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Correspondence Memorandum

Date: May 27, 2016
To: Deferred Compensation Board
From: Shelly Schueller, Director
 Wisconsin Deferred Compensation Program
Subject: 2015 Contract Compliance Audit Results

Staff requests the Deferred Compensation Board (Board) accept the results of the 2015 contract compliance audit.


Contract compliance audits are used to evaluate and report on the third party administrator's management of the Wisconsin Deferred Compensation Program (WDC), including compliance with contract terms and conditions as well as applicable state and federal statutes, rules and regulations. Contract compliance audits are done to assure the Board, the Department, employers and participants that the WDC is administered effectively and efficiently.

In 2010 the Board authorized Department staff to issue an administrative services contract compliance audit Request for Bid (RFB) for calendar years 2011, 2013 and 2015. The certified public accounting firm of Wipfli, LLC was selected by the Board to perform the audits.

Wipfli recently completed the attached contract compliance audit report for calendar year 2015. The audit summarizes Wipfli's findings regarding Empower Retirement's¹ compliance with the administrative services agreement. The executive summary indicates that overall, Empower Retirement is in compliance with the significant elements of the agreement. The review revealed no significant exceptions or errors. The records maintained by Empower Retirement are complete and orderly and procedures are well documented and monitored.

Wipfli's report included comments that ETF should regularly review Empower Retirement's Statement of Standards for Attestation Engagements (SSAE) 16 report to review user controls, and identify and discuss any matters that may affect the WDC.

¹ Firm formerly known as Great-West Financial and Great-West Retirement Services.

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

 Electronically Signed 6/2/16

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Wipfli specifically noted that ETF should compare the SSAE 16 user controls to its monitoring activities to determine if there are gaps. ETF concurs with these recommendations and will work to implement them this year.

Staff will be available at the meeting to discuss the results of the 2015 contract compliance review with the Board and answer any questions you may have.

Attachment: 2015 WDC Contract Compliance Audit Report