

DRAFT

MINUTES

June 23, 2022

Audit Committee

Employee Trust Funds Board
State of Wisconsin



Location:

Hill Farms State Office Building – Room N107
4822 Madison Yards Way, Madison, WI 53705

COMMITTEE MEMBERS PRESENT:

Leilani Paul, Chair
Katy Lounsbury, Secretary (Teleconference)

COMMITTEE MEMBERS ABSENT:

Amy Mizialko, Vice Chair

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of Internal Audit (OIA):

Yikchau Sze, Director
Shellee Bauknecht, Auditor-Advanced
Michelle Hoehne, Auditor-Advanced
Kurt Petrie, Auditor-Advanced
Amanda Williams, Auditor-Advanced

Office of the Secretary:

John Voelker, Secretary

Division of Management Services:

Dave Maradiaga, Chief Information
Security Officer
Mark Robinson, Bureau of Information
Technology Services Deputy Director

OTHERS PRESENT:

ETF Division of Management Services:

Cindy Gramann, Taylor DeBroux

Janus Association Inc. (JANUS):

James Carruth

ETF Division of Retirement Services:

Shelly Schueller

Legislative Audit Bureau:

Bridget Wieser

Ms. Paul called the Audit Committee (Committee) to order at 8:03 a.m. A quorum of the Committee was not present, but the meeting proceeded without action being taken until a Committee member subsequently joined.

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ANNOUNCEMENTS

Ms. Sze introduced Mr. Petrie who joined OIA in April 2022.

INTERNAL AUDIT – MASTER DATA MANAGEMENT PERSON DOMAIN CONSULTING REVIEW

Ms. Williams discussed the results of the Master Data Management (MDM) Person Domain Consulting Review (Ref. AUD | 6.23.22 | 3) completed in accordance with the FY 2022-2023 Internal Audit Plan. The project reviewed certain areas of the MDM program including the reasonableness and effectiveness of the Matching and Mastering Rules for the Person Domain Demographic and Contact data.

Overall, the review concluded that the Matching and Mastering Rules appeared to be designed and operating effectively. The review identified some process improvements for management consideration. These included: utilization of script testing in future Rule implementations or updates, updating inaccurate information in the Functional Requirements document pertaining to address coding, and evaluating whether the complexity of the Person Demographic Mastering Rules adds value in identifying the Golden Record.

THIRD-PARTY ADMINISTRATOR (TPA) REVIEW AND FINANCIAL STATEMENT AUDIT – WISCONSIN DEFERRED COMPENSATION (WDC) PROGRAM

Ms. Hoehne provided an overview of the biennial contract compliance review for the WDC TPA, Empower Retirement, and the annual financial statement audit of the WDC Program for calendar year 2021, both conducted by Wipfli LLP (Ref. AUD | 6.23.22 | 4). The results of both were approved by the Deferred Compensation Board on June 9, 2022.

Wipfli's contract compliance review identified some exceptions in the areas of supporting documentation for the Annual Plan Report, required minimum distributions, account rollovers, domestic relations order distributions, and timeliness of transfers. ETF is actively following up with Empower Retirement to assess the exceptions noted and to determine if any improvements to processing procedures are needed.

Wipfli issued an unqualified or "clean" opinion for the financial statement audit, indicating the financial statements are free from material misstatement.

FY 2022-2023 AUDIT PLAN STATUS

Ms. Sze provided the status of audit engagements and reported on other OIA activities for the period from February 24, 2022, through May 26, 2022. Ms. Sze also provided an update on the status of the FY 2022-2023 Audit Plan and gave an update on open audit issues (Ref. AUD | 6.23.22 | 5).

INFORMATION TECHNOLOGY ASSESSMENT – ETF EQUIPMENT AND SENSITIVE DATA PROTECTION

Mr. Carruth presented the results of an assessment completed by JANUS for current security controls, measures and tools employed to protect equipment and sensitive data managed by ETF (Ref. AUD | 6.23.22 | 7). No findings were reported as a result of the review.

Ms. Lounsbury joined the meeting via teleconference at 8:40 a.m.

CONSIDERATION OF MINUTES OF PREVIOUS MEETING

MOTION: Ms. Lounsbury moved to accept the minutes of the March 24, 2022, Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which passed on a voice vote.

ADJOURNMENT

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

The Committee adjourned at 8:55 a.m.

Date Approved: _____

Signed: _____
Katy Lounsbury, Secretary
Audit Committee