

DRAFT

MINUTES

March 27, 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
Anne Boudreau, Deputy Administrator,
Division of Retirement Services

Office of Internal Audit:
John Vincent, Director
Claudius Lebi, Auditor-Advanced
Jackie Van Marter, Auditor-Advanced

OTHERS PRESENT:

Legislative Audit Bureau (LAB):
Brian Geib
Carolyn Stittleburg

Internal Audit Consultant:
David MacCabe

Mr. Ford called the Audit Committee (Committee) to order at 7:45 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Mr. Shier moved to accept the minutes of the December 5, 2013, Committee meeting, as submitted by the Board Liaison. Ms. Hall seconded the motion, which passed unanimously on a voice vote.

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AUD	6.26.14	1

ANNOUNCEMENT

Mr. Vincent announced that Helen Malzacher accepted an auditing position with the University of Wisconsin–Madison. Recruitment for her position will be determined by the new audit director.

ELECTION OF OFFICERS

Motion: Ms. Hall nominated Mr. Ford as Chair and Mr. Shier as Vice-Chair. Mr. Ford seconded the motion. Mr. Ford nominated Ms. Hall as Secretary. Mr. Shier seconded the motion. All passed without objection on a voice vote.

BPS MANUAL TRANSACTION AUDIT

Ms. Boudreau provided an update on procedure changes developed and implemented for processing manual transactions. The changes were the recommendations in the audit report.

The procedure changes and improvements in the process are to provide improved accuracy and reliability of the transactions, as well as permit better tracking and auditing. Staff training on these changes has been completed. Mr. Ford has requested continual updates on future changes.

LEGISLATIVE AUDIT BUREAU

Ms. Stittleburg and Mr. Geib provided remarks on the results of the LAB's 2012 financial audit as well as an overview of its role in conducting the annual financial audit of ETF.

The LAB will continue to monitor ETF's implementation of the Governmental Accounting Standards Board (GASB) standards, the development of the new Financial Management Information System and the Benefits Administration System.

Mr. Conlin stated that ETF will provide general training on GASB reporting requirements and employer responsibilities.

AUDIT REPORT – (2013-03) BPS MANUAL TRANSACTIONS AUDIT

Mr. Lebi presented the audit results, which included two recommendations and management's action plans.

2013-2015 AUDIT PLAN STATUS

Mr. Vincent referenced the update of the Audit Plan for 2013-2015 and was available for questions.

EXTERNAL QUALITY ASSESSMENT REVIEW

As requested by the Audit Committee, at the December 5, 2013, meeting, Mr. MacCabe presented an overview of the International Professional Practices Framework used by professional internal auditors. He also described the external quality assurance review process and provided the results of the ETF Quality Assessment Review (QAR) and the subsequent actions taken by internal audit.

ADJOURNMENT

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

The Committee adjourned at 9:09 a.m.

Date Approved: _____

Signed: _____

Kimberly Hall, Secretary
Audit Committee