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## CORRESPONDENCE MEMORANDUM

**DATE:** January 28, 2014  
**TO:** Deferred Compensation Board  
**FROM:** Shelly Schueller, Director  
Wisconsin Deferred Compensation Program  
**SUBJECT:** Procurement Authorization for Future Financial Statements Auditor

The Deferred Compensation Board (Board) is asked to consider:

- 1) authorizing Department staff to begin the procurement process to contract with a firm to complete the financial statements audits for five calendar years (2015 through 2020); and
- 2) delegating review and approval of the financial statements audit procurement process and subsequent contract to the Board chair.

The Board has regularly contracted with a certified public accounting firm for annual financial statements audits of the Wisconsin Deferred Compensation Program (WDC). The purpose of these audits is to have an independent public accounting firm issue an opinion on whether the financial statements accurately reflect the financial position of the WDC. The audit results should demonstrate that all participant accounts and contributions are being properly balanced, records are being kept accurately, and all WDC assets are balanced. Financial statements audits may also reveal any misstatements due to errors, fraud or other reasons that would cause the financial statements to inaccurately reflect the financial position of the WDC.

The Board's current financial statements auditing contract with CliftonLarsonAllen will expire after the calendar year 2014 financial statements audit is completed. All possible contract extensions under this contract have been utilized. Consequently, Department staff recommends that the Board authorize the Department to begin the process of contracting with a firm to conduct the WDC's financial statements audits for calendar years 2015 through 2020, with the possibility of including optional two year extensions. The proposed five-year time frame would permit the selected auditing firm to develop a working knowledge of the WDC.

Staff will be available at the meeting to discuss this memo and answer questions regarding financial statements audits and the proposed procurement process.

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

Electronically Signed 2/18/14

Board	Mtg Date	Item #
DC	3.4.14	10