

DRAFT

# MINUTES

April 2, 2015

Audit Committee  
Employee Trust Funds Board  
State of Wisconsin



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

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## COMMITTEE MEMBERS PRESENT:

William Ford, Chair  
Victor Shier, Vice Chair

Kimberly Hall, Secretary

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## PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

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

Office of Trust Finance: Bob Willett,  
Chief Trust Financial Officer

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## OTHERS PRESENT:

ETF Office of Internal Audit (OIA):  
Rick Onasch, Mary Statz, Jackie  
Van Marter

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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 December 11, 2014 Committee meeting, as submitted by the Board Liaison. Ms. Hall seconded the motion, which passed unanimously on a voice vote.***

## ANNOUNCEMENTS

Ms. Sze announced that Rick Onasch and Mary Statz accepted the auditing positions with the Office of Internal Audit, and as a result, the OIA is fully staffed.

Board	Mtg Date	Item #
AUD	6.25.15	1

## **ELECTION OF OFFICERS**

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

## **2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

Mr. Willett remarked that the Legislative Audit Bureau issued an unqualified opinion on ETF's financial statements for the year ended December 31, 2013. He provided an overview of the funding levels of the 14 benefit plans reported in the statement with highlights as follows:

The Wisconsin Retirement System (WRS) was funded at 99.9% of liabilities, the retiree life insurance program at 71% and the Long Term Disability Insurance is at a deficit, due to the long premium holiday. Premiums for LTDI were reinstated in 2014 and the deficit is expected to be eliminated over the next three years. Mr. Willett commented on the misstatement LAB identified prior to the publication of the financial statement and informed the Committee that enhanced internal controls are adopted to reduce the risk of similar errors in the future.

## **INTERNAL AUDIT REPORTS**

### **Mobile Device Security Audit, Phase II**

Ms. Van Marter provided an overview of the Removable Media Security Audit.

### **Mobile Device Security Audit, Phase II**

Ms. Sze provided an update on corrective actions management has taken to address the issues identified in the Mobile Device Laptop and Tablets Audit.

## **2013-2015 AUDIT PLAN STATUS**

Ms. Sze referenced the update of the Audit Plan (Ref. AUD | 4.2.15 | 6) for 2013-2015, and informed the Committee about the rescheduling and removal of certain audit activities, due to the change in circumstances.

## **FUTURE ITEMS FOR DISCUSSION**

Ms. Sze will present the biennial audit plan for fiscal years 2016 and 2017 at the June Committee meeting.

**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 8:44 a.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

, Secretary  
Audit Committee