

DRAFT

MINUTES

December 10, 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

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
Office of Internal Audit (OIA):
Yikchau Sze, Director; Jackie
Van Marter, Auditor - Advanced
Division of Retirement Services
Matt Stohr, Administrator

Deb Roemer, Director of Benefit
Services Bureau
Office of Strategic Health Policy
Bill Kox, Administrative Manager

OTHERS PRESENT:

Office of Internal Audit (OIA):
Rick Onasch, Mary Statz

Legislative Audit Bureau:
Lisa Kasel

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

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Mr. Ford moved to accept the minutes of the September 24, 2015, Audit Committee meeting, as submitted by the Board Liaison. Mr. Shier seconded the motion, which passed unanimously on a voice vote.

Board	Mtg Date	Item #
AUD	3.24.16	1

REVIEW OF THE INTERNAL AUDIT CHARTER

Ms. Sze explained that the modification to the Charter is to better align the mission of the Office of Internal Audit to the mission promulgated by the Institute of Internal Auditors (IIA). Ms. Sze stated that the IIA is reviewing the standards to determine any necessary changes due to the newly-introduced International Professional Practice Framework by the IIA. Therefore, other modifications to the Charter could be expected in the near future.

Mr. Shier moved to approve the changes. Ms. Paul seconded the motion, which passed unanimously on a voice vote.

INTERNAL AUDIT REPORT

Dependent Spouses and Domestic Partners Health Insurance Eligibility Audit

Ms. Van Marter reported the audit results to the Committee. The audit identified 0.2% of spouses as dependents enrolled in the health care programs administered by the ETF were not being removed in a timely fashion from the health care programs. The potential financial effect on the group health insurance programs is estimated at \$592,781 to the programs – 88% of which, or \$521,647, could be employer cost. Mr. Kox responded to Mr. Shier's question on premium recovery and provided possible causes of the non-compliance. The Committee discussed the corrective action plans presented in the audit report.

INTERNAL AUDIT REPORT

ICI Management Corrective Action Follow Up Report

Mr. Ford commented that the follow up report indicated that management has taken action as presented in the audit report to address audit findings. Mr. Shier agreed it was good to see such a status report from management.

ANNUAL INDEPENDENCE AFFIRMATION:

Ms. Sze stated that to be compliant with Internal Audit Standard, the Audit Committee will receive the independence affirmation annually.

2015-2017 AUDIT PLAN STATUS

Ms. Sze provided the status of audit projects and reported other non-audit activities as presented in the Audit Plan Status memo covering the reporting period from September 1, 2015, to the end of November 2015.

FUTURE ITEMS FOR DISCUSSION

Ms. Sze stated that OIA plans to report the results of the Wisconsin Retirement System Employer Reporting Audit and Annuitants Payroll Audit at the next Committee meeting. Ms. Kasel noted that the LAB will present the 2014 Comprehensive Annual Financial Report to the Committee at the March 2016 meeting.

ADJOURNMENT

Mr. Ford moved to adjourn the meeting. Mr. Shier seconded the motion, which passed unanimously on a voice vote.

The Committee adjourned at 8:46 a.m.

Date Approved: _____

Signed: _____
Leilani Paul, Secretary
Audit Committee