

**STATE INVESTMENT BOARD
AUDIT COMMITTEE MEETING
MINUTES OF THE
SEPTEMBER 3, 2025, MEETING**

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

STAFF PRESENT: Jennifer Ferderer, Fiscal Operations Admin
Sarah Mudder, Communications & Outreach Dir
Chad Roberts, CRO/Dep Exec Dir
Sara Seiler, Suprv. of Internal Audit
Dottie Thorsen, Internal Auditor

GUESTS: Bruce Mills, Weaver
Members of the Public

CALL TO ORDER:

Treasurer Beadle called the State Investment Board (SIB) Audit Committee special meeting to order at 3:33 p.m. on Wednesday, September 3, 2025. The meeting was held in The RIO Conference Room, 1600 E Century Ave., Bismarck, ND.

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

AGENDA:

The agenda was considered for the September 3, 2025, meeting.

IT WAS MOVED BY MR. MILLER AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA FOR THE SEPTEMBER 3, 2025, MEETING AS DISTRIBUTED.

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

MINUTES:

The minutes were considered for the May 14, 2025, and June 19, 2025, meetings.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A VOICE VOTE TO APPROVE THE MINUTES FOR THE MAY 14, 2025, AND JUNE 19, 2025, MEETINGS AS DISTRIBUTED.

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

GOVERNANCE

Election of Chair and Vice Chair:

Mr. Mickelson nominated Treasurer Beadle for Committee Chair and Mr. Van Orman seconded the nomination. Mr. Van Orman nominated Mr. Mickelson for Committee Vice Chair and Mr. Miller seconded the nomination.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. VAN ORMAN AND CARRIED BY A VOICE VOTE TO APPOINT TREASURER BEADLE AS CHAIR AND MR. MICKELSON AS VICE CHAIR OF THE AUDIT COMMITTEE.

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

NAYS: NONE

MOTION CARRIED

Liaison Appointment:

Treasurer Beadle appointed Ms. Seiler as the Audit Committee Liaison to the SIB.

Internal Audit (IA) Workplan:

Ms. Seiler reviewed the proposed IA workplan for 2025-26. The plan lists out projects and approximate hours required. Committee discussion followed.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO APPROVE THE 2025-26 IA WORKPLAN.

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

NAYS: NONE

MOTION CARRIED

REPORTS

Current Activities:

Mr. Mills from Weaver reported that the External Investment Oversight Audit is nearly complete, with process walkthroughs finished, the audit scope confirmed, and 90% of control testing done. Final steps include completing the remaining tests, validating observations, and issuing the report. Advisory projects are also progressing: the transition to Northern Trust's Allocation Engine is on track, automation of general ledger postings will begin in October, cash management practices are being refined, performance disclosures are under review for completion in September, and month-end reconciliation improvements continue through weekly coordination meetings.

Mr. Roberts informed the committee of a fraud incident involving three TFFR member accounts. Attackers used stolen login credentials from unrelated breaches to access accounts and redirect deposits. Two monthly payments were misdirected, but one was successfully recovered. All affected accounts were secured, law enforcement was involved, and Risk Management was notified. RIO is working with NDIT, the vendor, and legal counsel on system improvements to prevent similar incidents.

Year End Audit Activities:

Internal Audit summarized activities from July 2024 to June 2025. Key work included conducting exit interviews, administering surveys for leadership reviews, supporting the Executive Search Committee, assisting external auditors, and advancing the Internal Audit Maturity Development Project with Weaver. Internal Audit also issued RFPs for co-sourcing, supported the TFFR Pioneer Project launch, completed file maintenance audit fieldwork, and began a governance assessment. Administrative tasks such as record retention and professional training were also carried out.

2024-25 Audit Committee Report to SIB:

Ms. Seiler reviewed the Annual Audit Committee Report to the SIB. The Committee held four regular and two special meetings during the fiscal year. Activities included approving and monitoring the internal audit workplan, overseeing the Executive Search process, supporting governance and compliance projects, and reviewing progress on the co-sourced External Investment Oversight Audit. The committee also monitored the Pioneer Project launch, received clean financial audit results from external auditors, and continued professional development and exit review activities. The report affirmed that oversight responsibilities were met for the year.

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

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

NAYS: NONE

MOTION CARRIED

ADJOURNMENT

With no further business to come before the Audit Committee, Treasurer Beadle adjourned the meeting at 4:29 p.m.

Prepared by: Jennifer Ferderer, Assistant to the Board