

DRAFT

# MINUTES

June 23, 2016

Audit Committee  
Employee Trust Funds Board  
State of Wisconsin



## Location:

State Revenue Building – Conference Room– DOR 1N-04  
2135 Rimrock Road, Madison, WI

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### COMMITTEE MEMBERS PRESENT:

William Ford, Chair  
Victor Shier, Vice Chair

Leilani Paul, Secretary

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### PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of Secretary:  
Bob Conlin, Secretary  
Division of Retirement Services:  
Matt Stohr, Administrator

Office of Internal Audit (OIA):  
Yikchau Sze, Director;  
Rick Onasch, Auditor-Advanced;  
Jackie Van Marter, Auditor-Advanced

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### OTHERS PRESENT:

Legislative Audit Bureau:  
Lisa Kasel, Audit Supervisor

General Public:  
Dr. Sharon Hutchinson  
Hickory Hurie

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

### CONSIDERATION OF MINUTES OF PREVIOUS MEETING

***Mr. Shier moved to accept the minutes of the March 24, 2016 Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which was passed on a voice vote.***

### ANNOUNCEMENTS

Ms. Sze announced that a new auditor has been hired and will join the Office of Internal Audit (OIA) on July 25, 2016.

Board	Mtg Date	Item #
AUD	9.29.16	1

**INTERNAL AUDIT REPORT:**

**Full File Compare (FFC)**

Ms. Sze provided the highlights and an overview of the Full File Compare Audit. OIA concluded that the current process is not followed by the majority of health plans and ETF to resolve exceptions generated by the process. The financial impact to the group health insurance program is minimal.

Ms. Van Marter, who conducted the audit, provided additional detail regarding the audit and explained why the financial impact to the program is not significant. She also commented that the new Benefit Administration System will eliminate the false positive errors in the current FFC process. Based on the audit results, more than one third of errors were caused by the limitations of the systems in place.

Mr. Stohr provided information in regard to how the Division of Retirement Services, which took over the FFC process as part of a recent reorganization, will establish accountability and add structure to the process.

**QUALITY ASSURANCE AND IMPROVEMENT PROGRAM FOR THE OFFICE OF INTERNAL AUDIT**

Ms. Sze presented the Quality Assurance and Improvement Program (QAIP) that OIA is implementing. The implementation of the QAIP will ensure OIA is in compliance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors.

**2015-2017 AUDIT PLAN STATUS, INCLUDING OPEN ISSUES REPORT**

Ms. Sze provided a status of Audit Engagements – Completed and Audit Engagements – In Progress and Other OIA Activities as presented in the Audit Plan Status memo covering the reporting period from March 1, 2016 to May 26, 2016.

Ms. Sze responded to the Committee's question about the follow-up procedure of audit findings.

**ADJOURNMENT**

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

The Committee adjourned at 8:58 a.m.

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

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

Leilani Paul, Secretary  
Audit Committee