

DRAFT

MINUTES

September 24, 2015

Audit Committee
Employee Trust Funds Board
State of Wisconsin



Location:
State Revenue Building – Conference Room 244
2135 Rimrock Road, Madison, WI

COMMITTEE MEMBERS PRESENT:

William Ford, Chair
Victor Shier, Vice Chair

Leilani Paul, Secretary (elect)

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
Office of Internal Audit (OIA):
Yikchau Sze, Director;
Mary Statz, Auditor - Advanced

Office of Strategic Health Policy
Jeff Bogardus, Manager of Strategic
Health Policy

OTHERS PRESENT:

Office of Internal Audit (OIA):
Rick Onasch, Jackie Van Marter
Legislative Audit Bureau:
Lisa Kasel
Division of Trust Finance
Bob Willett

Benefit Services Bureau:
Deb Roemer
Division of Retirement Services
Anne Boudreau

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

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

The minutes of the June 25, 2015 Committee meeting, as submitted by the Board Liaison, were accepted unanimously on a voice vote.

Board	Mtg Date	Item #
AUD	12.10.15	1

ANNOUNCEMENTS

Welcome Leilani Paul, the newest Audit Committee member.

REVIEW OF THE AUDIT COMMITTEE CHARTER

Mr. Ford provided a brief history of the Charter including the last time it was updated, highlighting the reason for the minor modifications proposed.

Mr. Shier moved to accept the changes. Mr. Ford seconded the motion. The Committee voted unanimously to accept the changes.

The Committee will recommend the changes to the ETF Board for approval in December.

ELECTION OF COMMITTEE SECRETARY

Mr. Ford nominated Ms. Paul as Secretary for the remainder of 2015. Mr. Shier seconded the motion, which passed without objection on a voice vote.

PHARMACY BENEFIT MANAGER AUDIT

Mr. Bogardus discussed the audit performed by TRICAST on administrative service agreement compliance of Navitus, the third party administrator of the pharmacy benefit program. The audit was for the plan years 2013 and 2014. Mr. Bogardus stated that TRICAST considers the audit a passing audit, as all variances identified were validated as appropriate by Navitus. The current audit approach examines only major pharmacies, which represents 60% of the total claims. Mr. Ford suggested performing a sample check of claims processed by smaller pharmacies contracted with Navitus. Mr. Bogardus agreed that spot checking smaller pharmacies would further enhance the audit.

INTERNAL AUDIT REPORT

Income Continuation Insurance (ICI) Enrollment and Premium Reporting

Ms. Statz reported the ICI audit results to the Committee. Mr. Shier expressed disappointment with Aetna, the third party administrator of the program. Due to the number of issues identified in the audit, Mr. Ford requested regular updates on the status of management corrective actions. Ms. Sze assured the Committee that the ICI audit status will be updated through the quarterly Open Issues Report. Discussion was wrapped up with both Mr. Ford and Mr. Shier expressing appreciation for the quality of the audit.

2013-2015 AUDIT PLAN FINAL REPORT

Ms. Sze recapped the audits completed in the second year of the 2013-2015 Audit Plan. She referred to the Open Issues Report for the status of management corrective actions of the audits, including the major consulting activities the OIA performed.

2015-2017 AUDIT PLAN STATUS

Ms. Sze provided the status of audit projects and reported other non-audit activities in which the OIA were engaged from July 1, 2015 to August 31, 2015.

ADJOURNMENT

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

The Committee adjourned at 8:54 a.m.

Date Approved: _____

Signed: _____
Leilani Paul, Secretary
Audit Committee