15017616%
Midway School	1,467,239	0.22582465%
Milnor School	1,374,805	0.21159804%
Minnewaukan School	1,709,119	0.26305272%
Minot School	43,566,502	6.70537700%
Minto School	1,160,831	0.17866504%
Mohall Lansford Sherwood	2,162,738	0.33286989%
Montpelier School	762,833	0.11740855%
Morton County	30,550	0.00470195%
Mott-Regent School	1,543,257	0.23752476%

The accompanying notes are an integral part of the Schedule of Employer Allocations

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Mt Pleasant School	1,648,775	0.25376515%
Munich School	936,292	0.14410593%
N Central Area Career And Tech Center	145,350	0.02237102%
Napoleon School	1,484,611	0.22849835%
Naughton Rural School	74,133	0.01140988%
Nd Center For Distance Education	1,319,021	0.20301221%
Nd Dept Of Public Instruction	185,860	0.02860595%
Nd School For Blind	713,194	0.10976865%
Nd School For Deaf	882,660	0.13585131%
Nd United	312,194	0.04805011%
Nd Youth Correctional Cnt	1,228,635	0.18910081%
Nedrose School	2,454,896	0.37783627%
Nelson County	12,233	0.00188281%
Nesson School	1,628,018	0.25057042%
New England School	1,373,415	0.21138408%
New Public School	2,032,789	0.31286915%
New Rockford Sheyenne School	1,706,324	0.26262259%
New Salem-Almont	1,698,527	0.26142243%
New Town School	4,303,882	0.66241609%
Newburg United District	657,869	0.10125347%
North Border School	2,889,141	0.44467142%
North Sargent School	1,514,698	0.23312921%
North Star	1,678,868	0.25839675%
North Valley Area Career	513,027	0.07896064%
Northern Cass School Dist	2,784,812	0.42861399%
Northern Plains Spec Ed	265,629	0.04088332%
Northwood School	1,534,870	0.23623388%
Oakes School	2,016,337	0.31033702%
Oberon Elem School	279,029	0.04294572%
Oliver - Mercer Spec Ed	997,173	0.15347626%
Page School	678,436	0.10441896%
Park River Area School District	2,036,594	0.31345477%
Parshall School	1,694,763	0.26084321%
Peace Garden Spec Ed	534,749	0.08230387%
Pembina Spec Ed Coop	106,000	0.01631460%
Pingree - Buchanan School	824,499	0.12689965%
Pleasant Valley Elem	-	0.00000000%
Powers Lake School	1,128,303	0.17365859%
Richardton-Taylor	1,715,144	0.26397999%
Richland School	1,448,543	0.22294717%

The accompanying notes are an integral part of the Schedule of Employer Allocations

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Robinson School	-	0.00000000%
Rolette County	-	0.00000000%
Rolette School	1,204,811	0.18543398%
Roosevelt School	425,487	0.06548723%
Roughrider Area Career And Tech Center	95,425	0.01468699%
Roughrider Service Program	302,882	0.04661696%
Rugby School	3,216,322	0.49502824%
Rural Cass Spec Ed	1,083,147	0.16670854%
Sargent Central School	1,432,224	0.22043540%
Sawyer School	876,443	0.13489443%
Scranton School	1,084,034	0.16684501%
Se Region Career And Tech	1,428,830	0.21991312%
Selfridge School	874,264	0.13455905%
Sheyenne Valley Area Voc	744,005	0.11451072%
Sheyenne Valley Spec Ed	1,491,949	0.22962775%
Slope County	24,651	0.00379406%
Solen - Cannonball School	1,543,013	0.23748720%
Souris Valley Spec Ed	1,492,745	0.22975038%
South Cent. Prairie Sp Ed	100,291	0.01543586%
South Heart School	1,540,194	0.23705334%
South Prairie Elem School	1,999,849	0.30779943%
South Valley Spec Ed	434,031	0.06680222%
Southwest Special Education Unit	63,336	0.00974813%
St. John'S School	2,492,018	0.38354979%
St. Thomas School	645,774	0.09939188%
Stanley School	3,242,061	0.49898983%
Starkweather School	572,884	0.08817332%
Sterling School	249,520	0.03840395%
Strasburg School District	810,454	0.12473803%
Surrey School	2,377,864	0.36598010%
Sweet Briar Elem School	83,760	0.01289161%
Tgu School District	2,703,863	0.41615506%
Thompson School	2,085,482	0.32097929%
Tioga School	3,021,747	0.46508097%
Turtle Lake-Mercer School	1,149,145	0.17686637%
Twin Buttes Elem. School	401,385	0.06177770%
Underwood School	1,532,169	0.23581820%
United School	2,928,781	0.45077245%
Upper Valley Spec Ed	2,414,953	0.37168858%
Valley - Edinburg School	1,703,831	0.26223887%

The accompanying notes are an integral part of the Schedule of Employer Allocations

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Employer Allocations  
As of and for the year ended June 30, 2016

<b>Employer Name</b>	<b>Covered Employee Payroll</b>	<b>Employer's Proportionate Share Allocation</b>
Valley City School	6,035,942	0.92899971%
Velva School	2,480,059	0.38170909%
Wahpeton School	6,702,203	1.03154471%
Ward County	28,267	0.00435064%
Warwick School	1,722,089	0.26504901%
Washburn School	1,656,329	0.25492780%
West Fargo School	53,554,062	8.24257540%
West River Student Services	691,314	0.10640107%
Westhope School	1,067,860	0.16435580%
White Shield School	1,403,919	0.21607894%
Williston School	18,388,340	2.83017340%
Wilmac Special Education	3,327,347	0.51211632%
Wilton School	1,286,438	0.19799737%
Wing School	659,051	0.10143541%
Wishek School	1,208,061	0.18593429%
Wolford School	517,855	0.07970381%
Wyndmere School	1,405,123	0.21626430%
Yellowstone Elem. School	504,704	0.07767971%
Zeeland School	375,113	0.05773417%
<b>Grand Totals:</b>	<b>\$ 649,724,868</b>	<b>100%</b>

*Note: Columns may not foot due to rounding*

North Dakota Retirement and Investment Office -  
 North Dakota Teachers' Fund for Retirement  
 Schedule of Pension Amounts by Employer  
 As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense				
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Proportionate Share of Contributions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Proportionate Share of Contributions	Total Employer Pension Expense
Alexander School	\$ 2,649,158	\$ 12,512	\$ 220,217	\$ 221,281	\$ 358,801	\$ 812,811	\$ 12,543	\$ -	\$ -	\$ -	\$ 12,543	\$ 246,953	\$ 62,539	\$ 309,492	
Anamoose School	1,627,800	7,688	135,314	135,968	59,572	338,542	7,707	-	-	27,651	35,358	151,742	7,307	159,049	
Apple Creek Elem School	778,419	3,676	64,708	65,020	9,187	142,591	3,686	-	-	50,791	54,477	72,564	(8,627)	63,937	
Ashley School	2,144,250	10,127	178,245	179,107	14,022	381,501	10,152	-	-	65,556	75,708	199,886	(8,121)	191,765	
Bakker Elem School	77,794	367	6,467	6,498	-	13,332	368	-	-	4,366	4,734	7,252	(774)	6,478	
Barnes County North	3,578,622	16,902	297,480	298,918	-	613,300	16,944	-	-	419,493	436,437	333,597	(75,773)	257,824	
Beach School	4,821,611	22,772	400,806	402,744	-	826,322	22,829	-	-	223,403	246,232	449,468	(42,234)	407,234	
Belcourt School	18,740,008	88,508	1,557,802	1,565,332	-	3,211,642	88,729	-	-	567,449	656,178	1,746,932	(104,202)	1,642,730	
Belfield Public School	3,338,979	15,770	277,560	278,901	85,445	657,676	15,809	-	-	-	15,809	311,258	14,646	325,904	
Beulah School	7,717,460	36,449	641,530	644,631	-	1,322,610	36,540	-	-	294,889	331,429	719,417	(51,022)	668,395	
Billings Co. School Dist.	1,709,330	8,073	142,092	142,778	139,383	432,326	8,093	-	-	192,004	200,097	159,343	(15,170)	144,173	
Bismarck Public Schools	156,087,867	737,194	12,975,129	13,037,850	1,172,156	27,922,329	739,037	-	-	1,296,374	2,035,411	14,550,417	18,369	14,568,786	
Bismarck State College	-	-	-	-	-	-	-	-	-	44,648	44,648	-	(8,930)	(8,930)	
Blessed John Paul II Cath. Schl Net	-	-	-	-	-	-	-	-	-	52,304	52,304	-	(8,788)	(8,788)	
Bottineau School	8,477,428	40,038	704,704	708,110	-	1,452,852	40,139	-	-	265,037	305,176	790,261	(46,198)	744,063	
Bow bells School	1,248,240	5,895	103,763	104,264	3,388	217,310	5,910	-	-	20,428	26,338	116,360	(3,521)	112,839	
Bow man School	6,219,350	29,374	516,996	519,496	-	1,065,866	29,447	-	-	-	241,612	579,764	(36,128)	543,636	
Burke Central School	2,153,047	10,169	178,977	179,842	256,761	625,749	10,194	-	-	187,361	197,555	200,706	5,322	206,028	
Burleigh County Spec. Ed.	193,782	915	16,109	16,186	21,447	54,657	918	-	-	9,885	10,803	18,064	2,642	20,706	
Carrington School	6,682,731	31,562	555,516	558,201	52,835	1,198,114	31,641	-	-	-	75,064	106,705	(1,944)	621,016	
Cavalier School	5,035,108	23,781	418,554	420,577	71,492	934,404	23,840	-	-	55,028	78,868	469,370	5,128	474,498	
Center Stanton School	3,277,926	15,481	272,484	273,802	24,377	586,144	15,520	-	-	65,787	81,307	305,566	(6,088)	299,478	
Central Cass School	7,797,893	36,829	648,216	651,350	-	1,336,395	36,921	-	-	-	373,423	410,344	(66,339)	660,576	
Central Elementary School	141,876	670	11,794	11,851	-	24,315	672	-	-	-	7,648	8,320	(13,226)	11,933	
Central Valley School	2,776,081	13,111	230,767	231,883	-	475,761	13,144	-	-	-	182,852	195,996	(32,790)	225,995	
Dakota Prairie School	4,208,343	19,876	349,827	351,518	37,003	758,224	19,925	-	-	-	19,925	392,299	6,904	399,203	
Devils Lake School	23,259,323	109,852	1,933,480	1,942,826	-	3,986,158	110,127	-	-	-	1,130,740	1,240,867	2,168,220	(203,896)	1,964,324
Dickinson School	41,566,638	196,317	3,455,313	3,472,016	2,035,073	9,158,719	196,808	-	-	-	196,808	3,874,817	400,987	4,275,804	
Divide School	5,252,476	24,807	436,623	438,734	-	900,164	24,869	-	-	106,651	131,520	489,633	(21,187)	468,446	
Drake School	1,136,542	5,368	94,477	94,934	-	194,779	5,381	-	-	128,258	133,639	105,948	(23,327)	82,621	
Drayton School	2,792,249	13,188	232,111	233,233	132,382	610,914	13,221	-	-	104,421	117,642	260,292	9,073	269,365	
Dunseith School	6,584,094	31,096	547,317	549,962	319,173	1,447,548	31,174	-	-	-	31,174	613,765	54,335	668,100	
E Central Cir Exc Childn	1,742,965	8,232	144,888	145,588	6,796	305,504	8,253	-	-	-	117,123	125,376	(18,161)	144,317	
Earl Elem. School	71,029	335	5,904	5,933	-	12,172	336	-	-	3,696	4,032	6,621	(681)	5,940	
Edgeley School	2,888,779	13,644	240,136	241,297	-	495,077	13,678	-	-	24,838	38,516	269,290	(4,515)	264,775	
Edmore School	1,635,896	7,726	135,987	136,645	29,244	309,602	7,746	-	-	15,719	23,465	152,497	3,229	155,726	
Eight Mile School	3,482,354	16,447	269,478	290,677	266,437	863,239	16,488	-	-	-	16,488	324,623	52,656	377,279	
Elgin-New Leipzig School	2,549,585	12,042	211,940	212,964	142,615	579,561	12,072	-	-	42,869	54,941	237,671	15,195	252,866	
Elendale School	3,904,624	18,441	324,580	326,149	-	669,170	18,487	-	-	250,373	268,860	363,987	(45,514)	318,473	
Emerado Elementary School	1,281,156	6,051	106,499	107,014	-	219,564	6,066	-	-	41,919	47,985	119,429	(7,304)	112,125	

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Pension Amounts by Employer  
As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources						Deferred Inflows of Resources						Pension Expense	
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Proportionate Share of Contributions	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Pension Expense	Total Employer Pension Expense
Enderlin Area School District	4,549,423	21,487	378,180	380,008	29,417	809,092	21,540	-	-	30,429	51,969	424,094	812	424,906
Fairmount School	2,189,879	10,342	182,022	182,902	-	375,266	10,368	-	-	119,797	130,165	204,121	(20,519)	183,602
Fargo Public Schools	155,686,944	735,300	12,941,802	13,004,361	-	26,681,463	737,139	-	-	2,236,622	2,973,761	14,513,043	(443,216)	14,069,827
Fessenden-Bow don School	2,337,672	11,041	194,324	195,263	67,647	468,275	11,068	-	-	5,744	16,812	217,916	10,125	228,041
Finley-Sharon School	2,224,492	10,506	164,916	185,809	-	381,231	10,532	-	-	350,909	361,441	207,366	(59,951)	147,415
Flasher School	2,421,132	11,435	201,262	202,234	9,777	424,708	11,463	-	-	140,577	152,040	225,696	(26,485)	199,211
Fordville Lankin School	1,318,746	6,228	109,624	110,153	-	226,005	6,244	-	-	34,333	40,577	122,933	(6,002)	116,931
Fort Ransom Elem School	363,086	1,715	30,182	30,328	7,383	69,608	1,719	-	-	22,899	24,618	33,847	(2,340)	31,507
Fort Totten School	3,451,561	16,302	286,918	288,305	-	591,525	16,342	-	-	256,759	273,101	321,752	(46,229)	276,523
Fort Yates School	2,606,170	12,309	216,643	217,691	55,367	502,010	12,340	-	-	40,093	52,433	242,946	4,392	247,338
Gackle-Streeter Pub Sch	1,753,881	8,283	145,795	146,500	19,228	319,806	8,304	-	-	44,557	52,861	163,496	(5,707)	157,789
Garrison School	5,185,512	24,491	431,056	433,140	107,697	996,384	24,552	-	-	103,149	127,701	483,390	4,349	487,739
Glen Ulin School	2,634,029	12,440	218,959	220,018	79,265	530,682	12,471	-	-	1,290	13,761	245,543	15,638	261,181
Glenburn School	4,213,006	19,898	350,215	351,908	371,301	1,093,322	19,948	-	-	54,308	74,256	392,734	51,022	443,756
Goodrich School	652,140	3,080	54,210	54,473	-	111,763	3,088	-	-	28,609	31,697	60,792	(5,314)	55,478
Grafton School	10,096,947	47,687	839,330	843,387	82,386	1,812,790	47,807	-	-	92,232	140,039	941,231	1,105	942,336
Grand Forks School	103,474,979	488,706	8,601,573	8,643,152	769,022	18,502,453	489,928	-	-	1,733,932	2,223,860	9,645,875	(218,616)	9,427,259
Great North West Cooperative	401,867	1,898	33,406	33,567	46,840	115,711	1,903	-	-	-	1,903	37,462	8,910	46,372
Grenora School	2,566,628	12,122	213,356	214,388	97,947	537,813	12,152	-	-	38,323	50,475	239,260	13,203	252,463
Griggs County Central Sch	3,577,029	16,894	297,348	298,785	-	613,027	16,936	-	-	450,889	467,825	333,448	(77,940)	255,508
Gst Educational Services	3,597,192	16,989	299,024	300,470	143,526	760,009	17,032	-	-	147,802	164,834	335,328	(5,640)	329,688
Halliday School	1,006,032	4,751	83,628	84,033	5,935	178,347	4,763	-	-	35,162	39,925	93,782	(4,673)	89,109
Hankinson School	3,252,043	15,359	270,333	271,640	-	557,332	15,398	-	-	410,153	425,551	303,153	(76,180)	226,973
Harvey School	5,272,972	24,904	438,327	440,446	111,743	1,015,420	24,966	-	-	92,128	117,094	491,543	198	491,741
Hatton Elison Psd	2,551,136	12,049	212,068	213,094	-	437,211	12,079	-	-	74,088	86,167	237,815	(12,971)	224,844
Hazellon - Moffit School	1,871,774	8,840	155,955	156,347	105,307	426,089	8,862	-	-	120,901	129,763	174,486	(6,629)	167,857
Hazen School	6,497,946	30,689	540,155	542,766	67,999	1,181,609	30,766	-	-	92,120	122,886	605,735	(1,753)	603,982
Hebron School	2,600,620	12,283	216,182	217,227	-	445,692	12,313	-	-	94,316	106,629	242,428	(17,524)	224,904
Hettinger School	3,231,136	15,260	268,595	269,893	-	553,748	15,299	-	-	396,829	412,128	301,205	(73,189)	228,016
Hillsboro School	5,540,262	26,166	460,546	462,772	116,142	1,065,626	26,232	-	-	13,869	40,101	516,460	20,917	537,377
Hope School	1,514,299	7,152	125,879	126,488	64,518	324,037	7,170	-	-	38,647	45,817	141,162	3,023	144,185
Horse Creek Elem. School	59,191	280	4,920	4,944	-	10,144	280	-	-	18,501	18,781	5,518	(3,177)	2,341
James River Multidirect Spec Ed Unit	3,012,671	14,229	250,435	251,645	88,822	605,131	14,264	-	-	-	14,264	280,839	17,097	297,936
Jamestown n School	29,490,845	139,283	2,451,488	2,463,338	-	5,054,109	139,632	-	-	1,431,666	1,571,298	2,749,119	(261,072)	2,488,047
Kenmare School	3,901,568	18,427	324,326	325,894	-	668,647	18,473	-	-	233,089	251,562	363,702	(45,564)	318,138
Kensal School	1,013,886	4,789	84,281	84,689	40,803	214,562	4,800	-	-	-	4,800	94,514	7,664	102,178
Kidder County School District	4,891,113	23,100	406,584	408,549	-	838,233	23,158	-	-	291,833	314,991	455,947	(55,132)	400,815
Killedeer School	5,944,242	28,074	494,127	496,516	120,851	1,139,568	28,144	-	-	92,530	120,674	554,119	8,748	562,867
Kindred School	7,029,996	33,202	584,383	587,208	-	1,204,793	33,285	-	-	234,137	267,422	655,332	(41,273)	614,059
Kulm School	2,404,800	11,358	199,904	200,870	-	412,132	11,386	-	-	116,270	127,656	224,174	(21,082)	203,092

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
 North Dakota Teachers' Fund for Retirement  
 Schedule of Pension Amounts by Employer  
 As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense			
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Proportionate Share of Contributions	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Total Employer Pension Expense
Lake Region Spec Ed	3,779,343	17,850	314,166	315,684	-	647,700	17,894	-	-	289,932	307,826	352,308	(51,591)	300,717
Lakota School	2,596,887	12,265	215,872	216,915	18,466	463,518	12,296	-	-	170,690	182,986	242,080	(31,060)	211,020
Lamoure School	3,510,894	16,582	291,850	293,261	57,545	659,238	16,623	-	-	84,418	101,041	327,283	(2,561)	324,722
Langdon Area School	3,959,931	18,703	329,178	330,769	-	678,650	18,749	-	-	658,690	677,439	369,142	(111,062)	258,080
Larimore School	4,753,188	22,449	395,119	397,029	79,332	893,929	22,505	-	-	331,098	353,603	443,089	(52,998)	360,091
Leeds School	2,402,130	11,345	199,682	200,647	27,217	438,891	11,373	-	-	117,849	129,222	223,925	(14,198)	209,727
Lewi And Clark School	5,934,715	28,029	493,336	495,720	48,266	1,065,351	28,099	-	-	68,192	96,291	553,231	(1,712)	551,519
Lidgerwood School	2,634,132	12,441	218,968	220,026	48,872	500,307	12,472	-	-	100,099	112,571	245,552	(11,875)	233,677
Linton School	3,723,876	17,588	309,555	311,051	-	638,194	17,632	-	-	158,927	176,559	347,137	(30,187)	316,950
Lisbon School	7,849,272	37,072	652,487	655,641	107,589	1,452,789	37,164	-	-	244,772	281,936	731,704	(31,024)	700,680
Litchville-Marion School	1,925,932	9,096	160,097	160,871	9,791	339,855	9,119	-	-	71,484	80,603	179,534	(12,665)	166,869
Little Heart Elem. School	228,871	1,081	19,025	19,117	3,774	42,997	1,084	-	-	10,175	11,259	21,335	(941)	20,394
Logan County	9,198	43	765	768	-	1,576	44	-	-	558	602	857	(101)	756
Lone Tree Elem. School	578,824	2,734	48,116	48,349	55,763	154,962	2,741	-	-	-	2,741	53,958	10,023	63,981
Lonestree Spec Ed Unit	356,398	1,683	29,626	29,770	8,519	69,598	1,687	-	-	2,757	4,444	33,223	869	34,092
Maddock School	2,217,368	10,472	184,323	185,214	-	390,009	10,499	-	-	66,840	77,339	206,702	(11,180)	195,522
Mandan Public Schools	43,525,378	205,568	3,618,138	3,635,627	1,289,551	8,748,884	206,082	-	-	-	206,082	4,057,409	248,823	4,306,232
Mandaree School	3,757,496	17,746	312,350	313,860	52,815	696,771	17,791	-	-	208,286	226,077	350,271	(32,855)	317,416
Manning Elem School	191,260	903	15,899	15,976	-	49,490	906	-	-	6,455	7,361	17,829	2,267	20,996
Manvel Elem. School	1,811,331	8,555	150,571	151,298	33,319	343,743	8,576	-	-	51,776	60,352	168,851	(4,802)	164,049
Maple Valley School	3,575,076	16,885	297,186	298,622	-	612,693	16,927	-	-	189,117	206,044	333,266	(34,246)	299,020
Mapleton Elem. School	1,519,950	7,179	126,349	126,960	17,201	277,689	7,197	-	-	60,569	67,766	141,689	(6,655)	135,034
Marmarth Elem. School	404,591	1,911	33,632	33,795	59,437	128,775	1,916	-	-	37,936	39,852	37,716	2,319	40,035
Max School	2,670,420	12,612	221,984	223,057	19,378	477,031	12,644	-	-	26,222	38,866	248,935	(2,015)	246,920
May-Port C-G School	6,195,840	29,263	515,042	517,532	67,917	1,129,754	29,336	-	-	23,727	53,063	577,572	9,628	587,200
McClusky School	1,673,529	7,904	139,116	139,788	66,394	353,202	7,924	-	-	151,229	159,153	156,005	(19,180)	136,825
Mckenzie County	90,699	428	7,540	7,576	-	15,544	429	-	-	25,968	26,397	8,455	(4,614)	3,841
Mckenzie County School	14,785,128	69,829	1,229,045	1,234,986	2,173,914	4,707,774	70,004	-	-	-	70,004	1,378,261	401,444	1,779,705
Medina School	2,335,682	11,031	194,158	195,097	106,745	507,031	11,059	-	-	74,555	85,614	217,731	2,880	220,611
Menoken Elem School	353,116	1,668	29,353	29,495	40,111	100,627	1,672	-	-	-	1,672	32,917	6,864	39,781
Midkota	2,200,169	10,391	182,894	183,778	-	377,063	10,417	-	-	205,297	215,714	205,098	(37,076)	168,022
Midway School	3,308,463	15,626	275,023	276,352	76,620	643,621	15,665	-	-	96,879	112,544	308,413	(6,606)	301,807
Minor School	3,100,035	14,641	257,697	258,943	-	531,281	14,678	-	-	279,690	294,368	288,983	(47,794)	241,189
Minnewaukan School	3,853,876	18,202	320,362	321,910	1,738	662,212	18,247	-	-	126,861	145,108	359,256	(25,082)	334,174
Minot School	98,237,700	463,971	8,166,214	8,205,688	-	16,835,873	465,131	-	-	1,880,554	2,325,685	9,157,659	(342,986)	8,814,673
Minto School	2,617,547	12,363	217,589	218,641	7,027	455,620	12,393	-	-	58,346	70,739	244,006	(8,318)	235,688
Mohall Lansford Sherwood	4,876,739	23,033	405,389	407,349	-	835,771	23,090	-	-	467,253	490,343	454,607	(81,583)	373,024
Montpelier School	1,720,104	8,124	142,987	143,678	38,093	332,882	8,144	-	-	-	8,144	160,347	6,455	166,802
Morton County	68,886	325	5,726	5,754	2,096	13,901	326	-	-	-	326	6,422	399	6,821
Mott-Regent School	3,479,877	16,435	289,272	290,670	-	596,377	16,476	-	-	94,676	111,152	324,392	(17,480)	306,912

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
 North Dakota Teachers' Fund for Retirement  
 Schedule of Pension Amounts by Employer  
 As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense			
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Pension Expense	Total Employer Pension Expense
Mt Pleasant School	3,717,808	17,559	309,051	310,544	48,399	685,553	17,603	-	-	17,603	346,572	9,427	355,999	
Munich School	2,111,236	9,971	175,501	176,349	138,025	499,846	9,996	-	-	9,996	196,808	24,464	221,272	
N Ctrl Area Career And Tech Ctr	327,749	1,548	27,245	27,376	-	56,169	1,552	-	-	1,552	14,728	30,553	(2,311)	28,242
Napoleon School	3,347,635	15,811	278,279	279,624	-	573,714	15,850	-	-	15,850	312,064	(18,656)	293,408	
Naughton Rural School	167,161	789	13,896	13,963	3,210	31,858	791	-	-	791	15,583	195	15,778	
Nd Center For Distance Education	2,974,248	14,047	247,241	248,436	595,457	1,105,181	14,082	-	-	14,082	277,258	84,381	361,639	
Nd Dept Of Public Instruction	419,094	1,979	34,838	35,006	101,584	173,407	1,984	-	-	1,984	39,068	16,029	55,097	
Nd School For Blind	1,608,175	7,595	133,683	134,329	35,742	311,349	7,614	-	-	7,614	149,913	(1,415)	148,498	
Nd School For Deaf	1,990,301	9,400	165,448	166,248	26,861	367,957	9,424	-	-	9,424	185,535	(6,858)	178,677	
Nd United	703,962	3,325	58,518	58,801	-	120,644	3,333	-	-	3,333	65,623	(4,228)	61,395	
Nd Youth Correctional Cnt	2,770,438	13,085	230,298	231,412	23,559	498,354	13,117	-	-	13,117	258,259	(9,815)	248,444	
Nedrose School	5,535,523	26,144	460,152	462,376	1,527,675	2,476,347	26,209	-	-	26,209	516,018	255,781	771,799	
Nelson County	27,584	130	2,293	2,304	459	5,186	131	-	-	131	2,571	89	2,660	
Nesson School	3,671,003	17,338	305,160	306,635	178,823	807,956	17,381	-	-	17,381	342,209	31,481	373,690	
New England School	3,096,901	14,626	257,436	258,681	219,052	749,795	14,663	-	-	14,663	288,691	39,687	328,378	
New Public School	4,583,716	21,649	381,031	382,873	-	785,553	21,703	-	-	21,703	427,291	(51,640)	375,651	
New Rockford Sheyenne School	3,847,575	18,172	319,838	321,384	4,668	664,062	18,217	-	-	18,217	358,669	(30,072)	328,597	
New Salem-Almont	3,829,992	18,089	318,376	319,915	138,482	794,862	18,134	-	-	18,134	357,030	(8,980)	348,050	
New Town School	9,704,784	45,835	806,730	810,630	274,298	1,937,493	45,950	-	-	45,950	904,674	18,014	922,688	
Newburg United District	1,483,423	7,006	123,313	123,909	21,354	275,582	7,024	-	-	7,024	138,284	1,812	140,096	
North Border School	6,514,697	30,769	541,548	544,166	308,961	1,425,444	30,845	-	-	30,845	607,296	(19,622)	587,674	
North Sargent School	3,415,479	16,131	283,919	285,291	279,268	864,609	16,171	-	-	16,171	352,897	46,979	399,876	
North Star	3,785,664	17,879	314,691	316,212	113,399	762,181	17,924	-	-	17,924	352,897	20,097	372,994	
North Valley Area Career	1,156,820	5,464	96,163	96,628	-	198,255	5,477	-	-	5,477	107,838	(37,067)	70,771	
Northern Cass School Dist	6,279,446	29,657	521,992	524,515	181,143	1,257,307	29,732	-	-	29,732	585,366	31,260	616,626	
Northern Plains Spec Ed	598,965	2,829	49,790	50,031	82,841	185,491	2,836	-	-	2,836	55,835	14,006	69,841	
Northwood School	3,460,965	16,346	287,700	289,091	131,112	724,249	16,387	-	-	16,387	322,629	22,024	344,653	
Oakes School	4,546,619	21,473	377,947	379,774	-	779,194	21,527	-	-	21,527	423,833	(28,708)	395,125	
Oberon Elem School	629,180	2,972	52,302	52,555	-	107,829	2,979	-	-	2,979	58,652	(54,121)	4,531	
Oliver - Mercer Spec Ed	2,248,517	10,620	186,913	187,816	52,460	437,809	10,646	-	-	10,646	209,605	10,466	220,071	
Page School	1,529,799	7,225	127,168	127,782	-	262,175	7,243	-	-	7,243	142,607	(17,547)	125,060	
Park River Area School District	4,592,296	21,689	381,744	383,589	-	787,022	21,743	-	-	21,743	428,091	(50,679)	377,412	
Parshall School	3,821,506	18,049	317,671	319,206	-	654,926	18,094	-	-	18,094	356,238	(38,941)	317,297	
Peace Garden Spec Ed	1,205,800	5,695	100,235	100,719	57,042	263,691	5,709	-	-	5,709	112,404	11,284	123,688	
Pembina Spec Ed Coop	239,018	1,129	19,869	19,965	-	40,963	1,132	-	-	1,132	104,928	(20,919)	1,362	
Pingree - Buchanan School	1,859,154	8,781	154,546	155,293	15,623	334,243	8,803	-	-	8,803	173,309	(6,630)	166,679	
Pleasant Valley Elem	-	-	-	-	-	-	-	-	-	-	23,764	(4,753)	(4,753)	
Powers Lake School	2,544,200	12,016	211,492	212,514	111,818	547,840	12,046	-	-	12,046	237,169	19,725	256,894	
Richardton-Taylor	3,867,461	18,266	321,491	323,045	78,644	741,446	18,311	-	-	18,311	360,522	(3,586)	356,936	
Richland School	3,266,307	15,427	271,519	272,831	-	559,777	15,465	-	-	15,465	304,483	(60,826)	243,657	

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
 North Dakota Teachers' Fund for Retirement  
 Schedule of Pension Amounts by Employer  
 As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense				
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Proportionate Share of Contributions	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Robinson School	-	-	-	-	-	-	-	-	-	111,232	111,232	-	(20,228)	(20,228)	
Rolette County	-	-	-	-	-	-	-	-	-	5,687	5,687	-	(1,137)	(1,137)	
Rolette School	2,716,716	12,831	225,833	226,924	86,591	552,179	12,863	-	-	22,360	35,223	253,251	13,591	266,842	
Roosevelt School	959,426	4,531	79,754	80,140	36,598	201,023	4,543	-	-	34,186	38,729	89,437	(737)	88,700	
Roughrider Area Career & Tech Ctr	215,173	1,016	17,887	17,973	-	36,876	1,019	-	-	125,986	127,005	20,058	(21,413)	(1,355)	
Roughrider Service Program	682,966	3,226	56,773	57,047	288,326	405,372	3,234	-	-	-	3,234	63,666	52,492	116,158	
Rugby School	7,252,454	34,253	602,875	605,790	-	1,242,918	34,339	-	-	-	55,762	676,069	(9,483)	666,586	
Rural Cass Spec Ed	2,442,378	11,535	203,028	204,009	-	418,572	11,564	-	-	-	47,111	58,675	(9,389)	218,288	
Sargent Central School	3,229,508	15,265	268,460	269,757	-	553,470	15,291	-	-	-	64,754	301,053	(12,925)	288,128	
Sawyer School	1,976,282	9,334	164,283	165,077	48,597	387,291	9,357	-	-	-	81,531	90,888	(3,869)	180,359	
Scranton School	2,444,377	11,545	203,194	204,176	22,217	441,132	11,574	-	-	-	84,467	96,041	(9,635)	218,228	
Se Region Career And Tech	3,221,856	15,217	267,823	269,118	29,369	581,527	15,255	-	-	-	15,255	300,339	5,174	305,513	
Selfridge School	1,971,369	9,311	163,874	164,666	19,399	357,250	9,334	-	-	-	23,002	32,336	(1,368)	182,402	
Sheyenne Valley Area Voc	1,677,649	7,923	139,458	140,132	16,155	303,668	7,943	-	-	-	27,257	35,200	(156,389)	(2,760)	153,629
Sheyenne Valley Spec Ed	3,364,181	15,889	279,655	281,006	50,724	627,274	15,929	-	-	-	317,123	333,052	(42,709)	270,898	
Slope County	55,585	263	4,621	4,643	-	9,527	263	-	-	-	1,221	1,484	(224)	4,958	
Solen - Cannonball School	3,479,327	16,433	289,226	290,624	-	596,283	16,474	-	-	-	385,230	401,704	(75,902)	248,439	
Souris Valley Spec Ed	3,365,978	15,897	279,804	281,156	-	576,857	15,937	-	-	-	223,603	239,540	(37,795)	275,979	
South Cent. Prairie Sp Ed	226,144	1,068	18,799	18,890	-	38,757	1,071	-	-	-	4,659	5,730	(21,081)	(877)	20,204
South Heart School	3,472,970	16,403	288,698	290,093	220,134	815,328	16,444	-	-	-	-	16,444	323,748	40,724	364,472
South Prairie Elem School	4,509,442	21,298	374,857	376,669	996,750	1,769,574	21,351	-	-	-	21,351	420,367	170,400	590,767	
South Valley Spec Ed	978,692	4,622	81,356	81,749	44,972	212,699	4,634	-	-	-	470,016	474,650	(91,233)	(69,342)	21,891
Southwest Special Education Unit	142,816	675	11,872	11,929	-	24,476	676	-	-	-	5,487	6,163	(1,078)	12,235	
St. John'S School	5,619,229	26,539	467,110	469,368	29,294	992,311	26,606	-	-	-	113,752	140,358	(13,100)	510,721	
St. Thomas School	1,456,149	6,877	121,045	121,631	596	250,149	6,895	-	-	-	101,206	108,101	(135,741)	(16,749)	118,992
Stanley School	7,310,493	34,527	607,700	610,638	169,606	1,422,471	34,613	-	-	-	59,838	94,451	681,480	23,948	705,428
Starkweather School	1,291,791	6,101	107,383	107,902	-	221,386	6,116	-	-	-	70,126	76,242	(12,489)	107,931	
Sterling School	562,640	2,657	46,771	46,997	25,838	122,263	2,664	-	-	-	-	2,664	52,449	5,048	57,497
Strasburg School District	1,827,485	8,631	151,914	152,648	19,219	332,412	8,653	-	-	-	142,522	151,175	(25,301)	145,056	
Surrey School	5,361,823	25,324	445,713	447,867	19,998	938,902	25,387	-	-	-	43,749	499,826	(3,291)	496,535	
Sweet Briar Elem School	188,870	892	15,700	15,776	4,607	36,975	894	-	-	-	-	894	17,606	797	18,403
Tgu School District	6,096,915	28,795	506,819	509,269	-	1,044,883	28,867	-	-	-	128,378	157,245	(23,625)	544,726	
Thompson School	4,702,535	22,210	390,908	392,798	101,127	907,043	22,265	-	-	-	85,465	107,730	(438,367)	(238)	438,129
Tioga School	6,813,709	32,181	566,404	569,142	528,153	1,695,880	32,261	-	-	-	-	32,261	635,170	100,765	735,935
Turtle Lake-Mercer School	2,591,196	12,238	215,399	216,440	-	444,077	12,269	-	-	-	276,050	288,319	(51,433)	190,117	
Tw in Buttes Elem. School	905,079	4,275	75,237	75,600	-	155,112	4,285	-	-	-	136,633	140,918	(23,634)	60,737	
Underood School	3,454,875	16,317	287,194	288,582	-	592,093	16,358	-	-	-	91,890	108,248	(16,253)	305,808	
United School	6,604,080	31,191	548,978	551,632	1,055	1,132,856	31,191	-	-	-	223,955	255,224	(44,615)	571,013	
Upper Valley Spec Ed	5,445,455	25,719	452,665	454,853	109,867	1,043,104	25,783	-	-	-	55,209	80,992	(507,622)	12,773	520,395
Valley - Edinburg School	3,841,953	18,145	319,370	320,914	272,379	930,808	18,191	-	-	-	55,127	73,318	(358,145)	34,371	392,516

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
Schedule of Pension Amounts by Employer  
As of and for the year ended June 30, 2016

Employer Name	Deferred Outflows of Resources					Deferred Inflows of Resources					Pension Expense			
	Net Pension Liability for the year ended June 30, 2016	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Valley City School	13,610,390	64,281	1,131,392	1,136,861	142,270	2,474,804	64,442	-	-	739,583	804,025	1,268,752	(124,205)	1,144,547
Velva School	5,592,262	26,412	464,868	467,116	-	958,396	26,478	-	-	150,178	176,656	521,307	(29,147)	492,160
Wahpeton School	15,112,734	71,377	1,256,278	1,262,350	-	2,590,005	71,555	-	-	414,685	486,240	1,408,800	(71,926)	1,336,874
Ward County	63,739	301	5,298	5,324	-	10,923	302	-	-	1,335	1,637	5,942	(229)	5,713
Warwick School	3,883,123	18,340	322,793	324,353	223,997	889,483	18,386	-	-	244,638	263,024	361,982	4,026	366,008
Washburn School	3,734,842	17,639	310,466	311,967	104,595	744,667	17,684	-	-	15,471	33,155	348,160	14,338	362,498
West Fargo School	120,758,557	570,335	10,038,307	10,086,831	6,902,055	27,597,527	571,762	-	-	-	571,762	11,257,040	1,241,183	12,498,223
West River Student Services	1,558,838	7,362	129,582	130,208	85,167	352,319	7,381	-	-	34,024	41,405	145,314	11,363	156,677
Westhove School	2,407,909	11,372	200,162	201,130	89,712	502,376	11,401	-	-	77,967	89,368	224,464	4,948	229,412
White Shield School	3,165,683	14,951	263,154	264,426	-	542,531	14,989	-	-	186,781	201,770	295,103	(33,654)	261,449
Williston School	41,463,698	195,831	3,446,756	3,463,418	3,884,063	10,990,068	196,320	-	-	-	196,320	3,865,221	724,655	4,589,876
Wilmac Special Education	7,502,804	35,435	623,686	626,701	791,504	2,077,326	35,524	-	-	-	35,524	699,407	144,484	843,891
Wilton School	2,900,777	13,700	241,133	242,299	24,013	521,145	13,734	-	-	-	13,734	270,409	4,224	274,633
Wing School	1,486,088	7,019	123,534	124,131	-	254,684	7,036	-	-	65,918	72,954	138,532	(11,680)	126,852
Wishek School	2,724,046	12,866	226,442	227,537	17,151	483,996	12,898	-	-	41,645	54,543	253,934	(3,511)	250,423
Wolford School	1,167,707	5,515	97,068	97,537	33,333	233,453	5,529	-	-	33,147	38,676	108,853	1,143	109,996
Wyndmere School	3,168,399	14,964	263,380	264,653	-	542,997	15,002	-	-	172,056	187,056	295,356	(31,646)	263,710
Yellowstone Elem. School	1,138,053	5,375	94,603	95,060	41,826	236,864	5,388	-	-	67,953	73,341	106,089	(2,960)	103,129
Zeeland School	845,839	3,995	70,312	70,652	-	144,959	4,005	-	-	185,337	189,342	78,849	(32,073)	46,776
<b>Total for all entities</b>	<b>\$ 1,465,058,563</b>	<b>\$ 6,919,383</b>	<b>\$ 121,786,048</b>	<b>\$ 122,374,747</b>	<b>\$ 32,631,925</b>	<b>\$ 283,712,103</b>	<b>\$ 6,936,686</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,631,925</b>	<b>\$ 39,568,611</b>	<b>\$ 136,571,873</b>	<b>\$ -</b>	<b>\$ 136,571,873</b>

Note: Columns may not foot due to rounding.

The accompanying notes are an integral part of the Schedule of Pension Amounts by Employer

North Dakota Retirement and Investment Office -  
North Dakota Teachers' Fund for Retirement  
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**Note 1 – Nature and Organization of the Pension Plan**

***North Dakota Teachers' Fund for Retirement***

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

***Pension Benefits***

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

***Tier 1 Grandfathered***

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

***Tier 1 Non-grandfathered***

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially

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reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

*Tier 2*

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

***Death and Disability Benefits***

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

***Member and Employer Contributions***

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Refunded members forfeit all

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service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

**Note 2 - Measurement Focus and Basis of Accounting**

The schedules are presented in accordance with the standards issued by the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities. As prescribed by GASB they are reported using the economic resources measurement focus and the accrual basis of accounting.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Fund for Retirement (TFFR) and additions to/deductions from TFFR's fiduciary net position have been determined on the same basis as they are reported by TFFR. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 3 - Net Pension Liability**

The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employers' proportions of the net pension liability are based on the Employers' shares of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. The components of the net pension liability were as follows (expressed in thousands):

Total pension liability	\$ 3,589,394
Plan fiduciary net position	<u>(2,124,335)</u>
Net pension liability (NPL)	<u>\$ 1,465,059</u>

**Note 4 - Actuarial Assumptions**

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	4.25% to 14.50%, varying by service, including inflation and productivity
Investment rate of return	7.75%, net of investment expenses
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the RP-2014 Employee Mortality Table, projected generationally using Scale MP-2014. For healthy retirees, mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table set back one year, multiplied by 50% for ages under 75 and grading

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up to 100% by age 80, projected generationally using Scale MP-2014. For disabled retirees, mortality rates were based on the RP-2014 Disabled Mortality Table set forward four years.

The actuarial assumptions used were based on the results of an actuarial experience study dated April 30, 2015. They are the same as the assumptions used in the July 1, 2016, funding actuarial valuation for TFFR.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equities	58%	7.3%
Global Fixed Income	23%	0.9%
Global Real Assets	18%	5.3%
Cash Equivalents	1%	0.0%

***Discount rate***

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2016 Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.

***Sensitivity of Net Pension Liability***

The following presents the net pension liability of the TFFR employers calculated using the discount rate of 7.75% as of June 30, 2016, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Employers' net pension liability	\$ 1,900,291,033	\$ 1,465,058,563	\$ 1,102,551,032

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***Note 5 - ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION***

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (including the disclosure of the net pension liability and the unmodified audit opinion on the financial statements) is located in the North Dakota Retirement and Investment Office's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The supporting actuarial information is included in the June 30, 2016, GASB Statements No. 67 and 68 Accounting and Financial Reporting for Pensions actuarial valuation for the retirement plan. The additional financial and actuarial information is available at <http://www.nd.gov/rio/TFFR/> or by contacting RIO at: ND Retirement and Investment Office, 1930 Burnt Boat Drive, P.O. Bo 7100, Bismarck, ND 58507-7100 or by calling (701) 328-9885.

**Independent Auditors' 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***

Governor Jack Dalrymple  
The Legislative Assembly  
David Hunter, Executive Director/CIO  
State Investment Board  
Teacher's Fund for Retirement Board  
North Dakota Retirement and Investment Office

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of employer allocations and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense as of and for the year ended June 30, 2016 (specified column totals), included in the schedule of pension amounts by employer of the North Dakota Retirement and Investment Office - North Dakota Teachers' Fund for Retirement (TFFR), and have issued our report thereon dated December 22, 2016.

**Internal Control over Financial Reporting**

Management of the North Dakota Retirement and Investment Office (RIO), which includes TFFR, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered RIO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of RIO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of RIO's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether RIO's schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of RIO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RIO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Baltimore, Maryland  
December 22, 2016

**RETIREMENT AND INVESTMENT OFFICE**  
**AUDIT SERVICES**  
**2016 – 2017 3<sup>rd</sup> Quarter Audit Activities Report**  
**January 1, 2017 – March 31, 2017**

The audit objective of Audit Services is twofold: first, to provide comprehensive, practical audit coverage of the Retirement and Investment Office (RIO) programs; second, to assist RIO management and the State Investment Board (SIB) by conducting special reviews or audits.

Audit coverage is based on the July 1, 2016 through June 30, 2017 work plan approved by the SIB Audit Committee. The audit activities undertaken are consistent with the Audit Services charter and goals, and the goals of RIO. To the extent possible, our audits are being carried out in accordance with the International Standards for the Professional Practice of Internal Auditing. Audit effort is being directed to the needs of RIO and the concerns of management and the SIB Audit Committee.

**Retirement Program Audit Activities**

• **TFFR Employer Auditing**

We examine employer reporting to the Teachers' Fund for Retirement (TFFR) to determine whether retirement salaries and contributions reported for members of TFFR are in compliance with the definition of salary as it appears in NDCC 15-39.1-04(10). Other reporting procedures reviewed during the audit process are calculation of service hours and eligibility for TFFR membership. A written report is issued after each audit examination is completed.

During the 3<sup>rd</sup> quarter:

- Five TFFR Employer Audits were completed which included:
  - One Special Audit, One NIC Review, and Three TFFR Compliance Audits
- Six TFFR Compliance Audits were in progress
- Three TFFR Compliance Audits were pending but not yet started

A total of twenty one TFFR Employer Audits have been completed as of March 31, 2017. This included two Special Audits, one NIC Review, and eighteen TFFR Compliance Audits. Audit Services anticipates that an additional four TFFR Compliance Audits will close prior to the end of the fiscal year.

This is an area that requires special emphasis due to the level of risk identified through previous audit results. Our long-range plans include auditing each employer over an eight year period.

• **TFFR File Maintenance Audits**

Audit Services tests changes made to TFFR member account data by RIO employees on a quarterly basis. Audit tables are generated and stored indicating any file maintenance changes made to member accounts. The TFFR File Maintenance Audit for the second quarter of fiscal year 2017 was completed and no exceptions were noted.

• **Annual Salary Verification Project**

On an annual basis Audit Services verifies retirement salaries and contributions reported to TFFR for the prior fiscal year for 50 randomly selected member accounts. Data analysis and sampling work commenced towards the end of March. It is anticipated that the bulk of the work including employer notifications will occur during the month of April with the audit concluding in early May.

This year the population from which member accounts are selected for this project was altered slightly to ensure a greater number of unique participating employers would be included. Participating employers who have been audited by Audit Services or RIO's external auditors in the last 12 months were eliminated from the population. Audit Services believes this change has had a very positive outcome on the project thus far. A majority of members selected are from employers who have not had contact with Audit Services in at least 2 to 3 years.

## **Administrative and Investment Audit Activities**

### **• Executive Limitation Audit**

On an annual basis Audit Services reviews the Executive Director/CIO's level of compliance with SIB Governance Manual Executive Limitation policies A-1 through A-11. The Executive Limitation Audit for calendar year 2016 was completed in February 2017. Audit Services was sufficiently satisfied that the Executive Director/CIO was in compliance with SIB Governance Manual Executive Limitation policies A-1 through A-11 during calendar year 2016. The SIB Audit Committee approved the Executive Limitation Audit on February 23, 2017 and the SIB approved the Executive Limitation Audit on February 24, 2017.

In February 2017 the SIB approved the formation of an Executive Review Committee for the purpose of evaluating the Executive Director/CIO of the North Dakota Retirement and Investment Office, Mr. David Hunter. The assistance of Audit Services has been requested to facilitate a survey of current SIB members. It is anticipated that the survey will be administered in April 2017 and the results provided to the Executive Review Committee shortly thereafter. It is unlikely that additional assistance will be required following completion of the survey.

### **Professional Development Activities**

Audit Services continues to pursue networking and professional development opportunities via the IIA's local chapter, Central Nodak. Staff attended monthly IIA meetings throughout the quarter which covered topics including a federal income tax update and discussion on financial exploitation. In March 2017 Audit Services staff attended a working session which facilitated discussions among attendees on the topics of audit reports and audit committees.

### **Summary**

Audit effort is directed to activities that are of greatest concern to the SIB Audit Committee, RIO Management, and our external audit partners. Audit Services will continue to work closely with the SIB Audit Committee, RIO Management, and our external audit partners to continue to improve overall efficiency, effectiveness, and economy of total audit activity.

**REPORT ON COMPLIANCE AUDIT  
FOR REPORTING AND PAYMENTS  
TO THE TEACHERS' FUND FOR RETIREMENT  
POWERS LAKE PUBLIC SCHOOL DISTRICT  
February 10, 2017**

**PURPOSE**

The Teachers' Fund for Retirement (TFFR) Board of Trustees, through the Retirement and Investment Office (RIO), is responsible for ensuring that required reports and payments for TFFR members are made by public school districts and other member employers. This responsibility is contained in Chapter 15-39.1, NDCC, and most specifically, section 15-39.1-23, NDCC.

An Audit Program (AP) has been established within RIO to carry out this responsibility. This AP is in conjunction with and in addition to the audit performed by RIO's external auditors. Independent reports are filed with RIO/TFFR Management upon completion. Independent reports are filed with the Audit Committee of the State Investment Board (SIB) quarterly. All independent reports filed with the Audit Committee of the SIB are published on the RIO website in compliance with North Dakota open records and meetings laws.

**SCOPE**

This audit is designed to test the accuracy of retirement salaries and contributions reported by the employer to determine compliance with the definition of salary as it appears in NDCC 15-39.1-04(9). The employer's master contracts, employer payment plan, salary schedules, extra-curricular payment schedules, along with the individual teacher contracts, are used in the examination.

A representative sample of TFFR accounts was selected from members of the employer for the 2013/14 through 2014/15 school years. For each school year under audit, member accounts were selected from the final Employer's Report of Member and Employer Contributions. Member contributions, employer contributions, and salaries reported for the selected members were examined. Please reference the worksheet labeled *Primary Test*.

The Primary Test calculates the member and employer contributions due to TFFR based on the information provided by the employer. The results are then compared to the amounts actually reported by the employer for the years being audited.

The Primary Test did not disclose any reporting procedure used by the employer that would affect a large portion of the population for fiscal years 2013/14 through 2014/15. Therefore, the Primary Test was not expanded to include 100 percent of the members.

However, it is the policy of the TFFR Board that the time limitation applied to reporting errors shall be from the onset of the error or 36 months prior to the beginning of the current school year.

**FINDINGS**

In our opinion, for the time period covered in the audit, the retirement salaries for fiscal years 2013/14 through 2014/15 reported by the Powers Lake Public School District are in compliance with the definition of salary as it appears in NDCC 15-39.1-04 (9). The following findings were noted.

1. The employer reported ineligible unused leave reimbursement for twelve members.
2. The employer did not report eligible professional development salary for twenty-one members.
3. The employer did not report eligible salary earned under an extended contract for one member.
4. The employer did not report eligible in-staff substitute teaching salary for two retirees who have returned to covered employment.
5. The employer reported eligible salary after deduction for a miscellaneous expense for one member.
6. The employer reported summer salary in the wrong fiscal year for four members.
7. The employer reported service hours incorrectly for two members.
8. The employer does not actively monitor retirees who have returned to covered employment to ensure that they do not exceed the maximum allowable hours.

## **RECOMMENDATIONS AND CORRECTIVE ACTION**

TFFR recommends that personnel review the *TFFR Employer Guide* for assistance in reporting salary to TFFR. The website address is [www.nd.gov/rio/TFFR/Publications](http://www.nd.gov/rio/TFFR/Publications). TFFR also reminds personnel that written documentation describing payment details is critical in determining if salary or special payments are eligible TFFR retirement salary. Such documentation will be required by the staff of the RIO and the TFFR Board when considering such matters. It is the responsibility of the employer to maintain such documentation and provide upon request.

### **Finding 1:**

The employer reported ineligible unused leave reimbursement for twelve members. Payments received for unused sick leave, personal leave, vacation leave, or other unused leave are ineligible salary and therefore not reportable to TFFR. Due to the immaterial dollar amount of the error, ten of the twelve member accounts will not require corrections. The two remaining member accounts will be corrected and RIO will notify the members that adjustments have been made to their account. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

### **Finding 2:**

The employer did not report eligible professional development salary for twenty one members. Payments received for participation in workshops, in-services, and other professional development activities are eligible salary and therefore reportable to TFFR. This excludes reimbursement for expenses or tuition. Due to the immaterial dollar amount of the error, nineteen of the twenty one member accounts will not require corrections. The two remaining member accounts will be corrected and RIO will notify the members that adjustments have been made to their account. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

### **Finding 3:**

The employer did not report eligible salary earned under an extended contract for one member. A member's earnings from eligible employment in teaching, supervisory, administrative, and extracurricular services are eligible salary and therefore reportable to TFFR. This includes any payments received due to the extension of a previously issued contract. The member account will be corrected and RIO will notify the member that an adjustment has been made to their account. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

### **Finding 4:**

The employer did not report eligible in-staff substitute teaching salary for two retirees who have returned to covered employment. In-staff substitute teaching is defined as a licensed contracted teacher, including a re-employed retiree, who performs substitute teaching duties for the contracting employer. Payments received for in-staff substitute teaching are eligible salary and therefore reportable to TFFR. Due to the immaterial dollar amount of the error, one of the two member accounts will not require corrections. The remaining member account will be corrected and RIO will notify the member that adjustments have been made to their account. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

### **Finding 5:**

The employer reported eligible salary after deduction for a miscellaneous expense for one member. A deduction for a miscellaneous expense was taken prior to the calculation of TFFR contributions causing salary and contributions to be under reported to TFFR. Due to the immaterial dollar amount of the error, the member account will not require correction. Please reference the worksheet labeled *Primary Test* for additional information.

### **Finding 6 & Finding 7:**

The employer reported summer salary in the wrong fiscal year for four members and reported service hours incorrectly for two members. Eligible salary is reportable to TFFR in the fiscal year in which the salary is earned, regardless of when the funds are actually paid. Payments received for teaching summer school in June must be reported in the current fiscal year while payments received for teaching summer school in July and August must be reported the following year. Due to the immaterial dollar amount of the error, one of the four member accounts will not require corrections. The three remaining member accounts will be corrected and RIO will notify the members that adjustments have been made to their account. The reporting of summer salary in the wrong fiscal year also caused service hours to be reported incorrectly for two of the four members. One member did not earn a full year of service elsewhere, so a correction to reported service hours will be required. Please reference the worksheets labeled *Primary Test*, *Changes in Salaries and Contributions*, and *Service Hours Correction* for additional information.

**Finding 8:**

The employer does not actively monitor retirees who have returned to covered employment to ensure that they do not exceed the maximum allowable hours. State law allows retirees who are receiving TFFR retirement benefits to return to covered employment under certain limitations. One such limitation is the General Rule – Annual Hour Limit. Retirees who return to covered employment under the General Rule are restricted in the number of hours which can be worked based on the length of the contract issued. If a retiree exceeds the hour limitations, TFFR must discontinue payment of retirement benefits. The employer is required to report actual hours worked by retirees who have returned to covered employment to TFFR with the exception of non-contracted substitute teaching, professional development, and extracurricular duty hours which do not apply to the annual hour limit. It is recommended that the employer establish procedures to monitor retirees who have returned to covered employment to ensure proper reporting of hours to TFFR.

The amount of contributions due with interest is \$428.59. An invoice for the amount of contributions due is included. It is the responsibility of the employer to collect contributions due from the members or refund contributions overpaid to the members. Please reference the worksheet labeled *Salary Correction Summary* for additional details. **Please provide payment for the contributions due and provide a written response detailing actions to be taken to correct the above findings by March 10, 2017.**

The findings and recommendations in this compliance audit are based on state statutes and rules in effect during the audit period. Legislative and rule changes may occur after the audit period. Therefore, any future modifications to negotiated agreements, salary schedules, or special payments should be discussed with TFFR in advance to confirm whether amounts should be reported as eligible TFFR salary and subject to member and employer contributions. Written authorization and documentation describing the payment details will be requested in order to make eligible salary determinations.

In addition to the compliance audit, all accounts are reviewed as members notify the TFFR of their intent to retire.



Terra L. Miller Bowley  
Supervisor of Audit Services  
Enclosures

**REPORT ON COMPLIANCE AUDIT  
FOR REPORTING AND PAYMENTS  
TO THE TEACHERS' FUND FOR RETIREMENT  
LANGDON PUBLIC SCHOOL DISTRICT  
SPECIAL AUDIT – FISCAL YEAR 2016  
FEBRUARY 24, 2017**

**PURPOSE**

The Teachers' Fund for Retirement (TFFR) Board of Trustees, through the Retirement and Investment Office (RIO), is responsible for ensuring that required reports and payments for TFFR members are made by public school districts and other member employers. This responsibility is contained in Chapter 15-39.1, NDCC, and most specifically, section 15-39.1-23, NDCC.

An Audit Program (AP) has been established within RIO to carry out this responsibility. This AP is in conjunction with and in addition to the audit performed by RIO's external auditors. Independent reports are filed with RIO/TFFR Management upon completion. Independent reports are filed with the Audit Committee of the State Investment Board (SIB) quarterly. All independent reports filed with the Audit Committee of the SIB are published on the RIO website in compliance with North Dakota open records and meetings laws.

**SCOPE**

This audit is designed to test the accuracy of retirement salaries and contributions reported by the employer to determine compliance with the definition of salary as it appears in NDCC 15-39.1-04(9). The employer's master contracts, employer payment plan, salary schedules, extra-curricular payment schedules, and individual teacher contracts were used in the examination. Member contributions, employer contributions, and salaries reported for members were examined. Please reference the worksheet labeled *Primary Test*.

The *Primary Test* calculates the member and employer contributions due to TFFR based on the information provided by the employer. The results are then compared to the amounts actually reported by the employer for the year being audited. The *Primary Test* did disclose a reporting procedure used by the employer that would affect a large portion of the population for fiscal year 2016. Therefore, the *Primary Test* was expanded to include 100 percent of the members.

**FINDINGS**

In our opinion, for the time period covered in the audit, the retirement salaries for fiscal year 2016 reported by the Langdon Public School District were not in compliance with the definition of salary as it appears in NDCC 15-39.1-04 (9).

The following findings were noted during the special audit:

1. The employer did not report contracted teaching salary for twenty-nine members.
2. The employer did not report extended contract salary for two members.
3. The employer did not report extra-curricular salary for sixteen members.
4. The employer reported extra-curricular salary for one member in the wrong fiscal year.
5. The employer did not report in-staff substitute teaching salary for fourteen members.
6. The employer did not report summer salary for three members.
7. The employer did not report professional development salary for one member.
8. The employer reported salary which was not earned for one member.
9. The employer did not report two retirees who have returned to covered employment.

**RECOMMENDATIONS AND CORRECTIVE ACTION**

TFFR recommends that employer personnel review the *TFFR Employer Guide* for assistance in reporting salary to TFFR. The website address is [www.nd.gov/rio/TFFR/Publications](http://www.nd.gov/rio/TFFR/Publications).

During the course of the audit there were four instances where documentation needed to identify salary reported to TFFR could not be located. Please keep in mind that written documentation describing payment details is critical in determining if salary or special payments are eligible TFFR retirement salary. In many cases such documentation will be required by the staff of the RIO and the TFFR Board when making salary determinations. TFFR encourages employer personnel to review current record keeping practices to ensure that necessary documentation is available in the future.

**Finding 1:**

The employer did not report contracted teaching salary for twenty-nine members. Five installment payments made under teaching and administrator contracts for the 2015-2016 school year were not reported to TFFR for those individuals who opted to receive 24 equal installments. Salary earned for providing teaching, supervisory, administrative, and extra-curricular services is considered eligible salary and therefore must be reported to TFFR. The member accounts will be corrected, RIO will notify the members that adjustments have been made to their accounts, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Salaries and Contributions* for additional information.

**Finding 2:**

The employer did not report extended contract salary for two members. The contracted terms of two administrators were extended following the departure of the Superintendent. Salary earned for additional days worked under an extended contract is considered eligible salary and therefore reportable to TFFR. The member accounts will be corrected, RIO will notify the members that adjustments have been made to their accounts, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Salaries and Contributions* for additional information.

**Finding 3:**

The employer did not report extra-curricular salary for sixteen members. Salary earned for providing teaching, supervisory, administrative, and extra-curricular services is considered eligible salary and therefore must be reported to TFFR. Extra-curricular services are any duty outlined in the extra-curricular schedule of an employer's master agreement. Extra-curricular services include those duties listed on both athletic and non-athletic extra-curricular schedules. The member accounts will be corrected, RIO will notify the members that adjustments have been made to their accounts, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Salaries and Contributions* for additional information.

**Finding 4:**

The employer reported extra-curricular salary for one member in the wrong fiscal year. Salary must be reported in the fiscal year in which it is earned, regardless of when it is paid. The member account will be corrected and RIO will notify the member that adjustments have been made to their account. Please reference the worksheets labeled *Primary Test* and *Salaries and Contributions* for additional information.

**Finding 5:**

The employer did not report in-staff substitute teaching salary for fourteen members. Salary received for in-staff substitute teaching is considered eligible salary and therefore reportable to TFFR. An in-staff substitute teacher is a licensed contracted teacher, including a re-employed retiree, who performs substitute teaching duties for the contracting district. The member accounts will be corrected, RIO will notify the members that adjustments have been made to their accounts, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Salaries and Contributions* for additional information.

**Finding 6:**

The employer did not report summer salary for three members. Salary received for summer school and/or summer programs is considered eligible salary and therefore reportable to TFFR. Summer salary must be reported in the fiscal year in which it is earned, regardless of when it is paid. Salary earned for most summer programs (including driver's education) will be reported in two fiscal years. The member accounts will be corrected, RIO will notify the members that adjustments have been made to their account, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

**Finding 7:**

The employer did not report professional development salary for one member. Salary received for attendance at in-services, workshops, and other professional development excluding reimbursement for expenses or tuition is considered eligible salary and therefore reportable to TFFR. The member account will be corrected, RIO will notify the member that adjustments have been made to their account, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

**Finding 8:**

The employer reported salary which was not earned for one member. Undocumented and unidentified salary was reported to TFFR for one member. Payroll records and other supporting documentation provided by the employer confirm the salary which was reported to TFFR was not earned by or paid to the member. The member account will be corrected, RIO will notify the member that adjustments have been made to their account, and the employer will receive a refund for contributions paid. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

**Finding 9:**

The employer did not report two retirees who have returned to covered employment. The Langdon Public School District currently employs two retirees as athletic coaches. State law allows retirees who are receiving TFFR retirement benefits to return to covered employment under certain limitations. Covered employment is defined as employment with a participating employer to provide teaching, supervisory, administrative, or extra-curricular services. Extra-curricular services means any duty outlined in the extra-curricular schedule of an employer's master agreement. A retiree must simply return to covered employment to be subject to the return work limitations. The reporting requirement of being licensed by ESPB and contractually employed that applies to non-retired active members does not apply to re-employed retirees. If a retiree opts to return to covered employment both the retiree and the employer must notify TFFR by completing a TFFR Retired Member Employer Notification form within 30 days of employment. This form, along with a copy of the retiree's contract or employment agreement, must be submitted to the administrative office each year that the retiree is employed. Employer and member contributions must be paid on all eligible salary paid to the retiree based on the employer plan model, including in-staff subbing, extra-curricular, and professional development pay. The employer will be required to submit a TFFR Retired Member Employer Notification form for each retiree, the retiree member accounts will be corrected, RIO will notify the members that adjustments have been made to their accounts, and the employer will be billed for contributions owed plus interest. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

The amount of contributions due with interest is \$83,886.07. An invoice for the amount of contributions due is included. It is the responsibility of the employer to collect contributions due from the members or refund contributions overpaid to the members. Please reference the worksheet labeled *Salary Correction Summary* for additional details. **Please provide payment for the amount due and provide a written response detailing how the employer intends to correct the above findings by March 24, 2017.**

The findings and recommendations in this audit are based on state statutes and rules in effect during the audit period. Legislative and rule changes may occur after the audit period. Therefore, any future modifications to negotiated agreements, salary schedules, or special payments should be discussed with TFFR in advance to confirm whether amounts should be reported as eligible TFFR salary and subject to member and employer contributions. Written authorization and documentation describing the payment details will be requested in order to make eligible salary determinations. All accounts are also reviewed as members notify the TFFR of their intent to retire.



Terra L. Miller Bowley  
Supervisor of Audit Services  
Enclosures

**REPORT ON NOT IN COMPLIANCE (NIC) REVIEW  
FOR REPORTING AND PAYMENTS  
TO THE TEACHERS' FUND FOR RETIREMENT  
GLEN ULLIN PUBLIC SCHOOL DISTRICT  
MARCH 3, 2017**

**PURPOSE**

The Teachers' Fund for Retirement (TFFR) Board of Trustees, through the Retirement and Investment Office (RIO), is responsible for ensuring that required reports and payments for TFFR members are made by public school districts and other member employers. This responsibility is contained in Chapter 15-39.1, NDCC, and most specifically, section 15-39.1-23, NDCC.

An Audit Program (AP) has been established within RIO to carry out this responsibility. This AP is in conjunction with and in addition to the audit performed by RIO's external auditors. Independent reports are filed with RIO/TFFR Management upon completion. Independent reports are filed with the Audit Committee of the State Investment Board (SIB) quarterly. All independent reports filed with the Audit Committee of the SIB are published on the RIO website in compliance with North Dakota open records and meetings laws.

**SCOPE**

This NIC Review is designed to test the accuracy of retirement salaries and contributions reported by the employer to determine compliance with the definition of salary as it appears in NDCC 15-39.1-04(9). The employer's master contracts, employer payment plan, salary schedules, extra-curricular payment schedules, and individual teacher contracts are used in the examination.

A representative sample of TFFR member accounts was selected for the 2015-2016 school year. For the school year under audit, member accounts were selected from the final Employer's Report of Member and Employer Contributions. Member contributions, employer contributions, and salaries reported for the selected members were examined. Please reference the worksheet labeled *Primary Test* for additional information.

The *Primary Test* calculates the member and employer contributions due to TFFR based on the information provided by the employer. The results are then compared to the amounts actually reported by the employer for the year being audited. The *Primary Test* did not disclose any reporting procedure used by the employer that would affect a large portion of the population for fiscal year 2016. Therefore, the *Primary Test* was not expanded to include 100 percent of the members.

**FINDINGS**

In our opinion, for the time period covered in the audit, the retirement salaries for fiscal year 2016 reported by the Glen Ullin Public School District are in compliance with the definition of salary as it appears in NDCC 15-39.1-04 (9). The following findings were noted:

1. The employer failed to notify TFFR that an overpayment of contracted salary occurred and a subsequent correction was made for one member.
2. The employer did not report eligible student supervision salary for one member.

**RECOMMENDATIONS AND CORRECTIVE ACTION**

TFFR recommends that personnel review the *TFFR Employer Guide* for assistance in reporting salary to TFFR. The website address is [www.nd.gov/rio/TFFR/Publications](http://www.nd.gov/rio/TFFR/Publications).

**Finding 1:**

The employer failed to notify TFFR that an overpayment of contracted salary occurred and a subsequent correction was made for one member. A data entry error caused an overpayment of contracted salary to be reported to TFFR in 2015-2016. The employer ultimately corrected the overpayment via a salary deduction and reported a reduced salary in 2016-2017. This has caused reported salary to be overstated in fiscal year 2016 and understated in fiscal year 2017. It is the responsibility of the employer to notify TFFR whenever reporting errors occur, once notified the TFFR administrative staff can provide assistance with any necessary corrections. The member account will be corrected and RIO will notify the member that adjustments have been made to their

account. Please reference the worksheets labeled *Primary Test* and *Changes in Salaries and Contributions* for additional information.

**Finding 2:**

The employer did not report eligible student supervision salary for one member. Salary earned for the supervision of students at athletic and/or school events is considered eligible salary and therefore must be reported to TFFR. Given the immaterial amount of the error a correction to the member account will not be required. Please reference the worksheet labeled *Primary Test* for additional information.

A NIC Review is intended to determine if errors noted in a prior TFFR Compliance Audit, where an employer has been found not in compliance, have been corrected. A TFFR Compliance Audit was completed on the Glen Ullin Public School District and a final report was issued on June 11, 2015 which identified five findings. The NIC Review determined that all findings noted during the prior audit have been addressed. Two new findings were identified during the course of the NIC Review. **Please provide a written response detailing the actions the employer intends to take to address the two new findings noted above by April 7, 2017.**

The findings and recommendations in this NIC Review are based on state statutes and rules in effect during the audit period. Legislative and rule changes may occur after the audit period. Therefore, any future modifications to negotiated agreements, salary schedules, or special payments should be discussed with TFFR in advance to confirm whether amounts should be reported as eligible TFFR salary and subject to member and employer contributions. Written authorization and documentation describing the payment details will be requested in order to make eligible salary determinations.

In addition to the compliance audit, all accounts are reviewed as members notify the TFFR of their intent to retire.



Terra L. Miller Bowley  
Supervisor of Audit Services

Enclosures

**REPORT ON COMPLIANCE AUDIT  
FOR REPORTING AND PAYMENTS  
TO THE TEACHERS' FUND FOR RETIREMENT  
DRAYTON PUBLIC SCHOOLS  
MARCH 28, 2017**

**PURPOSE**

The Teachers' Fund for Retirement (TFFR) Board of Trustees, through the Retirement and Investment Office (RIO), is responsible for ensuring that required reports and payments for TFFR members are made by public school districts and other member employers. This responsibility is contained in Chapter 15-39.1, NDCC, and most specifically, section 15-39.1-23, NDCC.

An Audit Program (AP) has been established within RIO to carry out this responsibility. This AP is in conjunction with and in addition to the audit performed by RIO's external auditors. Independent reports are filed with RIO/TFFR Management upon completion. Independent reports are filed with the Audit Committee of the State Investment Board (SIB) quarterly. All independent reports filed with the Audit Committee of the SIB are published on the RIO website in compliance with North Dakota open records and meetings laws.

**SCOPE**

This audit is designed to test the accuracy of retirement salaries and contributions reported by the employer to determine compliance with the definition of salary as it appears in NDCC 15-39.1-04(9). The employer's master contracts, employer payment plan, salary schedules, extra-curricular payment schedules, along with the individual teacher contracts, are used in the examination.

A representative sample of TFFR accounts was selected from members of the employer for the 2013/14 through 2014/15 school years. For each school year under audit, member accounts were selected from the final Employer's Report of Member and Employer Contributions. Member contributions, employer contributions, and salaries reported for the selected members were examined. Please reference the worksheet labeled *Primary Test*.

The Primary Test calculates the member and employer contributions due to TFFR based on the information provided by the employer. The results are then compared to the amounts actually reported by the employer for the years being audited.

The Primary Test did not disclose any reporting procedure used by the employer that would affect a large portion of the population for fiscal years 2013/14 through 2014/15. Therefore, the Primary Test was not expanded to include 100 percent of the members.

However, it is the policy of the TFFR Board that the time limitation applied to reporting errors shall be from the onset of the error or 36 months prior to the beginning of the current school year.

**FINDINGS**

In our opinion, for the time period covered in the audit, the retirement salaries for fiscal years 2013/14 through 2014/15 reported by the Drayton Public Schools were in compliance with the definition of salary as it appears in NDCC 15-39.1-04 (9). The following findings were noted.

1. The employer did not actively monitor the service hours for all retirees who have returned to covered employment to ensure that maximum allowable hours were not exceeded. Actual service hours were not reported for six retirees who returned to covered employment in 2013/14 and 2014/15.
2. The employer reported eligible salary after deductions for insurance for ten members in 2013/14, 2014/15, and 2015/16.
3. The employer did not issue a written agreement to a member who provided tutoring services during the summer.
4. The employer reported summer salary in the wrong fiscal year for two members in 2015/16.
5. The employer did not report eligible professional development salary for one member in 2014/15.

6. The employer did not report eligible summer tutoring salary for one member in 2014/15.

### **RECOMMENDATIONS AND CORRECTIVE ACTION**

TFFR recommends that District personnel review the *TFFR Employer Guide* for assistance in reporting salary to TFFR. The website address is [www.nd.gov/rio/TFFR/Publications](http://www.nd.gov/rio/TFFR/Publications).

#### Finding 1:

The employer did not actively monitor the service hours for all retirees who have returned to covered employment to ensure that the maximum allowable hours were not exceeded. Actual service hours were not reported for six retirees who returned to covered employment in 2013/14 and 2014/15. State law allows retirees who are receiving TFFR retirement benefits to return to covered employment under certain limitations. If the retiree exceeds these limitations, TFFR must discontinue payment of retirement benefits. One such limitation which must be adhered to is the General Rule – Annual Hour Limit, retirees who returned to covered employment under the General Rule are restricted in the hours which can be worked based on the length of the contract issued. The employer is required to report actual hours worked by retirees who have returned to covered employment. The employer must also be aware of annual hour limitations and ensure that retirees are not exceeding those limits. **Actual hours reported for re-employed retirees should include the number of hours for teaching, in-staff subbing, and summer school (including drivers education), but excluding extra-curricular and professional development hours.** Please remember that salary for extra-curricular and professional development hours is still reportable. TFFR recommends that the employer set-up a system for monitoring the hours of retirees. No correction will be made to the service hours reported for the six members because the hours did not exceed the maximum allowable hours.

#### Finding 2:

The employer reported eligible salary after deductions for insurance for ten members in 2013/14, 2014/15, and 2015/16. Deductions from eligible salary prior to the calculation of TFFR contributions cause salary and contributions to be under reported to TFFR. TFFR strongly encourages the employer to contact their school accounting system vendor, Software Unlimited Inc., for assistance in setting up payroll deductions. Given the immaterial dollar amount of the error nine member accounts will not require corrections. One member account will be corrected. RIO will notify the member that adjustments have been made to their account and the employer will be billed for contributions due with interest. Please reference the worksheets labeled *Primary Test and Change in Salaries and Contributions* for additional information.

#### Finding 3:

The employer did not issue a written agreement to a member who provided tutoring services during the summer. TFFR recommends that the employer provide written agreements to **all** members for summer salary. A written agreement can be a contract, school board minutes or other official document evidencing a contractual relationship between a teacher and a participating employer. If written agreements are not issued to a teacher employed elsewhere or to teachers without a continuing contract with the employer, the salary would not be reported to TFFR. Please reference the worksheet labeled *Primary Test* for additional information.

#### Finding 4:

The employer reported summer salary in the wrong fiscal year for two members in 2015/16. Summer salary must be reported in the fiscal year in which it is earned, regardless of when it is paid. Salary earned for most summer programs (including driver's education) will be reported in two fiscal years. Summer salary earned in June was incorrectly reported in July, the next fiscal year. The June salary will be moved to the correct fiscal year. RIO will notify the members that adjustments have been made to their accounts. Please reference the worksheets labeled *Primary Test and Change in Salaries and Contributions* for additional information.

#### Findings 5 and 6:

The employer did not report eligible professional development salary for one member and eligible summer tutoring salary for another member. Salary earned for providing teaching, supervisory, administrative, and extra-curricular services is considered eligible salary and therefore must be reported to TFFR. Salary earned for attendance at in-services, workshops, and other professional development excluding reimbursement of expenses or tuition is considered eligible salary and therefore must be reported to TFFR. Given the immaterial dollar amount of the error, one member account will not require corrections. One member account will be corrected. RIO will notify the member

that adjustments have been made to their account and the employer will be billed for contributions due with interest. Please reference the worksheets labeled *Primary Test and Change in Salaries and Contributions* for additional information.

The amount of contributions due with interest is \$640.58. An invoice for the amount of contributions due is included. Please reference the worksheet labeled *Salary Correction Summary* for additional details. **Please provide the contributions due and a written response detailing actions to be taken to correct the above findings by April 28, 2017.**

The findings and recommendations in this compliance audit are based on state statutes and rules in effect during the audit period. Legislative and rule changes may occur after the audit period. Therefore, any future modifications to negotiated agreements, salary schedules, or special payments should be discussed with TFFR in advance to confirm whether amounts should be reported as eligible TFFR salary and subject to member and employer contributions. Written authorization and documentation describing the payment details will be requested in order to make eligible salary determinations.

In addition to the compliance audit, all accounts are reviewed as members notify the TFFR of their intent to retire.

Dottie Thorsen  
Auditor

Enclosures

**REPORT ON COMPLIANCE AUDIT  
FOR REPORTING AND PAYMENTS  
TO THE TEACHERS' FUND FOR RETIREMENT  
NORTHWOOD PUBLIC SCHOOLS  
MARCH 31, 2017**

**PURPOSE**

The Teachers' Fund for Retirement (TFFR) Board of Trustees, through the Retirement and Investment Office (RIO), is responsible for ensuring that required reports and payments for TFFR members are made by public school districts and other member employers. This responsibility is contained in Chapter 15-39.1, NDCC, and most specifically, section 15-39.1-23, NDCC.

An Audit Program (AP) has been established within RIO to carry out this responsibility. This AP is in conjunction with and in addition to the audit performed by RIO's external auditors. Independent reports are filed with RIO/TFFR Management upon completion. Independent reports are filed with the Audit Committee of the State Investment Board (SIB) quarterly. All independent reports filed with the Audit Committee of the SIB are published on the RIO website in compliance with North Dakota open records and meetings laws.

**SCOPE**

This audit is designed to test the accuracy of retirement salaries and contributions reported by the employer to determine compliance with the definition of salary as it appears in NDCC 15-39.1-04(9). The employer's master contracts, employer payment plan, salary schedules, extra-curricular payment schedules, along with the individual teacher contracts, are used in the examination.

A representative sample of TFFR accounts was selected from members of the employer for the 2013/14 through 2014/15 school years. For each school year under audit, member accounts were selected from the final Employer's Report of Member and Employer Contributions. Member contributions, employer contributions, and salaries reported for the selected members were examined. Please reference the worksheet labeled *Primary Test*.

The Primary Test calculates the member and employer contributions due to TFFR based on the information provided by the employer. The results are then compared to the amounts actually reported by the employer for the years being audited.

The Primary Test did not disclose any reporting procedure used by the employer that would affect a large portion of the population for fiscal years 2013/14 through 2014/15. Therefore, the Primary Test was not expanded to include 100 percent of the members.

However, it is the policy of the TFFR Board that the time limitation applied to reporting errors shall be from the onset of the error or 36 months prior to the beginning of the current school year.

**FINDINGS**

In our opinion, for the time period covered in the audit, the retirement salaries for fiscal years 2013/14 through 2014/15 reported by the Northwood Public Schools were in compliance with the definition of salary as it appears in NDCC 15-39.1-04 (9). The following findings were noted.

1. The employer did not actively monitor the service hours for all retirees who have returned to covered employment to ensure that maximum allowable hours were not exceeded. Actual service hours were not reported for three retirees who returned to covered employment.
2. The employer reported salary in the wrong fiscal year for two members in 2013/14 and 2014/15.
3. The employer was unable to provide documentation for the dates summer revitalization curriculum salary was earned in 2013/14 and 2014/15.
4. The employer did not report eligible extra-curricular elementary basketball salary for one member in 2013/14.
5. The employer did not report eligible concession supervision salary for ten members in 2015/16.

6. The employer reported service hours incorrectly for one member.

### **RECOMMENDATIONS AND CORRECTIVE ACTION**

TFFR recommends that employer personnel review the *TFFR Employer Guide* for assistance in reporting salary to TFFR. The website address is [www.nd.gov/rio/TFFR/Publications](http://www.nd.gov/rio/TFFR/Publications).

#### Finding 1:

The employer did not actively monitor the service hours for all retirees who have returned to covered employment to ensure that the maximum allowable hours were not exceeded. Actual service hours were not reported for three retirees who returned to covered employment in 2013/14 and 2014/15. State law allows retirees who are receiving TFFR retirement benefits to return to covered employment under certain limitations. If the retiree exceeds these limitations, TFFR must discontinue payment of retirement benefits. One such limitation which must be adhered to is the General Rule – Annual Hour Limit, retirees who returned to covered employment under the General Rule are restricted in the hours which can be worked based on the length of the contract issued. The employer is required to report actual hours worked by retirees who have returned to covered employment. The employer must also be aware of annual hour limitations and ensure that retirees are not exceeding those limits. **Actual hours reported for re-employed retirees should include the number of hours for teaching, in-staff subbing, after-school, and summer school, but exclude extra-curricular and professional development hours.** Please remember that salary for extra-curricular and professional development is still reportable. TFFR recommends that the employer set-up a system for monitoring the hours of retirees. No correction will be made to the service hours reported for the three members because the hours did not exceed the maximum allowable hours.

#### Finding 2:

The employer reported salary in the wrong fiscal year for two members in 2013/14 and 2014/15. Summer salary must be reported in the fiscal year in which it is earned, regardless of when it is paid. Salary earned for most summer programs (including driver's education) will be reported in two fiscal years. Summer salary earned in June was incorrectly reported in July, the next fiscal year. The June summer salary will be moved to the correct fiscal year. Service hours for both members will be adjusted. RIO will notify the members that adjustments have been made. For additional information, please reference the worksheets labeled *Primary Test, Changes in Salaries and Contributions, and Service Hours Correction*.

#### Finding 3:

The employer was unable to provide documentation for the dates summer revitalization curriculum salary was earned in 2013/14 and 2014/15. Salary must be reported in the fiscal year in which it is earned, regardless of when it is paid. Individuals are allowed to complete summer revitalization curriculum hours throughout June, July, and August. Individuals are paid for hours worked upon completion. At this time, TFFR is unable to determine if the salary reported was done so in the proper fiscal year due to lack of documentation. The Employer will be required to provide such documentation in the future upon request.

#### Findings 4 and 5:

The employer did not report eligible extra-curricular elementary basketball and concessions supervision salary for eleven members during the audit period. Salary earned for providing teaching, supervisory, administrative, and extra-curricular services is considered eligible salary and therefore must be reported to TFFR. Ten of the eleven member accounts will not be corrected due to the immaterial dollar amount of the error. One member account will be corrected. RIO will notify the member that an adjustment has been made to their account and the employer will be billed for the contributions owed with interest. Please reference the worksheets labeled *Primary Test and Changes in Salaries and Contributions* for additional information.

#### Finding 6:

The employer incorrectly reported service hours one member. The member taught special education classes at Northwood under a third party agreement with a special education employer. Northwood issued written agreements for additional salary and service hours reported to TFFR. The additional service hours for the after-school, summer school, and subbing salary reported were not accurate. There will be no correction made to the account because the member had already earned a full year service credit with the special education employer.

The amount of contributions due with interest is \$486.33. An invoice for the amount of contributions due is included. Please reference the worksheet labeled *Salary Correction Summary* for additional details. **Please provide the contributions due and a written response detailing actions to be taken to correct the above findings by May 2, 2017.**

The findings and recommendations in this compliance audit are based on state statutes and rules in effect during the audit period. Legislative and rule changes may occur after the audit period. Therefore, any future modifications to negotiated agreements, salary schedules, or special payments should be discussed with TFFR in advance to confirm whether amounts should be reported as eligible TFFR salary and subject to member and employer contributions. Written authorization and documentation describing the payment details will be requested in order to make eligible salary determinations.

In addition to the compliance audit, all accounts are reviewed as members notify the TFFR of their intent to retire.

Dottie Thorsen  
Auditor

Enclosures

Audit Services – North Dakota Retirement and Investment Office  
**TFFR File Maintenance Audit for the Second Quarter**  
**October 1, 2016 – December 31, 2016**  
**Reviewed Transactions in November 2016**  
**Final Audit Report**

**Background** The Audit Services Division of the Retirement and Investment Office (RIO) reviews system generated (CPAS) audit tables to ensure transactions initiated by staff are expected and appropriate given an individual's role within the organization. The accuracy of month end reporting of lump sum payments and installment/lump sum purchases of service credit is verified. Member accounts are also reviewed to ensure contact and demographic information has been updated correctly per Member Action Forms on file. This review is a part of the Audit Services Division continuous monitoring activities.

**Results Summary**

Audit Services determined that audit table transactions which occurred in November 2016 for all user IDs were expected and appropriate based on the organizational role held by the individual who initiated the transactions. Month end reporting of lump sum payments and installment/lump sum purchases of service credit were accurate. The staff of Retirement Services adhered to established procedures for the processing of purchases, refunds, and rollovers. Actuarially significant contact and demographic information was found to be correct on the two member's accounts per Member Action Forms on FileNet.

**Scope**

Audit information is obtained throughout the quarter under review. System generated audit table reports are run for the month under review by Audit Services staff. Staff roles and responsibilities and departmental procedures are verified at least annually and as needed throughout the year with Division management. System generated reports of lump sum payments and installment purchases of service credit are provided monthly by the Information Services Division which also provides a listing of system User IDs, security roles, and any changes to either on a yearly basis. Each staff member within the Information Systems Division also provides a change documentation log which details transactions completed and who requested each transaction. Member Action Forms (SFN 50981 5-14) are collected in the first quarter of each fiscal year with the assistance of the Office Assistant. Actual audit work commences the month following the end of each quarter.

- Phase I –
  - Review audit table reports for all CPAS User IDs which have listed transactions.
  - Identify transactions and investigate further any transactions which do not appear to be usual and customary.
- Phase II –
  - Review accuracy of month end reporting of lump sum payments and installment/lump sum purchases of service credit.
  - Sample selection and testing of the processing of purchases, refunds, rollovers, and partial lump sum options (PLSO) determining level of adherence to established procedures.
- Phase III –
  - Sample selection and testing of member account updates to contact and demographic information.

**Observations, Conclusions and Recommendations**

**Observations, Conclusions and Recommendations Phase I**

CPAS generated audit tables log transactions initiated by staff, each of whom is assigned a unique user ID. The transactions are related to the day to day business operations of the Teachers' Fund for Retirement (TFFR). For each quarter under review, Audit Services staff selects one month and reviews all transactions for appropriateness based on the organizational role of the individual assigned to each user ID. Any transactions which do not appear to be usual and customary are investigated further. For the second quarter of fiscal year 2017, the month of November was selected. Audit Services determined that audit table transactions which

occurred in November 2016 for all user IDs were expected and appropriate based on the organizational role held by the individual who initiated the transactions.

**Observations, Conclusions and Recommendations Phase II**

The NDRIO Lump Sum Payment Register lists all refunds, rollovers, and PLSOs paid to members each month. The TFFR Installment Purchase of Credit report lists the current status each month of all in- progress installment purchases of service credit. Audit Services verifies that the entries on these two system generated reports correspond to a transaction on an audit table based on the organizational role held by the individual who initiated the transaction.

For each quarter under review Audit Services staff selected one month and completed additional testing. For the second quarter of fiscal year 2017, the month of November was selected. Additional testing was completed on one entry selected from the NDRIO Lump Sum Payment Register for a member initiated account refund/rollover. Additional testing was completed on one entry selected from the TFFR Installment of Purchase Credit Report and a lump sum purchase selected from a staff member's table report. The installment purchase was for nonpublic teaching service and the lump sum purchase was for air time.

Audit Services determined that month end reporting of lump sum payments and installment purchases of service credit was accurate. The staff of Retirement Services adhered to established procedures for the processing of purchases, refunds, rollovers, and partial lump sum options (PLSO). Additional testing also confirmed that supporting documentation was located in FileNet and the required system process was located in CPAS for each member account selected. No discrepancies were identified between required supporting documentation and CPAS system information.

**Observations, Conclusions and Recommendations Phase III**

Member Action Forms are submitted to TFFR by members who are updating their status with the pension fund. For example a member may be enrolling in TFFR, returning to covered employment after a period of inactivity, or changing/adding a participating employer. Members can also designate or update a beneficiary via a Member Action Form. Member Action Forms are collected by the Office Assistant during the first quarter of each fiscal year.

Audit Services staff randomly selected two member action forms for further review. All of the contact and demographic information on the member accounts reviewed was accurate and documentation was retained on FileNet.

-----  
**Distribution:**

Fay Kopp, Deputy Executive Director/Chief Retirement Officer  
Shelly Schumacher, Retirement Program Manager  
Connie Flanagan, Fiscal and Investment Operations Manager  
Rich Nagel, Supervisor of Information Systems



**Presents:**

# **Consulting: Activities, Skills, Attitudes**

**Donald Espersen, CIA, CRMA - Instructor**



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**May 17-18, 2017**

**MDU Resources Group, Inc.  
1200 W. Century Avenue  
Bismarck, ND**

## Consulting: Activities, Skills, Attitudes

There are distinct activities that characterize consulting. If you're a consultant, chances are you are already engaged in those activities. But are you getting the results you want?

**Auditors at all levels** will discover the consulting skills that are central to the current definition of internal auditing for adding value and assessing effectiveness of risk management, controls, and governance processes and what activities and outcomes distinguish consulting from traditional auditing.

Through small and large group exercises and other activities, this course will help you master key consulting skills and tailor consulting outcomes to your audit environment.

## Level - Intermediate

### Course Outline

#### **Internal Auditing in the Present and the Future**

- The current definition of internal auditing
- The role of consulting in internal auditing
- Consulting, independence, and objectivity

#### **Consulting Activities, Tools, Services, and Skills**

- Overview of key consulting activities and outcomes
- Classification of consulting services
- Assessment of activities and tools of consulting
- The consulting-skills matrix
- Assessment of consulting skills

#### **Marketing of Services**

- Definition of marketing
- Internal audit's market identity
- Marketing communications
- Description of internal audit services

#### **Project Assessment**

- Project assessment tools

#### **Proposals and Agreements**

- Proposal and presentation development
- Fees for consulting services
- Types of contracts

#### **The Consulting Project**

- Adaptation of auditing tools to consulting
- Progress reporting and communications
- Ethical issues in consulting

#### **Reporting of Results**

- Consulting reports and distributions
- Writing styles for consulting

#### **Nurturing the Relationship**

- Assessing client satisfaction
- Credibility
- Development of additional consulting work

#### **Issues in Consulting**

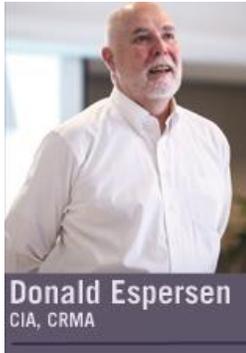
- Organizations getting into consulting
- Organizations already engaged in consulting

#### **Action Planning**

- Assessment of potential consulting activities and outcomes
- Assessment for development of consulting skills

**Please note:** The seminar is designed as a two-day course. Single day attendance is permitted; however, Day 2 programming builds on the materials presented on Day 1.

## Seminar Instructor



### **Donald Espersen, CIA, CRMA**

Donald Espersen, CIA, CRMA is an independent internal audit advisor and professional trainer based in St. Paul, Minnesota, USA. His firm, despersen & associate, specializes in the design and delivery of customized training programs and internal audit quality improvement activities. He has worked with client groups in Africa, Asia, Canada, the Caribbean, Europe, Mexico, the Middle East, Oceania, South America, and the United States.

Prior to forming despersen & associate in 1999, Espersen held a variety of Chief Audit Executive, internal audit management and staff positions in several financial services organizations. Don is one of the primary facilitators for The Institute of Internal Auditor's (IIA) Chief Audit Executive's Vision University series and is an IIA distinguished faculty member.

Additionally, he has developed and led many of the Institute's seminars including:

- Risk Management Assurance: Developing Your Internal Audit Strategy
- Performing an Effective Quality Assessment
- Essential Skills for Today's Internal Auditor
- COSO-Based Internal Auditing

Don was one of the authors of the IIA's Quality Assessment Manual (2013). He has led over twenty external quality-assessment projects for internal audit groups in a wide variety of industries, sectors, and international locations.

Espersen has served on six International Committees and was the co-editor of the Internal Auditors "Risk Watch" column from 2001-2008. Don is a member of the Twin Cities Chapter of the IIA and an honorary member of IIA Singapore. He has a B.S. in Business from the University of Minnesota.

# Consulting: Activities, Skills, Attitudes

## May 17-18, 2017

Company/Organization		
Address		
City	State	Zip

<b>Seminar Fees</b>			
<u>IIA Members</u>		<u>Non-Members</u>	
1 Day	2 Days	1 Day	2 Days
\$250	\$425	\$300	\$475
<b>10% Discount for Groups of 3 or More</b>			

	Name	E-Mail Address	Telephone No.	Which days are you attending?	Seminar Fee (See Above)
Participant #1				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #2				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #3				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #4				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #5				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #6				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	
Participant #7				<input type="checkbox"/> 17 <sup>th</sup> <input type="checkbox"/> 18 <sup>th</sup>	

Print additional registration forms for more participants.

Amount Due Before Discount	
Less Group Discount (-10%)	
<b>Total Amount Enclosed</b>	

### Seminar Hours

**8:30 a.m. – 4:30 p.m.**

### Registration Fee Includes:

- Enrollment
- All course materials
- Refreshments, snacks & lunch

The seminar is designed as a two-day course. Single day attendance is permitted; however, Day 2 programming builds on the materials presented on Day 1.

### CPE Credits

**8 Credits (1 Day) or 16 Credits (2 Days)**

**Mail Registration Form  
with check payable to:**

**IIA Central NoDak Chapter  
PO Box 64  
Bismarck, ND 58502-0064**

A confirmation e-mail will be sent after Registration Form and payment have been received.

**Refunds will not be made for cancellations received after  
May 12, 2017.**

**For Questions or Additional Course Information contact:**  
Kim Reinke (701) 530-1023 ... [kim.reinke@mduresources.com](mailto:kim.reinke@mduresources.com)

**MEMORANDUM**

**TO: State Investment Board (SIB) Audit Committee**  
**FROM: Terra Miller Bowley, Supervisor of Audit Services**  
**DATE: May 25, 2017**  
**SUBJECT: 2017 - 2018 Audit Services Workplan**

The following information details the proposed workplan for Audit Services for 2017 - 2018. This workplan represents what Audit Services anticipates will be accomplished in the upcoming fiscal year, however needs and priorities may change and this workplan may require adjustments. Any anticipated changes will be discussed with the SIB Audit Committee and RIO Management as they are identified. Frequency, hours, and reporting are addressed where applicable.

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Audit Services will allocate resources to the following audit activities during fiscal year 2018:

<b>Primary Audit Responsibilities</b>	
<b>Total Hours Allocated: 2,776</b>	
Teachers' Fund for Retirement (TFFR) Employer Audits	80%
<ul style="list-style-type: none"><li>• TFFR Audit Notifications</li><li>• TFFR Compliance Audits</li><li>• TFFR Not in Compliance (NIC) Reviews</li><li>• TFFR Special Audits</li><li>• Annual Salary Verification Project</li></ul>	
Teachers' Fund for Retirement (TFFR) File Maintenance Audits	10%
<ul style="list-style-type: none"><li>• 4<sup>th</sup> Quarter FY 2017</li><li>• 1<sup>st</sup> Quarter FY 2018</li><li>• 2<sup>nd</sup> Quarter FY 2018</li><li>• 3<sup>rd</sup> Quarter FY 2018</li></ul>	
Teachers' Fund for Retirement (TFFR) Benefit Payment Audit	5%
Executive Limitation Audit	4%
<ul style="list-style-type: none"><li>• SIB Customer Satisfaction Survey</li><li>• ED/CIO Effectiveness Survey</li><li>• Executive Limitations Audit CY 2017</li><li>• SIB Executive Review Committee Survey (If Requested)</li></ul>	
External Auditor Assistance	1%
<ul style="list-style-type: none"><li>• GASB 68 Census Data Audit Notifications</li></ul>	

**TEACHERS' FUND FOR RETIREMENT (TFFR) EMPLOYER AUDITING:**

The primary purpose of all employer auditing is to determine if the retirement salaries and contributions reported to TFFR by a participating employer are in compliance with the definition of salary as it appears in the North Dakota Century Code (N.D.C.C. § 15-36.1-04 (10)). Reported services hours and eligibility for TFFR membership are also verified.

TFFR Audit Notifications are sent to participating employers throughout the fiscal year based on anticipated production levels with approximately six or seven employers notified at one time. Audit notifications are sent electronically to key personnel including the superintendent and business manager.

Each participating employer receives a TFFR Compliance Audit every eight years on a rotating cycle. The two most recent fiscal years are included in the audit and a judgmental sampling approach is used. Any employer

found not in compliance at the conclusion of a TFFR Compliance Audit is eligible for a TFFR NIC Review. The purpose of a TFFR NIC Review is to ensure that reporting errors identified during the prior audit have been corrected. A TFFR NIC Review is conducted once two full years of unaudited salary are available and is similar to a TFFR Compliance Audit, however only one fiscal year is included in the audit. TFFR Special Audits are requested by RIO's Retirement Services Division. Each of these audits is driven by the particular circumstances which necessitated the request. The audit may involve a sample of members reported by a participating employer or all members reported by a participating employer. The audit may focus on a particular month, fiscal year, or multiple fiscal years.

Current year and long range TFFR Employer Audit plans assume 20 – 25 audits will be completed each fiscal year. This includes TFFR Compliance Audits, TFFR NIC Reviews, and TFFR Special Audits. It is the intention of Audit Services to have 6 – 8 audits in progress with 4 audits pending but not yet started at any given time. Each fiscal year will include audits of 16 – 18 small employers (less than 51 total members), 2 – 3 medium employers (between 51 – 100 total members), and 1 – 2 large employers (greater than 101 total members). The four audit eligible state agencies which have not previously been audited by RIO Audit Services will be included throughout the fourth audit cycle at no more than one state agency per year.

The Annual Salary Verification Project is intended to supplement other auditing activities. This project increases the number of participating employers included in overall audit activities and reinforces to our participating employers the importance of timely and accurate reporting. A total of fifty member accounts will be randomly selected for further verification from all available participating employers except those employers who meet the following criteria: currently being audited by Audit Services, have been notified of an upcoming audit by Audit Services, have been audited by Audit Services in the last twelve months, were selected for a GASB 68 Census Data Audit, or were included in the prior year salary verification project.

Total Hours Allocated: 2,220

Audit Report Recipients: Deputy Executive Director/Chief Retirement Officer, Employer, and SIB Audit Committee

#### **TEACHERS' FUND FOR RETIREMENT (TFFR) FILE MAINTENANCE AUDITS:**

On a quarterly basis the Audit Services Division of the Retirement and Investment Office (RIO) reviews system generated (CPAS) audit tables to ensure transactions initiated by staff are expected and appropriate given an individual's role within the organization. The accuracy of month end reporting of lump sum payments and installment purchases of service credit is verified. Member accounts are also reviewed to ensure contact and demographic information has been updated correctly per Member Action Forms on file. In any given quarter the system generated audit tables for one randomly selected month are reviewed, one refund and two purchases of service credit (one installment and one lump sum) are reviewed, and member account information entered from two Member Action Forms is reviewed.

Total Hours Allocated: 277

Audit Report Recipients: Deputy Executive Director/Chief Retirement Officer, Retirement Program Manager, Fiscal and Investment Operations Manager, Supervisor of Information Systems, and SIB Audit Committee

#### **TEACHERS' FUND FOR RETIREMENT (TFFR) BENEFIT PAYMENT AUDIT:**

On an annual basis a review of deaths, long outstanding checks, and long term annuitants is completed to determine that established policies and procedures are being followed by Retirement Services staff.

Total Hours Allocated: 138

Audit Report Recipients: Deputy Executive Director/Chief Retirement Officer, Retirement Program Manager, and SIB Audit Committee

***Note: A request by RIO Management has been made to include the TFFR Cost Effective Benefit Payments Audit into the Audit Services workplan on a rotational basis. One of the missions of the RIO is to ensure that TFFR benefit recipients receive their retirement benefits in a cost effective and timely manner. This audit is intended to verify that this mission is being achieved. As a part of this overall process Audit Services also verifies the accuracy of benefit payments via the recalculation of benefit payments for a sampling of member accounts.***

***In order to satisfy this request Audit Services will include the TFFR Cost Effective Benefit Payments Audit in the FY 2019 Audit Services workplan in lieu of the TFFR Benefit Payment Audit. Therefore in FY 2018 the TFFR Benefit Payment Audit will be completed, in FY 2019 the TFFR Cost Effective Benefit Payments Audit will be completed, in FY 2020 the TFFR Benefit Payment Audit will be completed, etc. Given resource constraints we are unable to complete both audits on an annual basis.***

**EXECUTIVE LIMITATION AUDIT:**

On an annual basis the Executive Director/CIO’s compliance with the State Investment Board (SIB) Governance Manual Executive Limitation Policies A-1 through A-11 is reviewed. The most recent calendar year is included in the audit. As a part of the Executive Limitation Audit process Audit Services facilitates a number of surveys. In December of each year staff is asked to evaluate the Executive Director/CIO in the areas of leadership, communication, and valuing employees. In July of each year Audit Services facilitates a customer satisfaction survey which is administered to SIB investment clients. At the request of the SIB Executive Review Committee Audit Services will also facilitate and compile the results of survey administered to members of the SIB each February as a part of their evaluation of the Executive Director/CIO.

Total Hours Allocated: 111

Audit Report Recipients: Executive Director/CIO, SIB Audit Committee, and SIB

**EXTERNAL AUDITOR ASSISTANCE:**

Audit Services assists our external auditor, CliftonLarsonAllen (CLA), with a variety of tasks related to the annual financial audit. In particular Audit Services is responsible for notifying participating employers that they have been selected to participate in an upcoming GASB 68 Census Data Audit. Audit Services is also responsible for ensuring any information requested from participating employers is provided timely to our external audit partners.

Total Hours Allocated: 30

Audit Report Recipients: Deputy Executive Director/Chief Retirement Officer, Retirement Program Manager, and SIB Audit Committee

***Note: Although not specifically noted above Audit Services will continue to work on the Audit Services Procedure Manual. The staff auditor will complete the procedures on the TFFR Benefit Payment Audit during the next fiscal year. The Supervisor of Audit Services will complete the procedures on the Annual Salary Verification Project and the Executive Limitation Audit during the next fiscal year. Procedures for the TFFR File Maintenance Audits have been completed.***

Audit Services will allocate resources to the following administrative activities during fiscal year 2018:

<b>Primary Administrative Responsibilities</b>	
<b>Total Hours Allocated: 1,384</b>	
Annual Leave, Sick Leave, and Holidays	45%
Staff Meetings, Reporting, Email, and Records Retention	35%
SIB Audit Committee, SIB, and TFFR Board Meetings <ul style="list-style-type: none"> <li>• Preparation and Attendance</li> </ul>	15%
Annual Audit Planning	4%
Professional Development	1%

**ANNUAL LEAVE, SICK LEAVE, AND HOLIDAYS:**

The staff auditor earns 192 hours of annual leave per year (16 hours per month). The Supervisor of Audit Services earns 96 hours of annual leave per year (8 hours per month). The current workplan makes an allowance for each staff member to utilize 80 hours of sick leave per year, given the nature of such leave it is anticipated that more or less leave could be utilized. During the course of the fiscal year all state offices will close on ten observed holidays including New Year's Day, Martin Luther King Jr Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day.

Total Hours Allocated: 608

**STAFF MEETINGS, REPORTING, EMAIL, AND RECORDS RETENTION:**

Audit staff engages in numerous activities required to facilitate the day to day operations of both the department and the organization. Audit Services participates in department staff meetings and organization wide staff meetings. Staff members also must manage electronic communication (heavily used by participating employers), complete time and general reporting activities, and ensure compliance with published records retention procedures.

Total Hours Allocated: 450

**SIB AUDIT COMMITTEE, SIB, AND TFFR BOARD MEETINGS**

The Supervisor of Audit Services is required to prepare meeting materials for all SIB Audit Committee meetings. On some occasions meeting materials are also required for SIB and TFFR meetings as Audit Services provides quarterly updates to both of these oversight boards. The Supervisor of Audit Services attends (whenever possible) all SIB Audit Committee, SIB, and TFFR meetings. The staff auditor attends (whenever possible) SIB Audit Committee meetings.

Total Hours Allocated: 230

**ANNUAL AUDIT PLANNING:**

Audit Services completes audit planning activities on an annual basis. A participating employer risk assessment is completed in even numbered fiscal years. The results of this risk assessment, in particular the risk score, are used to create the current year and long range TFFR Employer Audit schedules. An audit hours budget and workplan are also created.

Total Hours Allocated: 80

**PROFESSIONAL DEVELOPMENT**

Professional development and continuing education opportunities are critical to continued professional success. All staff members of the Audit Services Division are members of the Institute of Internal Auditors (IIA). Staff members attend monthly educational opportunities provided by our local IIA chapter on a regular basis. The IIA also offers free webinars to all IIA members throughout the year which cover a variety of auditing related topics. Staff will continue to attend two day training seminars offered by our local IIA chapter and regional conferences if and when such opportunities are available under current budgetary constraints. Staff members will be required to participate in 8 hours of professional development activities during the fiscal year.

Total Hours Allocated: 16

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TFFR Employer Audits are considered the top priority of the Audit Services Division. Therefore a majority of available resources will be allocated to this activity during the next fiscal year. Audit Services will also divert additional resources as needed to ensure that TFFR Employer Audits are completed in accordance with the approved workplan. Given the resource demands required by the TFFR Employer Audits, Audit Services will be suspending all other audit activities which include:

### **Regional Education Association (REA) Audit**

Eight REAs currently operate throughout North Dakota and employ TFFR eligible staff as well as many retirees that have returned to covered employment. Audit Services will verify TFFR eligibility as well as the accuracy of service hours, retirement salary, and contributions reported to TFFR. One REA will be audited each fiscal year with all REAs receiving an audit every eight years.

### **Investment Performance Summary Review**

Audit Services will review the reasonableness of the "Investment Performance Summary" table in RIO's CAFR for the last five fiscal years ended June 30, 2015 and annualized returns for the 3, 5, 10, and 20 years ended June 30, 2015.

### **Schedule of Investment Fees/Investment Management Fees Review**

Audit Services will review the reasonableness of the "Schedule of Investment Fees" in RIO's CAFR for the last six fiscal years ended June 30, 2016. Audit Services will review the reasonableness of the five largest investment management fees and five largest incentive/investment performance fees for the fiscal year ended June 30, 2016.

### **ACL Software Project**

GASB 68 has resulted in the creation of a Master Payroll File. The Master Payroll File presents an incredible opportunity for Audit Services. When used in conjunction with ACL analytics software, the Master Payroll File may allow for improved audit sampling and the possibility of 100% audits.

***Note: Audit Services was unable to dedicate resources to incorporating ACL into our daily auditing activities. However it should be noted that Audit Services did leverage the Master Payroll File without ACL during the most recent fiscal year. The Master Payroll File was used on all 100% audits as well as a select number of TFFR Compliance Audits. This proved successful and a Master Payroll File will be used on all future 100% audits with or without the incorporation of ACL.***

**NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE  
 AUDIT SERVICES DIVISION  
 BUDGETED HOURS FOR THE FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018**

	<b>2017 -2018 BUDGET HOURS (2 FTE'S)</b>
<b>Primary Audit Responsibilities - Total Hours Allocated: 2,776</b>	
Teachers' Fund for Retirement (TFFR) Employer Audits	2,220
TFFR Audit Notifications	
TFFR Compliance Audits	
TFFR Not in Compliance (NIC) Reviews	
TFFR Special Audits	
Annual Salary Verification Project	
Teachers' Fund for Retirement (TFFR) File Maintenance Audits	277
4th Quarter FY 2017	
1st Quarter FY 2018	
2nd Quarter FY 2018	
3rd Quarter FY 2018	
Teachers' Fund for Retirement (TFFR) Benefit Payment Audit	138
Executive Limitation Audit	111
SIB Customer Satisfaction Survey	
ED/CIO Effectiveness Survey	
Executive Limitations Audit CY 2017	
SIB Executive Review Committee Survey (If Requested)	
External Auditor Assistance	30
GASB 68 Census Data Audit Notifications	
	<b>2,776</b>
<b>% of Available Hours Allocated to Primary Audit Responsibilities</b>	<b>67%</b>
<b>Primary Administrative Responsibilities - Total Hours Allocated: 1,384</b>	
Annual Leave, Sick Leave, and Holidays	608
Staff Meetings, Reporting, Email, and Records Retention	450
SIB Audit Committee, SIB, and TFFR Board Meetings	230
Preparation and Attendance	
Annual Audit Planning	80
Professional Development	16
	<b>1,384</b>
<b>% of Available Hours Allocated to Primary Administrative Responsibilities</b>	<b>33%</b>
<b>Total 2017-2018 Budget Hours</b>	<b>4,160</b>
Total Budget Hours for 2016 - 2017	4,160
Budget Hours for D. Thorsen	2,080
Budget Hours for T. Miller Bowley	2,080

## MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee

**FROM:** Terra Miller Bowley, Supervisor of Audit Services

**DATE:** May 25, 2017

**SUBJECT:** TFFR Participating Employer Memorandum

A risk assessment is conducted in even numbered fiscal years on all participating employers eligible for a TFFR Employer Audit. The most recent risk assessment was completed in May 2016. The results of the risk assessment, in particular the risk score, are used to create the current year and long range TFFR Employer Audit plan. Employers with the highest risk scores are audited prior to those employers with lower risk scores with some exceptions for medium and large employers which must be spread out over the entire audit cycle to accommodate the greater size and complexity often associated with these employers.

Risk factors and scoring are as follows:

<i><b>Risk Factor</b></i>	<i><b>Risk Score</b></i>
Change Key Personnel	<p><b>1</b> - Superintendent and/or Business Manager personnel change since last TFFR Compliance Audit</p> <p><b>0</b> - Superintendent and/or Business Manager personnel unchanged since last TFFR Compliance Audit</p>
Prior Compliance Audit Results	<p><b>3</b> - Most recent TFFR Compliance Audit determined retirement salaries were Not In Compliance with NDCC</p> <p><b>2</b> - Most recent TFFR Compliance Audit determined retirement salaries were Generally In Compliance with NDCC</p> <p><b>1</b> - Most recent TFFR Compliance Audit determined retirement salaries were In Compliance with NDCC</p> <p><b>0</b> - No prior TFFR Compliance Audit</p>
NIC (Not In Compliance) Review Results	<p><b>3</b> - Most recent NIC Review determined retirement salaries were Not In Compliance with NDCC</p> <p><b>2</b> - Most recent NIC Review determined retirement salaries were Generally In Compliance with NDCC</p> <p><b>1</b> - Most recent NIC Review determined retirement salaries were In Compliance with NDCC</p> <p><b>0</b> - No prior NIC Review</p>
Change Payment Model	<p><b>1</b> - Payment model has changed since last TFFR Compliance Audit</p> <p><b>0</b> - Payment model is unchanged since last TFFR Compliance Audit</p>
Years Since Last Compliance Audit	<p><b>3</b> - 5+ years since last TFFR Compliance Audit</p> <p><b>2</b> - 3 – 4 years since last TFFR Compliance Audit</p> <p><b>1</b> - 1 – 2 years since last TFFR Compliance Audit</p> <p><b>0</b> - Less than 1 year since last TFFR Compliance Audit</p>
Staff Concerns	<p><b>1</b> - RIO Staff has concerns regarding accuracy and timeliness of reporting</p> <p><b>0</b> - Not Applicable</p>

**TFFR PARTICIPATING EMPLOYER RISK ASSESSMENT**  
**CURRENT YEAR AND FUTURE TFFR EMPLOYER AUDIT PLAN**

EMPLOYER #	EMPLOYER NAME	CATEGORY	TOTAL MEMBERS	PROJECTED AUDIT HOURS	ACTUAL AUDIT HOURS	SIZE	CHANGE KEY PERSONNEL	PRIOR COMPLIANCE AUDIT RESULTS	NIC REVIEW RESULTS	CHANGE PAYMENT MODEL	YEARS SINCE LAST COMPLIANCE AUDIT	STAFF CONCERNS	RISK SCORE	COMMENTS
<b>Fiscal Year 2016 - 2017</b>														
02-007	BARNES COUNTY NORTH	SCHOOL DISTRICTS	28	40	13	S	1	2	0	0	3	0	6	COMPLETED
53-006	EIGHT MILE SCHOOL	SCHOOL DISTRICTS	24	40	20	S	0	3	0	0	3	1	7	COMPLETED
13-019	HALLIDAY SCHOOL	SCHOOL DISTRICTS	11	40	22	S	1	3	3	0	3	0	10	COMPLETED
25-001	VELVA SCHOOL	SCHOOL DISTRICTS	43	40	18	S	1	3	0	0	3	0	7	COMPLETED
27-014	YELLOWSTONE ELEM. SCHOOL	SCHOOL DISTRICTS	11	40	11	S	1	3	0	0	3	0	7	COMPLETED
07-027	POWERS LAKE SCHOOL	SCHOOL DISTRICTS	25	40	67	S	1	3	1	0	2	0	7	COMPLETED
41-006	SARGENT CENTRAL SCHOOL	SCHOOL DISTRICTS	27	40	30	S	0	2	0	1	3	0	6	COMPLETED
34-118	VALLEY - EDINBURG SCHOOL	SCHOOL DISTRICTS	34	40	23	S	1	1	0	1	3	0	6	COMPLETED
45-013	BELFIELD PUBLIC SCHOOL	SCHOOL DISTRICTS	31	40	13	S	1	1	0	0	3	0	5	COMPLETED
27-001	MCKENZIE COUNTY SCHOOL	SCHOOL DISTRICTS	96	65	68	M	1	1	0	0	3	0	5	COMPLETED
40-029	ROLETTE SCHOOL	SCHOOL DISTRICTS	23	40	16	S	1	2	0	1	2	1	7	COMPLETED
03-006	LEEDS SCHOOL	SCHOOL DISTRICTS	22	40	66	S	1	2	0	0	3	0	6	COMPLETED
18-129	NORTHWOOD SCHOOL	SCHOOL DISTRICTS	28	40	99	S	1	1	0	1	2	1	6	COMPLETED
34-019	DRAYTON SCHOOL	SCHOOL DISTRICTS	26	40	133	S	1	1	0	1	3	0	6	COMPLETED
20-018	GRIGGS COUNTY CENTRAL SCH	SCHOOL DISTRICTS	29	40	15	S	1	2	0	0	3	0	6	COMPLETED
53-001	WILLISTON SCHOOL	SCHOOL DISTRICTS	261	95	85	L	1	3	3	0	2	1	10	COMPLETED
42-019	MCCLUSKY SCHOOL	SCHOOL DISTRICTS	17	40	24	S	0	3	1	1	2	0	7	COMPLETED
31-003	PARSHALL SCHOOL - SPECIAL AUDIT FY 2016	SCHOOL DISTRICTS	35	40	45	S			RETIREMENT SERVICES REQUEST					COMPLETED
10-023	LANGDON AREA SCHOOLS - SPECIAL AUDIT FY 2016	SCHOOL DISTRICTS	43	40	116	S			RETIREMENT SERVICES REQUEST					COMPLETED
30-048	GLEN ULLIN SCHOOL - NIC REVIEW	SCHOOL DISTRICTS	25	40	19	S	0	3	0	0	0	0	3	COMPLETED
03-030	FORT TOTTEN SCHOOL	SCHOOL DISTRICTS	28	40	353	S	1	2	0	0	3	0	6	COMPLETED - CONCLUSION THIRD AUDIT CYCLE
28-085	WHITE SHIELD	SCHOOL DISTRICTS	24	40	63	S	1	1	0	0	3	0	5	COMPLETED - CONCLUSION THIRD AUDIT CYCLE
40-001	DUNSEITH SCHOOL	SCHOOL DISTRICTS	55	65	65	M	1	3	1	0	2	0	7	IN PROGRESS - PENDING SECONDARY REVIEW
03-005	MINNEWAUKAN SCHOOL	SCHOOL DISTRICTS	29	40	40	S	1	3	2	0	2	1	9	IN PROGRESS - PENDING SECONDARY REVIEW
49-003	CENTRAL VALLEY SCHOOL	SCHOOL DISTRICTS	22	40	40	S	1	1	1	0	3	0	6	IN PROGRESS
38-026	GLENBURN SCHOOL	SCHOOL DISTRICTS	36	40	40	S	1	2	0	0	3	0	6	IN PROGRESS
43-004	FORT YATES SCHOOL	SCHOOL DISTRICTS	29	40	40	S	1	3	0	0	2	1	7	IN PROGRESS - CARRY FORWARD TO FY 2018
<b>FY 2016-2017 NOTES: It is anticipated that the TFFR Compliance Audits on Dunseith School and Minnewaukan School will close prior to the end of May. It is anticipated that one additional audit will close prior to the close of the fiscal year in June. Therefore the TFFR Compliance Audit for Central Valley School or Glenburn School will be carried forward along with the Fort Yates School TFFR Compliance Audit. Actual audit hours required are provided where available.</b>														
<b>Fiscal Year 2017 - 2018</b>														
43-004	FORT YATES SCHOOL	SCHOOL DISTRICTS	29	40	40	S	1	3	0	0	2	1	7	IN PROGRESS - CARRY FORWARD TO FY 2018
49-003	CENTRAL VALLEY SCHOOL	SCHOOL DISTRICTS	22	40	40	S	1	1	1	0	3	0	6	IN PROGRESS - CARRY FORWARD TO FY 2018
38-026	GLENBURN SCHOOL	SCHOOL DISTRICTS	36	40	40	S	1	2	0	0	3	0	6	IN PROGRESS - CARRY FORWARD TO FY 2018
53-015	TIOGA SCHOOL	SCHOOL DISTRICTS	45	40	40	S	1	1	0	1	3	0	6	PENDING NOT YET STARTED
09-002	KINDRED SCHOOL	SCHOOL DISTRICTS	56	65	65	M	0	3	1	0	2	0	6	PENDING NOT YET STARTED
25-014	ANAMOOSE SCHOOL	SCHOOL DISTRICTS	13	40	40	S	1	1	0	0	3	0	5	PENDING NOT YET STARTED
03-030	FORT TOTTEN SCHOOL - SPECIAL AUDIT FY 2016	SCHOOL DISTRICTS	28	40	40	S			RETIREMENT SERVICES REQUEST					IT DATA REQUESTED
28-051	GARRISON SCHOOL	SCHOOL DISTRICTS	44	40	40	S	1	1	0	1	3	0	6	IT DATA REQUESTED
24-056	GACKLE-STREETER PUB SCH	SCHOOL DISTRICTS	18	40	40	S	1	2	0	0	2	0	5	IT DATA REQUESTED
06-033	SCRANTON SCHOOL	SCHOOL DISTRICTS	20	40	40	S	0	1	0	1	3	0	5	IT DATA REQUESTED
18-400	ND SCHOOL FOR BLIND	STATE AGENCIES	14	40	40	S	0	0	0	0	0	0	0	IT DATA REQUESTED
09-007	MAPLETON ELEM. SCHOOL	SCHOOL DISTRICTS	11	40	40	S			RETIREMENT SERVICES REQUEST					
31-003	PARSHALL SCHOOL - SPECIAL AUDIT FY 2017	SCHOOL DISTRICTS	35	40	40	S			RETIREMENT SERVICES REQUEST					
03-029	WARWICK SCHOOL - NIC REVIEW	SCHOOL DISTRICTS	31	40	40	S	1	1	0	1	3	0	6	
07-036	BURKE CENTRAL SCHOOL	SCHOOL DISTRICTS	20	40	40	S	1	1	0	0	3	0	5	
27-002	ALEXANDER SCHOOL	SCHOOL DISTRICTS	21	40	40	S	1	1	0	0	3	0	5	
39-201	SOUTH VALLEY SPEC ED	SPECIAL EDUCATION UNITS	22	40	40	S	1	1	0	0	3	0	5	
35-005	RUGBY SCHOOL	SCHOOL DISTRICTS	57	65	65	M	1	1	0	1	3	0	6	
53-099	GRENORA SCHOOL	SCHOOL DISTRICTS	22	40	40	S	1	1	0	0	3	0	5	
39-028	LIDGERWOOD SCHOOL	SCHOOL DISTRICTS	23	40	40	S	1	1	0	0	3	0	5	
26-019	WISHEK SCHOOL	SCHOOL DISTRICTS	25	40	40	S	1	1	0	1	2	0	5	
21-009	NEW ENGLAND SCHOOL	SCHOOL DISTRICTS	25	40	40	S	1	1	0	1	2	0	5	
51-001	MINOT SCHOOL	SCHOOL DISTRICTS	687	95	95	L	1	1	0	0	3	0	5	
23-003	EDGELEY SCHOOL	SCHOOL DISTRICTS	26	40	40	S	1	1	0	0	3	0	5	
51-007	UNITED SCHOOL	SCHOOL DISTRICTS	52	65	65	M	0	2	0	0	3	0	5	
28-001	WILTON SCHOOL	SCHOOL DISTRICTS	27	40	40	S	1	1	0	0	3	0	5	

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<b>Fiscal Year 2018 - 2019</b>														
01-013	HETTINGER SCHOOL	SCHOOL DISTRICTS	29	40		S	1	1	0	0	3	0	5	
02-201	SHEYENNE VALLEY SPEC ED	SPECIAL EDUCATION UNITS	27	40		S	1	1	0	1	2	0	5	
28-050	MAX SCHOOL	SCHOOL DISTRICTS	26	40		S	1	1	0	0	3	0	5	
21-001	MOTT-REGENT SCHOOL	SCHOOL DISTRICTS	32	40		S	1	1	0	0	2	1	5	
28-072	TURTLE LAKE-MERCER SCHOOL	SCHOOL DISTRICTS	26	40		S	1	2	0	0	2	0	5	
47-001	JAMESTOWN SCHOOL	SCHOOL DISTRICTS	210	95		L	0	1	0	0	2	0	3	
45-034	RICHARDTON-TAYLOR	SCHOOL DISTRICTS	33	40		S	0	1	0	1	3	0	5	
12-001	DIVIDE SCHOOL	SCHOOL DISTRICTS	39	40		S	1	1	0	0	3	0	5	
34-006	CAVALIER SCHOOL	SCHOOL DISTRICTS	41	40		S	1	1	0	0	3	0	5	
51-041	SURREY SCHOOL	SCHOOL DISTRICTS	41	40		S	1	1	0	0	2	1	5	
50-008	PARK RIVER AREA SCHOOL DISTRICT	SCHOOL DISTRICTS	42	40		S	1	1	0	0	3	0	5	
09-017	CENTRAL CASS SCHOOL	SCHOOL DISTRICTS	62	65		M	1	1	0	0	3	0	5	
13-016	KILLDEER SCHOOL	SCHOOL DISTRICTS	46	40		S	1	1	0	1	2	0	5	
46-010	HOPE SCHOOL	SCHOOL DISTRICTS	11	40		S	1	1	0	0	2	0	4	
36-001	DEVILS LAKE SCHOOL	SCHOOL DISTRICTS	172	95		L	1	2	0	0	1	0	4	
07-014	BOWBELLS SCHOOL	SCHOOL DISTRICTS	13	40		S	1	1	0	0	2	0	4	
46-019	FINLEY-SHARON SCHOOL	SCHOOL DISTRICTS	20	40		S	1	1	0	0	2	0	4	
30-039	FLASHER SCHOOL	SCHOOL DISTRICTS	23	40		S	0	2	0	0	1	1	4	
31-002	STANLEY SCHOOL	SCHOOL DISTRICTS	62	65		M	1	1	0	1	2	0	5	
15-015	STRASBURG SCHOOL DISTRICT	SCHOOL DISTRICTS	18	40		S	1	1	0	0	2	0	4	
26-009	ASHLEY SCHOOL	SCHOOL DISTRICTS	20	40		S	1	1	0	0	2	0	4	
32-066	LAKOTA SCHOOL	SCHOOL DISTRICTS	24	40		S	0	1	0	0	3	0	4	
51-016	SAWYER SCHOOL	SCHOOL DISTRICTS	21	40		S	1	1	0	0	2	0	4	
33-001	CENTER STANTON SCHOOL	SCHOOL DISTRICTS	27	40		S	1	1	0	0	2	0	4	
10-023	LANGDON AREA SCHOOL - NIC REVIEW	SCHOOL DISTRICTS	40	40		S	1	1	0	0	2	0	4	
<b>Fiscal Year 2019 - 2020</b>														
36-400	ND SCHOOL FOR DEAF	STATE AGENCIES	16	40		S	0	0	0	0	0	0	0	
49-007	HATTON EIELSON PSD	SCHOOL DISTRICTS	23	40		S	0	1	0	1	2	0	4	
39-008	HANKINSON SCHOOL	SCHOOL DISTRICTS	27	40		S	1	1	0	0	2	0	4	
50-003	GRAFTON SCHOOL	SCHOOL DISTRICTS	86	65		M	0	2	0	0	3	0	5	
41-002	MILNOR SCHOOL	SCHOOL DISTRICTS	30	40		S	1	1	0	0	2	0	4	
23-008	LAMOURE SCHOOL	SCHOOL DISTRICTS	31	40		S	0	1	0	0	3	0	4	
24-002	NAPOLEON SCHOOL	SCHOOL DISTRICTS	31	40		S	1	1	0	0	2	0	4	
40-004	MT PLEASANT SCHOOL	SCHOOL DISTRICTS	31	40		S	0	1	0	1	2	0	4	
49-200	GST EDUCATIONAL SERVICES	SPECIAL EDUCATION UNITS	32	40		S	1	1	0	1	1	0	4	
14-002	NEW ROCKFORD SHEYENNE SCHOOL	SCHOOL DISTRICTS	33	40		S	0	1	0	1	2	0	4	
48-010	NORTH STAR	SCHOOL DISTRICTS	33	40		S	1	1	0	0	2	0	4	
30-001	MANDAN PUBLIC SCHOOLS	SCHOOL DISTRICTS	326	95		L	1	1	0	0	2	0	4	
28-004	WASHBURN SCHOOL	SCHOOL DISTRICTS	33	40		S	0	1	0	0	3	0	4	
11-041	OAKES SCHOOL	SCHOOL DISTRICTS	40	40		S	1	1	0	0	2	0	4	
18-061	THOMPSON SCHOOL	SCHOOL DISTRICTS	40	40		S	1	1	0	0	2	0	4	
02-002	VALLEY CITY SCHOOL	SCHOOL DISTRICTS	88	65		M	0	1	0	1	3	0	5	
45-009	SOUTH HEART SCHOOL	SCHOOL DISTRICTS	33	40		S	0	2	0	1	1	0	4	
11-040	ELLENDALE SCHOOL	SCHOOL DISTRICTS	38	40		S	0	1	0	0	3	0	4	
18-044	LARIMORE SCHOOL	SCHOOL DISTRICTS	43	40		S	0	1	0	0	3	0	4	
39-044	RICHLAND SCHOOL	SCHOOL DISTRICTS	27	40		S	1	1	0	0	2	0	4	
28-008	UNDERWOOD SCHOOL	SCHOOL DISTRICTS	30	40		S	1	1	0	0	2	0	4	
45-001	DICKINSON SCHOOL	SCHOOL DISTRICTS	285	95		L	1	2	0	0	0	0	3	
43-003	SOLENN-CANNONBALL SCHOOL	SCHOOL DISTRICTS	29	40		S	1	3	1	0	3	0	8	
38-001	MOHALL LANSFORD SHERWOOD	SCHOOL DISTRICTS	38	40		S	1	1	0	1	1	0	4	
29-003	HAZEN SCHOOL	SCHOOL DISTRICTS	52	65		M	1	1	0	0	2	0	4	

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<b>Fiscal Year 2020 - 2021</b>														
52-038	HARVEY SCHOOL	SCHOOL DISTRICTS	41	40		S	0	1	0	0	3	0	4	
09-200	RURAL CASS SPEC ED	SPECIAL EDUCATION UNITS	22	40		S	0	1	0	0	2	0	3	
18-125	MANVEL ELEM. SCHOOL	SCHOOL DISTRICTS	22	40		S	1	1	0	0	1	0	3	
25-060	TGU SCHOOL DISTRICT	SCHOOL DISTRICTS	44	40		S	1	1	0	0	2	0	4	
09-097	NORTHERN CASS SCHOOL DIST	SCHOOL DISTRICTS	53	65		M	1	1	0	0	2	0	4	
49-009	HILLSBORO SCHOOL	SCHOOL DISTRICTS	44	40		S	0	1	0	1	2	0	4	
22-001	KIDDER COUNTY SCHOOL DISTRICT	SCHOOL DISTRICTS	47	40		S	1	1	0	0	2	0	4	
47-014	MONTPELIER SCHOOL	SCHOOL DISTRICTS	18	40		S	0	1	0	1	1	0	3	
51-200	SOURIS VALLEY SPEC ED	SPECIAL EDUCATION UNITS	22	40		S	0	1	0	0	2	0	3	
39-018	FAIRMOUNT SCHOOL	SCHOOL DISTRICTS	18	40		S	0	1	0	0	2	0	3	
08-001	BISMARCK PUBLIC SCHOOLS	SCHOOL DISTRICTS	1,111	95		L	1	1	0	0	2	0	4	
29-201	OLIVER - MERCER SPEC ED	SPECIAL EDUCATION UNITS	19	40		S	0	2	0	0	1	0	3	
04-001	BILLINGS CO. SCHOOL DIST.	SCHOOL DISTRICTS	17	40		S	1	2	0	0	0	0	3	
43-008	SELFRIDGE SCHOOL	SCHOOL DISTRICTS	17	40		S	0	1	0	0	1	1	3	
05-054	NEWBURG UNITED DISTRICT	SCHOOL DISTRICTS	15	40		S	0	1	0	0	2	0	3	
52-025	FESSENDEN-BOWDON SCHOOL	SCHOOL DISTRICTS	22	40		S	0	1	0	0	2	0	3	
34-043	ST. THOMAS SCHOOL	SCHOOL DISTRICTS	15	40		S	0	1	0	0	2	0	3	
30-400	ND YOUTH CORRECTIONAL CNT	STATE AGENCIES	22	40		S	0	0	0	0	0	0	0	
51-004	NEDROSE SCHOOL	SCHOOL DISTRICTS	41	40		S	0	1	0	0	2	0	3	
37-019	LISBON SCHOOL	SCHOOL DISTRICTS	61	65		M	0	1	0	0	3	0	4	
16-049	CARRINGTON SCHOOL	SCHOOL DISTRICTS	48	40		S	0	1	0	0	2	0	3	
17-003	BEACH SCHOOL	SCHOOL DISTRICTS	40	40		S	0	1	0	0	2	0	3	
39-200	SE REGION CAREER AND TECH	SCHOOL DISTRICTS	27	40		S	1	0	0	3	0	0	4	
20-007	MIDKOTA	SCHOOL DISTRICTS	23	40		S	1	1	0	0	1	0	3	
41-003	NORTH SARGENT SCHOOL	SCHOOL DISTRICTS	27	40		S	0	1	0	0	2	0	3	
<b>Fiscal Year 2021 - 2022</b>														
40-027	BELCOURT SCHOOL	SCHOOL DISTRICTS	109	95		L	0	1	0	0	2	0	3	
30-013	HEBRON SCHOOL	SCHOOL DISTRICTS	23	40		S	0	1	0	0	2	0	3	
05-001	BOTTINEAU SCHOOL	SCHOOL DISTRICTS	65	65		M	0	1	0	0	3	0	4	
39-042	WYNDMERE SCHOOL	SCHOOL DISTRICTS	28	40		S	1	1	0	0	1	0	3	
30-049	NEW SALEM-ALMONT	SCHOOL DISTRICTS	33	40		S	0	1	0	0	2	0	3	
51-028	KENMARE SCHOOL	SCHOOL DISTRICTS	33	40		S	0	1	0	0	2	0	3	
29-027	BEULAH SCHOOL	SCHOOL DISTRICTS	68	65		M	1	1	0	0	2	0	4	
53-002	NESSON SCHOOL	SCHOOL DISTRICTS	29	40		S	0	2	0	0	1	0	3	
27-036	MANDAREE SCHOOL	SCHOOL DISTRICTS	30	40		S	0	1	0	0	2	0	3	
15-036	LINTON SCHOOL	SCHOOL DISTRICTS	32	40		S	0	1	0	0	2	0	3	
37-024	ENDERLIN AREA SCHOOL DISTRICT	SCHOOL DISTRICTS	37	40		S	0	1	0	0	2	0	3	
15-006	HAZELTON - MOFFIT SCHOOL	SCHOOL DISTRICTS	20	40		S	0	2	0	0	1	0	3	
19-049	ELGIN-NEW LEIPZIG SCHOOL	SCHOOL DISTRICTS	22	40		S	1	1	0	0	1	0	3	
05-017	WESTHOPE SCHOOL	SCHOOL DISTRICTS	21	40		S	0	1	0	0	2	0	3	
18-001	GRAND FORKS SCHOOL	SCHOOL DISTRICTS	805	95		L	0	2	0	0	1	0	3	
50-020	MINTO SCHOOL	SCHOOL DISTRICTS	24	40		S	1	1	0	0	1	0	3	
40-003	ST. JOHN'S SCHOOL	SCHOOL DISTRICTS	40	40		S	0	1	0	0	3	0	4	
30-048	GLEN ULLIN SCHOOL	SCHOOL DISTRICTS	25	40		S	0	3	0	0	0	0	3	
32-001	DAKOTA PRAIRIE SCHOOL	SCHOOL DISTRICTS	33	40		S	0	1	0	0	2	0	3	
47-019	KENSAL SCHOOL	SCHOOL DISTRICTS	11	40		S	0	1	0	0	1	0	2	
31-001	NEW TOWN SCHOOL	SCHOOL DISTRICTS	78	65		M	0	1	0	0	2	0	3	
35-001	WOLFORD SCHOOL	SCHOOL DISTRICTS	11	40		S	0	1	0	0	1	0	2	
03-030	FORT TOTTEN	SCHOOL DISTRICTS	28	40		S	1	2	0	0	3	0	6	
09-080	PAGE SCHOOL	SCHOOL DISTRICTS	13	40		S	0	1	0	0	1	0	2	
03-009	MADDOCK SCHOOL	SCHOOL DISTRICTS	19	40		S	0	1	0	0	1	0	2	

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<b>Fiscal Year 2022 - 2023</b>														
36-002	EDMORE SCHOOL	SCHOOL DISTRICTS	14	40		S	0	1	0	0	1	0	2	
14-200	E CENTRAL CTR EXC CHILDN	SPECIAL EDUCATION UNITS	14	40		S	0	1	0	0	1	0	2	
50-200	UPPER VALLEY SPEC ED	SPECIAL EDUCATION UNITS	52	65		M	0	1	0	0	2	0	3	
18-127	EMERADO ELEMENTARY SCHOOL	SCHOOL DISTRICTS	14	40		S	0	2	0	0	0	0	2	
39-037	WAHPETON SCHOOL	SCHOOL DISTRICTS	113	95		L	0	1	0	0	2	0	3	
45-200	WEST RIVER STUDENT SERVICES	SPECIAL EDUCATION UNITS	12	40		S	0	1	0	0	1	0	2	
08-028	WING SCHOOL	SCHOOL DISTRICTS	16	40		S	0	1	0	0	0	0	1	
02-046	LITCHVILLE-MARION SCHOOL	SCHOOL DISTRICTS	18	40		S	0	1	0	0	0	0	1	
09-004	MAPLE VALLEY SCHOOL	SCHOOL DISTRICTS	32	40		S	0	2	0	0	0	0	2	
47-010	PINGREE - BUCHANAN SCHOOL	SCHOOL DISTRICTS	19	40		S	0	1	0	0	1	0	2	
36-201	LAKE REGION SPEC ED	SPECIAL EDUCATION UNITS	28	40		S	0	1	0	0	1	0	2	
09-006	WEST FARGO SCHOOL	SCHOOL DISTRICTS	901	95		L	0	2	0	0	0	0	2	
18-128	MIDWAY SCHOOL	SCHOOL DISTRICTS	30	40		S	0	1	0	0	1	0	2	
49-010	MAY-PORT C-G SCHOOL	SCHOOL DISTRICTS	48	40		S	0	1	0	0	1	0	2	
10-019	MUNICH SCHOOL	SCHOOL DISTRICTS	20	40		S	0	1	0	0	1	0	2	
47-003	MEDINA SCHOOL	SCHOOL DISTRICTS	22	40		S	0	1	0	0	1	0	2	
34-100	NORTH BORDER SCHOOL	SCHOOL DISTRICTS	57	65		M	0	1	0	0	1	0	2	
53-008	NEW PUBLIC SCHOOL	SCHOOL DISTRICTS	29	40		S	0	1	0	0	0	0	1	
51-070	SOUTH PRAIRIE ELEM SCHOOL	SCHOOL DISTRICTS	36	40		S	0	1	0	0	0	0	1	
02-200	SHEYENNE VALLEY AREA VOC	VOCATIONAL CENTERS	12	40		S	0	1	0	0	0	0	1	
23-724	JAMES RIVER MULTIDISTRICT SPEC ED UNIT	SPECIAL EDUCATION UNITS	22	40		S	0	1	0	0	0	0	1	
36-044	STARKWEATHER SCHOOL	SCHOOL DISTRICTS	12	40		S	0	1	0	0	0	0	1	
50-005	FORDVILLE LANKIN SCHOOL	SCHOOL DISTRICTS	12	40		S	0	1	0	0	0	0	1	
53-200	WILMAC SPECIAL EDUCATION	SPECIAL EDUCATION UNITS	45	40		S	0	1	0	0	0	0	1	
51-161	LEWIS AND CLARK SCHOOL	SCHOOL DISTRICTS	48	40		S	0	1	0	0	0	0	1	
<b>Fiscal Year 2023 - 2024</b>														
23-007	KULM SCHOOL	SCHOOL DISTRICTS	22	40		S	0	1	0	0	0	0	1	
09-001	FARGO PUBLIC SCHOOLS	SCHOOL DISTRICTS	1,086	95		L	0	2	0	0	0	0	2	
09-400	ND CENTER FOR DISTANCE EDUCATION	STATE AGENCIES	38	40		S	0	0	0	0	0	0	0	
31-003	PARSHALL SCHOOL	SCHOOL DISTRICTS	32	40		S	1	3	0	0	3	0	7	
03-029	WARWICK SCHOOL	SCHOOL DISTRICTS	31	40		S	1	1	0	1	3	0	6	
28-085	WHITE SHIELD	SCHOOL DISTRICTS	24	40		S	1	1	0	0	3	0	5	

# MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee

**FROM:** Terra Miller Bowley, Supervisor of Audit Services

**DATE:** May 25, 2017

**SUBJECT:** Employee Fraud Hotline – EideBailly

RIO recently secured the services of EideBailly as a third party vendor to provide an employee hotline. The employee hotline allows employees to report fraudulent and wrongful behavior and remain anonymous. Online submissions can be made by employees 24/7 and a toll-free call service is available during business hours. Trained forensic professionals respond to each report and provide information to company personnel. At this time the Executive Director/CIO and the Supervisor of Audit Services have been designated as contact points within the organization.

RIO employees were provided information about the employee hotline at an organization wide staff meeting held on April 13, 2017. Posters have also been hung in various prominent locations throughout the office.

Additional information regarding the hotline reporting services offered by EideBailly can be found at:  
<http://www.eidebailly.com/services/forensic-valuation/human-resources/hotline-reporting/>

# MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee  
**FROM:** Terra Miller Bowley, Supervisor of Audit Services  
**DATE:** May 25, 2017  
**SUBJECT:** Teachers' Fund for Retirement (TFFR) Board Education

Audit Services was asked to provide an educational session to the TFFR Board on March 23, 2017. The twenty five minute presentation gave an overview of the Audit Services Division as well as detailed our employer auditing program. The presentation provided to the TFFR Board has been included for informational purposes only.

# RIO's Audit Services Division TFFR Employer Auditing

Terra L. Miller Bowley

TFFR Board Education

March 23, 2017

# RIO's Audit Services Division

- RIO's Audit Services Division is comprised of two full time staff members who report administratively to the Executive Director/CIO and functionally to the State Investment Board (SIB) Audit Committee.
- Dottie Thorsen is a staff auditor and has been employed with RIO for over 18 years. 100% of her time is allocated to TFFR related audits. She is primarily responsible for TFFR Employer Audits, TFFR File Maintenance Audits, and the TFFR Benefit Payment Audit.
- Terra Miller Bowley is the Supervisor of Audit Services and has been employed with RIO for 2 and ½ years. 70% of her time is allocated to TFFR with the remaining 30% allocated to investment activities. She is primarily responsible for TFFR Employer Auditing, TFFR File Maintenance Audits, Executive Limitations Audit, and assisting RIO's External Auditors.

## Primary Audit Responsibilities

TFFR Employer Auditing	76%
TFFR File Maintenance Audit	13%
TFFR Benefit Payment Audit	5%
Executive Limitation Audit	5%
RIO External Audit	1%

- TFFR File Maintenance Audit – Reviews changes made to TFFR member account data by staff within CPAS. Ensures changes made by staff are expected and appropriate given an individual's role within the organization. Also verifies changes are properly documented.
- TFFR Benefit Payment Audit – Reviews the processing and handling of deaths, long outstanding checks, and long term annuitants to ensure policies and procedures are being followed by staff.
- Executive Limitation Audit – Completed at the request of the SIB. Ensures the Executive Director/CIO is in compliance with the SIB Governance Manual Executive Limitation Policies A-1 – A-11.

# TFFR Employer Auditing

- **Multiple Audits, One Purpose...**
  - A majority of audit resources are dedicated to TFFR Employer Auditing. The employer auditing program is actually comprised of several different audits which include:
    - Compliance Audits
    - Not in Compliance (NIC) Reviews
    - Requested Special Audits
    - Annual Salary Verification Project
  - The primary purpose of all employer auditing is to determine if the retirement salaries and contributions reported to TFFR by a participating employer are in compliance with the definition of salary as it appears in the North Dakota Century Code (N.D.C.C. § 15-39.1-04 (9)).
  - 70 -75 participating employers are audited by RIO's Audit Services Division in any given fiscal year.

# TFFR Employer Auditing

- Who Can Be Audited...
  - At the close of fiscal year 2016 TFFR had 214 participating employers which included school districts, special education units, vocational centers, state agencies, county superintendents, and others.
    - Participating employers with 10 or fewer total members are not eligible for inclusion in the employer auditing program.
    - County superintendents and Regional Education Associations (REA) are not included in the employer auditing program at this time.
    - 174 participating employers are currently eligible to be audited.

# TFFR Employer Auditing

- How Are Audits Prioritized...

- Audit Services considers several factors when determining the order in which participating employers are audited. Those factors include:
  - Has a change in key personnel (superintendent and/or business manager) recently occurred?
    - Yes = ↑ Risk                      No = ↓ Risk
  - Has the employer recently changed payment models (Model 1, Model 2, etc.)?
    - Yes = ↑ Risk                      No = ↓ Risk
  - How long has it been since the employer was audited by RIO's Audit Services?
    - 3 or More Years = ↑ Risk      2 or Less Years = ↓ Risk
  - Was the employer found to be in compliance with reporting requirements at the conclusion of their most recent audit?
    - Yes = ↓ Risk                      No = ↑ Risk
  - Do staff have any concerns related to the accuracy and timeliness of reporting from the employer?
    - Yes = ↑ Risk                      No = ↓ Risk
- Employers with the highest "risk" are audited before employers with a lower "risk".

# TFFR Employer Auditing

- **TFFR Compliance Audit...The Basics**

- Every participating employer receives a TFFR Compliance Audit every eight years on a rotating cycle.
  - Since the inception of RIO's Audit Services Division three complete audit cycles have been completed.
  - The fourth audit cycle began in May 2016 and is projected to be completed in May 2024.
- Audit Services completes between 20 and 25 TFFR Compliance Audits each fiscal year.
- A TFFR Compliance Audit has an audit period of two years and verifies:
  - Reported salaries and contributions.
  - Reported service hours.
  - Eligibility for TFFR membership.

# TFFR Employer Auditing

- **TFFR Compliance Audit...Sampling**

- Rarely are 100% of the members reported by a participating employer included in a TFFR Compliance Audit, except in cases of a systemic error.
  - A systemic error is an error which has caused the salaries and contributions of every member of a participating employer to be reported incorrectly.
- A sample of members reported by the participating employer is selected using a judgmental sampling technique.
  - Judgmental sampling is a non-probability sampling technique where a sample is selected by an individual based on their knowledge and professional experience.
- The size of the sample is based on the size of the participating employer.

Employer Size	Sample Size
Up to 250 Teachers/Administrators	3
251 to 500 Teachers/Administrators	5
501 to 700 Teachers/Administrators	6
701 to 900 Teachers/Administrators	7
901 to 975 Teachers/Administrators	9
976 or more Teachers/Administrators	10

# TFFR Employer Auditing

- **TFFR Compliance Audit...Notification**

- The participating employer (business manager and superintendent) receives an audit notification via email.
- The employer is required to provide the following information within 30 days of notification:
  - Copies of individual contracts and payroll ledgers for each sample member. Employers are required to also provide a salary reconciliation which identifies each type of salary paid.
  - Copies of any negotiated agreements, salary schedules, and extra-curricular payment schedules.
  - Completed audit questionnaire which provides information regarding the employer's reporting practices.
  - Completed service hours worksheet. This is an Excel worksheet which assists in the calculation of actual hours worked by full-time and part-time employees.
- RIO's Audit Services notifies approximately 10 – 15 participating employers of a upcoming TFFR Compliance Audit each fiscal year.

# TFFR Employer Auditing

- **TFFR Compliance Audit...The Details**

- The salaries and contributions which should have been reported for the individual members are calculated utilizing the information provided by the employer. The results are then compared to the amounts actually reported by the employer.
  - If the employer has failed to report eligible salary to TFFR, the member account is updated to reflect the corrected salary and the employer is billed for the contributions owed with interest.
  - If the employer reported ineligible salary to TFFR, the member account is updated to reflect the corrected salary and the contributions paid are refunded to the employer.
- Service hours reported by the employer are reviewed for accuracy. For part-time members the actual number of hours worked must be reported. For members who work in excess of 700 hours, a total of 700 hours should be reported.
  - If the service hours reported by the employer are incorrect, the member account is updated to reflect the corrected number of service hours.
- Eligibility for TFFR membership is verified. To be eligible for TFFR membership an individual must be currently licensed to teach in North Dakota by the ESPB and contractually employed in teaching, supervisory, administrative, or extracurricular services. Licenses are verified directly with ESPB.
  - If an employer has reported an individual ineligible for TFFR membership , the member account is closed and contributions paid are refunded.
  - If an employer has failed to report an individual eligible for TFFR membership, a member account is created and the employer is billed for the contributions owed with interest.

# TFFR Employer Auditing

- **TFFR Compliance Audit...The Report**

- At the conclusion of a TFFR Compliance Audit a determination is made regarding an employer's compliance with reporting requirements. An employer can be found in compliance, generally in compliance, and not in compliance.
- The employer receives a copy of the audit report along with supporting documentation. Any reporting errors identified during the course of the audit are detailed in the audit report. Individual members are notified if a correction was made to their account as a result of the audit.
- Employers are required to provide a written response within 30 days of receiving the audit report. The written response must detail the actions the employer has taken or intends to take to correct the reporting errors noted in the audit report.
- Employers must also remit payment for any contributions and interest owed within 30 days of receiving the audit report.
- Employers who are determined to be in compliance or generally in compliance will be eligible for another TFFR Compliance Audit in eight years.
- Employers who are determined to be not in compliance will receive a Not in Compliance (NIC) Review.

# TFFR Employer Auditing

- **Not in Compliance (NIC) Review...**

- The purpose of the NIC Review is to follow-up with the employer and review a sample of salaries and contributions that have been reported to TFFR after the conclusion of the TFFR Compliance Audit to ensure reporting errors identified during the prior audit have been corrected.
- A NIC Review follows a process similar to the one previously detailed for the TFFR Compliance Audit. However the audit period is one fiscal year.

- **Requested Special Audit...**

- On occasion Retirement Services requests that an audit be conducted on a particular employer for a specific timeframe.
  - Each audit is driven by the particular circumstance which necessitated the request.
  - The audit may involve a sample of members reported by a participating employer or all members reported by a particular employers.
  - The audit may focus on a particular month, fiscal year, or multiple fiscal years.

# TFFR Employer Auditing

- **Annual Salary Verification Project...The Basics**
  - The Salary Verification Project is intended to:
    - Supplement other auditing activities, in particular TFFR Compliance Audits.
    - Increase the number of participating employers included in overall audit activities each fiscal year.
    - Reinforce to our participating employers the importance of timely and accurate reporting.
  - Audit Services completes this particular audit each fiscal year during the third or fourth quarter. The audit includes 50 members from 50 participating employers.
  - The Salary Verification Project has an audit period of one year and verifies:
    - Reported salaries and contributions.
    - Reported service hours.
    - Eligibility for TFFR membership.

# TFFR Employer Auditing

- **Annual Salary Verification Project...Sampling**

- The initial sample population includes all member accounts which have a \$5,000 increase or decrease in retirement salary reported to TFFR.
- Member accounts are then eliminated if the member is employed by a participating employer who:
  - Is currently being audited.
  - Has been notified of an upcoming audit.
  - Has been audited in the last 12 months.
  - Has been selected for and participated in a GASB 68 Census Data Audit.
  - Were included in the prior year Salary Verification Project.
- One member account is selected from each of the remaining participating employers until 50 member accounts have been selected.
- This sampling approach ensures that the member accounts selected for inclusion in the audit come from participating employers who have not been in contact with RIO's Audit Services Division or our external auditors for at least one fiscal year.

# TFFR Employer Auditing

- **Annual Salary Verification Project...Notification**
  - The participating employer (business manager and superintendent) receives an audit notification via email.
  - The employer is required to provide the following information within 10 days of notification:
    - Copies of individual contracts and payroll ledgers for the sample member.
    - Salary reconciliation which identifies each type of salary paid to the sample member.

# TFFR Employer Auditing

- **Annual Salary Verification Project...The Details**

- The salaries and contributions which should have been reported for the individual members are calculated utilizing the information provided by the employer. The results are then compared to the amounts actually reported by the employer.
  - If the employer has failed to report eligible salary to TFFR, the member account is updated to reflect the corrected salary and the employer is billed for the contributions owed with interest.
  - If the employer reported ineligible salary to TFFR, the member account is updated to reflect the corrected salary and the contributions paid are refunded to the employer.
- Service hours reported by the employer are reviewed for accuracy. For part-time members the actual number of hours worked must be reported. For members who work in excess of 700 hours, a total of 700 hours should be reported.
  - If the service hours reported by the employer are incorrect, the member account is updated to reflect the corrected number of service hours.
- Eligibility for TFFR membership is verified. To be eligible for TFFR membership an individual must be currently licensed to teach in North Dakota by the ESPB and contractually employed in teaching, supervisory, administrative, or extracurricular services. Licenses are verified directly with ESPB.
  - If an employer has reported an individual ineligible for TFFR membership , the member account is closed and contributions paid are refunded.
  - If an employer has failed to report an individual eligible for TFFR membership, a member account is created and the employer is billed for the contributions owed with interest.

# TFFR Employer Auditing

- **Annual Salary Verification Project...The Report**
  - At the conclusion of the Salary Verification Project the employer receives a letter which details any errors identified during the course of the audit. This letter serves as the formal audit report.
  - Individual members are notified if a correction was made to their account as a result of the audit.
  - Employers must remit payment for any contributions and interest owed within 30 days of receiving the letter.
  - Retirement Services is notified if during the course of the audit any concerns regarding the accuracy of employer reporting are identified. Information gathered during the course of the audit is also used when prioritizing TFFR Compliance Audits in the next fiscal year.

# QUESTIONS



# MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee  
**FROM:** Terra Miller Bowley, Supervisor of Audit Services  
**DATE:** May 25, 2017  
**SUBJECT:** 2017 - 2018 SIB Audit Committee Meeting Schedule

Included is the proposed schedule for the 2017-2018 SIB Audit Committee meeting dates. The SIB Audit Committee (per the charter) will generally meet four times a year with the authority to convene additional meetings as needed. The following items are time sensitive and do require action by the SIB Audit Committee and the SIB:

- The RIO Financial Audit Report for FY 2017 must be approved prior to November 17, 2017.
- The Executive Limitation Audit Report for CY 2017 must be approved prior to February 23, 2018.
- The RIO Financial Audit Scope and Approach for FY 2018 and the GASB 68 Schedules Audit Report must be approved prior to May 25, 2018.

The following is simply a proposed schedule and as long as the deadlines noted above are met, the SIB Audit Committee is welcome to hold their meetings on a date and time which suites their schedules.

## July

July 27, 2017 – TFFR @ 1:00 PM  
July 28, 2017 – SIB @ 8:30 AM

## August

August 25, 2017 – SIB @ 8:30 AM

## September

September 21, 2017 – TFFR @ 1:00 PM  
September 22, 2017 – SIB @ 8:30 AM  
September 22, 2017 – SIB Audit Committee @ 1:00 PM

## October

October 26, 2017 – TFFR @ 1:00 PM  
October 27, 2017 – SIB @ 8:30 AM

## November

November 16, 2017 – SIB Audit Committee @ 3:00 PM  
November 17, 2017 – SIB @ 8:30 AM

## January

January 25, 2018 – TFFR @ 1:00 PM  
January 26, 2018 – SIB @ 8:30 AM

## February

February 22, 2018 – SIB Audit Committee @ 3:00PM  
February 23, 2018 – SIB @ 8:30 AM

## March

March 22, 2018 – TFFR @ 1:00 PM  
March 23, 2018 – SIB @ 8:30 AM

## April

April 26, 2018 – TFFR @ 1:00 PM  
April 27, 2018 – SIB @ 8:30 AM

## May

May 24, 2018 – SIB Audit Committee @ 3:00 PM  
May 25, 2018 – SIB @ 8:30 AM

# MEMORANDUM

**TO:** State Investment Board (SIB) Audit Committee

**FROM:** Terra Miller Bowley, Supervisor of Audit Services

**DATE:** May 25, 2017

**SUBJECT:** 2017-2018 Audit Committee Membership

The Audit Committee is a standing committee of the State Investment Board (SIB) authorized under SIB Governance Policy B-6, Standing Committees. Its primary function is to assist the SIB in fulfilling its oversight responsibilities of the Retirement and Investment Office (RIO) internal and external audit programs, including financial and other reporting practices, internal controls, and compliance with laws, regulations, and ethics.

The committee is comprised of five members selected by the SIB. Three members of the Committee will represent the three groups of the SIB (Teachers' Fund for Retirement (TFFR), Public Employees Retirement System (PERS), and elected and appointed officials). The other two members are to be selected from outside the SIB and will be auditors with at least a Certified Public Accountant (CPA) or Certified Internal Auditor (CIA) designation. Membership on the Committee will be for a term of one year or termination of term on the SIB. There is no limit to the number of terms that can be served on the Committee.

Each July, as a new fiscal year gets underway, the SIB is required to review and approve appointments to the SIB Audit Committee. As current members of the SIB Audit Committee your service is greatly appreciated.

**Please notify the Supervisor of Audit Services, Terra Miller Bowley, by Thursday June 1, 2017 if you are willing to continue to serve on the SIB Audit Committee through the end of the next fiscal year (July 1, 2017 to June 30, 2018). The Supervisor of Audit Services can be reached via phone at 1.800.952.2970 or 701.328.9896 or via email at [tmbowley@nd.gov](mailto:tmbowley@nd.gov).**