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Department of Employee Trust Funds  
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## Correspondence Memorandum

**Date:** January 3, 2017  
**To:** Deferred Compensation Board  
**From:** Shelly Schueller, Director, Wisconsin Deferred Compensation Program  
Yikchau Sze, Internal Audit Director  
**Subject:** 2015 Contract Compliance Audit Report Comment RE: Empower Retirement SSAE16

**This memo is for informational purposes only. No Board action is required.**

The purpose of this memo is to provide a brief follow-up on the Board's inquiry at the November 2016 meeting regarding the comment made in the 2015 contract compliance audit by the auditing firm related to reviewing Empower Retirement's SSAE 16 report.

In the 2015 contract compliance audit report, Wipfli recommended that ETF obtain and review a copy of Empower Retirement's most recent SSAE 16 report. Wipfli suggested that ETF review the SSAE 16 to become familiar with Empower Retirement's user controls, compare them to the WDC's monitoring activities, and discuss any exceptions documented in the SSAE 16 report to determine if the exceptions could potentially impact the WDC.

ETF reviewed the report and based on the Empower Retirement management responses to testing exceptions provided in Section Five of the report, ETF believes that any potential impact to the WDC is minimal. For the very few exceptions listed, management has taken corrective actions to address the exceptions. ETF will discuss with Empower Retirement any exceptions found by Empower's auditing firm that might potentially impact the WDC. The Office of Internal Audit will be reviewing user controls identified in Empower Retirement's SSAE16 to compare them to monitoring activities performed by WDC (ETF) to identify any possible gaps.

ETF also reviewed the complementary user entity controls and believes that appropriate monitoring activities and controls are in place for the WDC, including, but not limited to the following activities and controls:

- ETF monitors service level agreements

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

Electronically Signed 1/24/17

Board	Mtg Date	Item #
DC	2.9.17	5b

- Access to the website and accounts is granted only to authorized personnel
- Disbursement requests are authorized and in compliance with plan provisions
- Errors are reported in a timely manner
- ETF reviews plan and participant reports to help ensure reports are complete and accurate

Beginning with the next fiscal year, ETF's Office of Internal Audit expects to begin regular review of the WDC administrator's SSAE 16 reports and testing of significant entity level controls.

Staff will be at the Board meeting to answer any questions.