



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: November 3, 2011
TO: Wisconsin Deferred Compensation Board
FROM: Shelly Schueller, Director
Wisconsin Deferred Compensation Program
SUBJECT: Administrative Services Agreement Amendment: Auditing Standards

The Board is asked to approve an amendment, as described below, to the administrative services agreement with Great-West Retirement Services (GWRS) for the Wisconsin Deferred Compensation Program (WDC).

Currently, by contract, GWRS is required to submit an annual Statement on Auditing Standards (SAS) 70 report to the Deferred Compensation Board (Board). This report is used to help gauge GWRS' systems of internal controls over financial reporting and its ability to accurately and completely administer the WDC.

The International Auditing and Assurance Standards Board and the United States Auditing Standards Board have developed new standards for reporting on controls at a service organization. In the future, rather than having one SAS 70, there is a new standard known as a Statement on Standards for Attestation Engagements (SSAE) No. 16. This is also known as the attestation standard and is intended to guide service auditors in the conduct of an examination of, and the resultant reporting on, controls at a service organization.

Consequently, the Department recommends that the Board approve an amendment to the administrative services agreement with GWRS covering auditing standards. The proposed amendment would replace Articles 2.6 and 2.7 of Exhibit 6 in the agreement with the language below indicating that GWRS will be in compliance with the new auditing standards.

2.6 The Department will be furnished with an annual copy of the report from an annual Statement on Standards for Attestation Engagements (SSAE) No. 16

A draft contract amendment containing the proposed changes is attached to this memo for your consideration. If this recommendation is adopted, staff will finalize the contract amendment and GWRS and the Board Chair will sign it.

Staff will be available to discuss this recommendation with you on November 15, 2011.

Attachment

Reviewed and approved by Matt Stohr, Administrator,
Division of Retirement Services



Signature

11/3/11

Date

Board	Mtg Date	Item #
DC	11/15/11	7

**SEVENTH AMENDMENT TO THE
STATE OF WISCONSIN DEFERRED COMPENSATION PROGRAM
ADMINISTRATIVE SERVICE CONTRACT (ETE0005) BETWEEN
THE STATE OF WISCONSIN DEFERRED COMPENSATION BOARD
AND GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY**

This Seventh Amendment to the State of Wisconsin Deferred Compensation Program Agreement for Administrative Services Including Recordkeeping and Communications (hereinafter “SEVENTH AMENDMENT”) made and entered into between the State of Wisconsin Deferred Compensation Board (“BOARD”) and the Department of Employee Trust Funds (“DEPARTMENT”) on behalf of the State of Wisconsin Deferred Compensation Program (“PLAN”) and Great-West Life & Annuity Insurance Company (“GREAT-WEST”) pursuant to Article 2.8 of the Agreement for Administrative Services Including Recordkeeping and Communications (“AGREEMENT”) to amend the AGREEMENT between the parties.

WHEREAS, the BOARD and GREAT-WEST desire to amend the AGREEMENT to add additional services to the AGREEMENT.

NOW, THEREFORE, the parties hereby agree as follows:

1. Effective with the execution of this SEVENTH AMENDMENT, Articles 2.6 and 2.7 of Exhibit 6, shall be deleted and replaced in its entirety with the following new provisions:
 - “2.6 The Department will be furnished with an annual copy of the report from an annual Statement on Standards for Attestation Engagements (SSAE) No. 16
 - 2.7 The DEPARTMENT will be furnished with an annual report, audited by an independent certified public accountant, of the financial status of GREAT-WEST, disclosing value of WDC assets, liabilities, analysis of cash receipt and disbursements, and other relevant information as may be reasonably requested by the DEPARTMENT. Information must be supplied to satisfy all Government Accounting Standards BOARD (GASB) reporting requirements. The DEPARTMENT will be furnished with an annual report, audited by an independent certified public accountant, of the overall relevant aspects of the service organization’s system, with its compliment and interaction of controls, including changes in controls as expressed over the period of time covered by a Type 2 and the operating effectiveness of the system, with its regimen on controls.”
2. Except for additional terms, conditions, and modifications contained in this SEVENTH AMENDMENT, and any other modifications contained in this SEVENTH AMENDMENT, all other terms of the AGREEMENT, including amendments thereto remain unchanged and shall continue to apply with respect to the AGREEMENT.

IN WITNESS WHEREOF, THE BOARD, ON BEHALF OF THE STATE OF WISCONSIN, AND GREAT-WEST HAVE EXECUTED TWO (2) ORIGINALS OF THIS SEVENTH AMENDMENT EFFECTIVE THE _____ DAY OF _____, 2011.

State of Wisconsin Deferred Compensation Board

Name: Edward D. Main

Title: Deferred Compensation Board Chair

Signature: _____ Date: _____

Witnessed by

Name: _____

Title: _____

Signature: _____ Date: _____

Great-West Life & Annuity Insurance Company

Name: Gregory E. Seller

Title: Senior Vice President, Government Markets

Signature: _____ Date: _____

Witnessed by

Name: _____

Title: _____

Signature: _____ Date: _____