

DRAFT

MINUTES

September 25, 2014

Audit Committee
Employee Trust Funds Board
State of Wisconsin



Location:

State Revenue Building – Conference Room 340
2135 Rimrock Road, Madison, WI

COMMITTEE MEMBERS PRESENT:

William Ford, Chair
Victor Shier, Vice Chair

Kimberly Hall, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
Office of Internal Audit (OIA):
Yikchau Sze, Director

Claudius Lebi, Auditor-Advanced
Jackie Van Marter, Auditor-Advanced

OTHERS PRESENT:

Legislative Audit Bureau (LAB):
Lisa Kasel

Mr. Ford called the Audit Committee (Committee) to order at 8:00 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Mr. Shier moved to accept the minutes of the June 26, 2014 Committee meeting, as submitted by the Board Liaison. Ms. Hall seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Mr. Conlin introduced Yikchau Sze, who replaced John Vincent as Director of the Office of Internal Audit at ETF.

Board	Mtg Date	Item #
AUD	12.11.14	1

REVIEW AUDIT COMMITTEE CHARTER

Ms. Sze reviewed the Audit Committee Charter (Ref. AUD | 9.25.14 | 3) revised on December 5, 2013, and determined no additional changes were necessary. Mr. Ford said he reviewed the charter and felt comfortable with no changes.

Motion: Mr. Shier moved and Ms. Hall seconded that the Committee recommend to the Employee Trust Funds Board that no change to the charter is necessary. Motion passed unanimously on a voice vote.

2013-2015 AUDIT PLAN STATUS

Ms. Sze referenced the update of the Audit Plan (Ref. AUD | 9.25.14 | 4) for 2013-2015 highlighting the reprioritization of the outstanding audits for the remainder of the plan year. Ms. Sze indicated that with change of personnel, there may be more modifications to the plan. Ms. Van Marter answered questions related to the Mobil Device Security Audit that she is conducting. She also commented on the question raised by Mr. Shier on the security measures ETF implemented to ensure the security of data stored on its mobile devices.

Ms. Sze remarked that the OIA's role in the Benefit Administration System (BAS) is mainly represented by her involvement in the risk monitoring and evaluation of built-in controls and auditing capability and staff auditor's involvement in the Sprint activities.

DISCUSSION OF NEW RISK ASSESSMENT AND AUDIT PLANNING APPROACH

Ms. Sze presented the new risk assessment and audit planning approach, highlighting that the goal for the business units is to take ownership of the risks and being proactive to the risks. OIA will validate the risk assessment and test the design and operating effectiveness of the processes put in place by the business units to address the risks. The Committee was comfortable with the new approach.

FUTURE ITEMS FOR DISCUSSION

Mr. Shier suggested the OIA look into expanding expertise by having a certified fraud examiner on the team in the future, but also agreed that given the size of the OIA, gaps in expertise may also be filled by using third-party providers.

ADJOURNMENT

MOTION: Mr. Shier moved to adjourn the meeting. Ms. Hall seconded the motion, which passed unanimously on a voice vote.

The Committee adjourned at 8:45 a.m.

Date Approved: _____

Signed: _____

Kimberly Hall, Secretary
Audit Committee