

**STATE INVESTMENT BOARD  
AUDIT COMMITTEE MEETING  
MINUTES OF THE  
NOVEMBER 15, 2022, MEETING**

**MEMBERS PRESENT:** Thomas Beadle, State Treasurer, Chair  
Julie Dahle, External Representative  
Jon Griffin, External Representative  
Cody Mickelson, TFFR Board

**MEMBER ABSENT:** Yvonne Smith, PERS Board, Vice Chair

**STAFF PRESENT:** Jecca Geffre, Communications/Outreach Dir.  
Rachel Kmetz, Accounting Mgr.  
Missy Kopp, Exec. Assistant  
Jan Murtha, Exec. Director  
Chad Roberts, DED/CRO  
Sara Sauter, Suprv. of Internal Audit  
Ryan Skor, CFO/COO  
Dottie Thorsen, Internal Auditor

**GUESTS:** Paul Niedermuller, CLA  
Tonia Schultz, CLA

**CALL TO ORDER:**

Treasurer Beadle called the State Investment Board (SIB) Audit Committee meeting to order at 2:34 p.m. on Tuesday, November 15, 2022, at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

The following Audit Committee members were present representing a quorum, Treasurer Beadle, Ms. Dahle, Mr. Griffin, and Mr. Mickelson.

**AGENDA:**

The agenda was considered for the November 15, 2022, meeting.

**IT WAS MOVED BY MR. GRIFFIN AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE NOVEMBER 15, 2022, MEETING AS DISTRIBUTED.**

**AYES: MS. DAHLE, MR. GRIFFIN, MR. MICKELSON, AND TREASURER BEADLE**

**NAYS: NONE**

**ABSENT: MS. SMITH**

**MOTION CARRIED**

Mr. Skor and Ms. Geffre were introduced.

**MINUTES:**

The minutes were considered for the August 9, 2022, meeting.

**IT WAS MOVED BY MR. GRIFFIN AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO ACCEPT THE AUGUST 9, 2022, MINUTES AS DISTRIBUTED.**

**AYES: MR. GRIFFIN, MR. MICKELSON, MS. DAHLE, AND TREASURER BEADLE**

**NAYS: NONE**  
**ABSENT: MS. SMITH**  
**MOTION CARRIED**

**FINANCIAL AUDIT REPORT AND GASB 68 SCHEDULE AUDIT:**

Mr. Niedermuller and Ms. Schulz, CliftonLarsonAllen (CLA), reviewed the audit results of the Retirement and Investment Office (RIO) financial statements for the period ended June 30, 2022. CLA issued an unmodified “clean” opinion that the financial statements are presented fairly, in all material respects, in conformity with the US Generally Accepted Accounting Principles (GAAP). An update was provided on the 2022 GASB Schedules Audit. Employer census testing is complete and included the individual employee census data at 12 separate employers. Ms. Sauter shared that CLA found some missing documentations in a couple of retirement accounts which did require a finding. Staff have worked to create a process to avoid a similar situation in the future. A complete review of retirement records from 2021-22 was completed. Staff created a checklist for the Retirement Division to check retirement and death records on a quarterly basis. The process was a collaborative effort between IA and Retirement Services.

**IT WAS MOVED BY MR. GRIFFIN AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO ACCEPT THE JUNE 30, 2022, FINANCIAL AUDIT REPORT.**

**AYES: MS. DAHLE, MR. MICKELSON, MR. GRIFFIN, AND TREASURER BEADLE**  
**NAYS: NONE**  
**ABSENT: MS. SMITH**  
**MOTION CARRIED**

**EXECUTIVE LIMITATIONS/STAFF RELATIONS:**

Ms. Murtha provided an update on staffing at RIO. The reorganization of the TFFR Compliance Specialist and Retirement Accountant was the final phase of the reorganization of the Retirement Services Division. Two new investment staff started this week, and the new Risk Officer will start later this month. The Communications and Outreach Director started on November 7, 2022. A new Accounting Intern has been hired and will start in December 2022. An all-staff training is scheduled for December 6, 2022. Current projects include the Legacy Fund asset allocation study, Pioneer Project, Northern Trust initiative, and the audit consultant RFP.

**FIRST QUARTER AUDIT ACTIVITIES:**

Ms. Seiler provided an update on IA activities for the quarter ended September 30, 2022. IA facilitated the SIB Customer Satisfaction Survey which is sent to all SIB clients. IA provided support to the external auditors during the GASB 68 Census Data Audit. IA worked with other staff to review and update RIO’s administrative policies.

RIO management requested a payroll audit for January through August 2022. IA reviewed payroll records and documentation. It was found that some overtime which had been approved by the immediate supervisor did not have the required overtime form which requires the signatures of the ED and DED. Ms. Seiler reviewed the process and results of the TFFR File Maintenance Audit.

**IT WAS MOVED BY MS. DAHLE AND SECONDED BY MR. GRIFFIN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE FIRST QUARTER AUDIT ACTIVITIES REPORT.**

**AYES: MR. GRIFFIN, MS. DAHLE, MR. MICKELSON, AND TREASURER BEADLE**  
**NAYS: NONE**  
**ABSENT: MS. SMITH**  
**MOTION CARRIED**

**INTERNAL AUDIT BUSINESS PROCESS REVIEW:**

Ms. Seiler provided an update on the IA Business Process Review. A request for proposal (RFP) was issued. The work will include a business process review, identifying future business needs, developing a risk matrix, and reviewing the current audit charter. Weaver and Tidwell, LLP as selected, and a kick-off meeting has been tentatively scheduled. An update on the progress of this review will be provided at the February 2023 Audit Committee meeting.

**CURRENT AUDIT ACTIVITIES:**

Ms. Seiler provided an update on current IA activities. IA staff have attended a number of meetings including monthly Fiscal/Retirement Services, Pioneer project, and board/committee meetings. Audits that are currently in-progress include Executive Limitations, Model 2 Partial Salary Review, RIO Policy Manual Update, Payroll, and TFFR File Maintenance.

**IT WAS MOVED BY MS. DAHLE AND SECONDED BY MR. GRIFFIN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE CURRENT AUDIT ACTIVITIES REPORT.**

**AYES: MS. DAHLE, MR. GRIFFIN, MR. MICKELSON, AND TREASURER BEADLE**

**NAYS: NONE**

**ABSENT: MS. SMITH**

**MOTION CARRIED**

**OTHER:**

With no further business to come before the Audit Committee, Treasurer Beadle adjourned the meeting at 4:08 p.m.

Prepared by:

Missy Kopp  
Assistant to the Board