

DRAFT

MINUTES

September 29, 2016

Audit Committee
Employee Trust Funds Board
State of Wisconsin



Location:

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

COMMITTEE MEMBERS PRESENT:

William Ford, Chair
Victor Shier, Vice Chair

Leilani Paul, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of Secretary:

Bob Conlin, Secretary

Office of Strategic Health Policy:

Jeff Bogardus, Employee Benefit Plan
Policy Advisor-Advanced

Division of Retirement Services:

Anne Boudreau, Deputy Administrator

Office of Internal Audit:

Yikchau Sze, Director
Rick Onasch, Auditor-Advanced
Amelia Slaney, Auditor-Advanced

OTHERS PRESENT:

Legislative Audit Bureau:

Lisa Kasel, Audit Supervisor

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 June 23, 2016 Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which was passed on a voice vote.

ANNOUNCEMENTS

Ms. Sze introduced Amelia Slaney as a new member of the Office of Internal Audit.

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AUD	12.15.16	1

REVIEW AUDIT COMMITTEE CHARTER:

Ms. Sze proposed no changes to be made to the Charter at this time.

Ms. Paul moved to approve the Charter without changes. Mr. Shier seconded the motion, which was passed on a voice vote.

THIRD PARTY ADMINISTRATOR AUDIT – PHARMACY BENEFIT MANAGER

Mr. Bogardus discussed the audit performed by TRICAST on administrative service agreement compliance of Navitus, the third party administrator of the pharmacy benefit program. Mr. Bogardus highlighted that as part of the contract extension with TRICAST in 2015, annual audits will be conducted -- which is a change from the biennial audits previously completed. Mr. Bogardus provided an overview of the TRICAST audit, which overall was considered a passing audit.

INTERNAL AUDIT REPORT Annuity Benefits

Mr. Onasch provided an overview of the annuity benefits audit, stating no findings were identified; however, a concern was raised regarding the potential loss of critical knowledge for manual retirement calculations. Ms. Boudreau discussed how the Division of Retirement Services is addressing the concern. Mr. Ford expressed satisfaction with the audit conclusions: 1) the annuity benefits were calculated accurately; and 2) internal controls implemented by management to prevent errors were effective.

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 May 27, 2016 to September 2, 2016. Ms. Sze also summarized the Open Audit Issues Report.

ADJOURNMENT

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

The Committee adjourned at 8:55 a.m.

Date Approved: _____

Signed: _____

Leilani Paul, Secretary
Audit Committee