

DRAFT

MINUTES

June 17, 2020

Audit Committee

Employee Trust Funds Board
State of Wisconsin



Location:

Department of Employee Trust Funds
This meeting was held via teleconference.

COMMITTEE MEMBERS PRESENT:

William Ford, Chair
Leilani Paul, Vice Chair

COMMITTEE MEMBERS NOT PRESENT:

Michael Langyel, Secretary

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of Secretary:

Bob Conlin, Secretary

Office of Internal Audit (OIA):

Yikchau Sze, Director
Michelle Hoehne, Auditor-Advanced
Kim Richmond, Auditor-Advanced
Amanda Williams, Auditor-Advanced

Division of Trust Finance:

Cindy Klimke-Armatoski,
Administrator & Chief Trust Finance
Officer
Ramona Yee, Deputy Administrator
Amelia Slaney, Financial Compliance
Bureau Director

Wisconsin Deferred Compensation
Program: Shelly Schueller, Director

OTHERS PRESENT:

ETF Division of Management Services:

Patrick Hughes, Kadi Mbanefo

ETF Office of the Secretary:

Cherylynn Wilkins, Kathryn Young

ETF Division of Retirement Services:

Anne Boudreau

Mr. Ford called the Audit Committee (Committee) to order at 9:24 a.m.

| Board | Mtg Date | Item # |
|-------|----------|--------|
| AUD | 9.16.20 | 2 |

ANNOUNCEMENTS:

Ms. Sze announced that the open position in the Office of Internal Audit (OIA) has been filled by Kim Richmond.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING:

MOTION: Mr. Ford moved to accept the minutes of the December 1, 2019 Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which was passed on a voice vote.

ELECTION OF OFFICERS:

Mr. Ford proposed electing the same slate of officers.

MOTION: Mr. Ford moved to nominate the current slate of officers: Mr. Ford as Chair, Ms. Paul as Vice Chair, and Mr. Langyel as Secretary of the Audit Committee. Ms. Paul seconded the motion, which passed on a voice vote.

INTERNAL AUDIT RESULTS

Annuity Calculations Limited Review:

Ms. Williams (Ref. AUD | 6.17.20 | 5A) provided an overview of the audit performed to validate the annuity payments calculated by the Benefit Initiation Section of the Division of Retirement Services. No calculation exceptions were identified. During the review, incorrect factors were noted on the fact sheet that ETF published on its website for reference purpose. This had no impact on the actual calculations.

Mr. Ford requested the Committee be informed about the quality controls ETF has in place to ensure employer data is accurate.

Active Lives Data Extract Audit:

Ms. Hoehne (Ref. AUD | 6.17.20 | 5B) discussed the result of Active Lives Data Extract Audit. The audit concluded that the active lives data extract was materially accurate and complete. Although the audit has no finding for the data extract process, it identified a process improvement opportunity for the Division of Trust Finance to consider.

WISCONSIN DEFERRED COMPENSATION (WDC) PROGRAM AUDIT

Ms. Schueller (Ref. AUD | 6.17.20 | 5) provided an overview of the biennial contract compliance audit and the annual financial statement audit conducted by Wipfli for the Wisconsin Deferred Compensation Program. The audit results were approved by the Deferred Compensation Board on June 11. Wipfli found the WDC third-party administrator, Empower Retirement, to be in overall compliance with the administration

contract. Wipfli also issued a “clean” opinion, indicating the financial statements are free from material misstatement.

FY2020 and FY2021 AUDIT PLAN STATUS:

Ms. Sze provided the status of audit projects and reported on other OIA activities for the reporting period from February 20, 2020 through May 21, 2020. Ms. Sze requested the Committee approve the cancelation of three engagements planned for calendar year 2020 due to risk and resource considerations. (Ref. AUD | 6.17.20 | 6).

MOTION: Ms. Paul moved to approve the proposed changes to the current audit plan. Mr. Ford seconded the motion, which was passed on a voice vote.

ADJOURNMENT

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

The Committee adjourned at 10:03 a.m.

Date Approved: _____

Signed: _____
Michael Langyel, Secretary
Audit Committee