



STATE OF WISCONSIN
Department of Employee Trust Funds
 Robert J. Conlin
 SECRETARY

801 W Badger Road
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax (608) 267-4549
<http://etf.wi.gov>

Correspondence Memorandum

Date: October 27, 2017
To: Employee Trust Funds Board
From: Matt Stohr, Administrator
 Division of Retirement Services
Subject: Review of Committee Charters

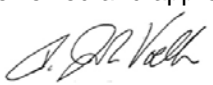
ETF recommends the Board review and approve the charters for the Executive Committee, the Audit Committee and the Budget and Operations Committee.

Please find below the status of each committee charter. The charters were recently reviewed by each committee. The Board typically reviews and approves the charters at the December meeting, every three years, regardless of whether there are any proposed changes.

Audit Committee Charter
09/21/17 – Committee reviewed – Made changes, which are included on the next page/ Pending Board confirmation
Budget and Operations Committee Charter
09/21/17 – Committee reviewed – No changes/ Pending Board confirmation
Executive Committee Charter
09/20/17 – Committee reviewed – No changes/ Pending Board confirmation

I will be available at the December Board meeting if there are any questions.

Attachment A: Audit Committee Charter
 B: Budget and Operations Committee Charter
 C: Executive Committee Charter

Reviewed and approved by John Voelker, Deputy Secretary

 Electronically Signed 11/27/17

Board	Mtg Date	Item #
ETF	12.14.17	4A

CHARTER EMPLOYEE TRUST FUNDS BOARD AUDIT COMMITTEE

Adopted: December 12, 2008

Last Revised: December 10, 2015

Purpose

The Employee Trust Funds Board (Board) has established the Audit Committee (Committee) to assist the Board in fulfilling its fiduciary and oversight responsibilities, including the financial reporting process, the system of internal controls, and the Department's process for monitoring compliance with laws and regulations ~~and of~~ the Institute of Internal Auditors code of conduct.

Membership

~~The Committee shall be composed of three Board members selected~~ Membership shall be determined by the Board chair, ~~except that the Committee shall be composed of three Board members.~~

At the first Committee meeting ~~of the Committee~~ in each calendar year, the Committee shall elect ~~a one of its members~~ chair, ~~another member~~ vice chair, and a ~~third member~~ secretary, each ~~will to~~ serve for a term of one year or until ~~a his or her~~ successor is duly elected and qualified, whichever is less. In the event of a vacancy in the office of chair, the vice chair shall immediately assume the office of chair for the remainder of the term. In the event of a vacancy in the office of vice chair or secretary, the Committee shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.

Authority and Responsibilities

In consultation with the Secretary and the Internal Audit Director, the ~~Audit~~ Committee shall:

- Review and assess the adequacy of the *Audit Committee* ~~e~~Charter annually and request Board approval of proposed changes.
- Review and approve the Office of Internal Audit charter.
- Provide policy recommendations for an effective system of internal controls to the Board.
- Provide recommendations for periodic assessment of the system of internal controls, including information technology security and control systems.
- Review and approve the biennial audit plan and all major changes to the plan, and the Office of Internal Audit's performance relative to its plan.
- Review audit findings together with management's responses and inform the Board of all internal audit reports prepared by the Internal Audit Director.

- Review and make recommendations to the Board regarding any audit reports prepared by the Legislative Audit Bureau.
- Review the Comprehensive Annual Financial Report.
- Review the effectiveness of the internal audit function and make recommendations to the Board, the Secretary, and the Internal Audit Director on methods to improve the function.
- Review and confirm the independence of the internal audit function annually.
- Review with the Secretary, the Legislative Audit Bureau, and, as necessary, appropriate legal counsel, any claim or contingency that could have a significant effect on the financial condition of the Trust Fund and how that claim or contingency is being managed.
- Bring to the attention of the Board any audit issue it deems significant or otherwise appropriate for the Board's consideration.
- Keep minutes of ~~Audit~~ Committee meetings and ensure that minutes are made available to Board members.

The Committee shall also participate in the selection and evaluation of the Internal Audit Director.

Meetings

The ~~e~~Committee shall meet at least two (2) times per calendar year, with authority to and may convene more additional meetings frequently as circumstances require. The Committee may meet separately with the Internal Audit Director and management to discuss any matters the Committee believes should be discussed privately. (Note: subject to open meeting laws)

The ~~e~~Committee may invite members of management, auditors or others to attend the meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved by the Committee.- The ~~e~~Committee chair, or designee, will provide a ~~e~~Committee report and submit applicable recommendations to the Board.

History of Changes to Audit Committee Charter

- The Board adopted ~~this~~ charter on December 12, 2008. The Board reviewed and approved ~~this~~ charter, ~~with (no changes)~~, on September 15, 2011.
- The Board reviewed and approved this an updated charter, ~~with changes~~ to provide clarification on the Committee's roles and responsibilities, on December 5, 2013.
- The Board reviewed and approved this charter, ~~with on (no change)~~, on December 11, 2014.
- The Board reviewed and approved this an updated charter, ~~with changes~~ to

establish a clear working relationship between the Audit Committee and the Internal Auditor, on December 10, 2015.

- The Board reviewed and approved charter (no change) on December 15, 2016.

**CHARTER
EMPLOYEE TRUST FUNDS BOARD
BUDGET AND OPERATIONS COMMITTEE
Adopted: December 12, 2008
Last Revised: June 26, 2014**

Purpose

The Employee Trust Funds Board (Board) has established the Budget and Operations Committee to assist the Board in fulfilling its fiduciary and oversight responsibilities. Generally, the Committee will review:

1. The biennial budget process and the Department's budget request;
2. The Department's strategic business and information technology planning activities; and
3. The Department's operational activities.

Membership

Membership shall be determined by the Board chair, except that the Committee shall be composed of three Board members.

At the first meeting of the Committee in each calendar year, the Committee shall elect one of its members chair, another member vice chair, and a third member secretary, each to serve for a term of one year or until his or her successor is duly elected and qualified, whichever is less. In the event of a vacancy in the office of chair, the vice chair shall immediately assume the office of chair for the remainder of the term. In the event of a vacancy in the office of vice chair or secretary, the Committee shall, at its next regular meeting, elect one of its members to fill such vacancy for the remainder of the term.

Duties and Responsibilities

In consultation with the Secretary, the Budget and Operations Committee shall:

- Review and offer recommendations to the Board and Secretary on the following matters:
 - The Department's biennial budget requests
 - The Department's proposed annual operating budget
 - The Department's annual report of operating expenses
 - The Department's requests to exceed expenditure or position authority, as necessary
 - The Department's capital budget requests and facility planning needs
 - The Department's strategic business plan, including service goals and benchmarks
 - The Department's information technology plans
 - The Department's operational policies, including continuity of operations and

- disaster recovery
- The Department's efforts to enhance the efficiency and effectiveness of its administration practices for the benefit plans overseen by the Board
- Proposed legislation affecting the Department's budget or operations
- Monitor the Department's progress in meeting its strategic business plan goals and benchmarks.
- Monitor WRS demographic data.
- Monitor the Department's workload data.
- Review and approve proposed changes to the policies and procedures for procurements conducted on behalf of the Board.
- Keep minutes of the Budget and Operations Committee meetings and ensure that minutes are made available to Board members.

Meetings

The Committee shall meet at least one (1) time per calendar year, and may convene more frequently as circumstances require.

The committee may invite members of management or others to attend the meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The committee chair, or designee, will provide a committee report and submit applicable recommendations to the ETF Board.

Charter Review

The Board, in consultation with the Budget and Operations Committee, shall review this charter for relevancy and appropriateness at least once every three years.

History

The Board adopted this charter on December 12, 2008. The Board reviewed and approved this charter, with no changes, on December 1, 2011. The Board reviewed and approved this charter with modifications on June 26, 2014.

**EMPLOYEE TRUST FUNDS BOARD
EXECUTIVE COMMITTEE CHARTER
Adopted: December 12, 2008
Last Revised: April 2, 2015**

General

The Employee Trust Funds Board (Board) has established the Executive Committee to assist the Board in fulfilling its fiduciary and oversight responsibilities. Generally, the Committee will oversee the effective operation of Board and other Committee meetings and will review personnel matters relating to the Department and the Secretary.

Membership

Membership shall consist of the Board Chair, the Board Vice Chair, and the Board Secretary. Each member shall assume the same role on the Committee as on the Board.

Duties and Responsibilities

In consultation with the Secretary, the Executive Committee shall:

- Meet in advance of Board meetings to discuss meeting agendas and relevant Board activities.
- Review and, as appropriate, consider and recommend personnel matters to the Board, including the annual performance evaluation of the Secretary.
- Review and make recommendations to the Board on the governance practices of the Board, including Board policies and procedures.
- Oversee the Board's training policy and approve relevant training for Board members, subject to availability of funds.
- Monitor the general effectiveness of the Board, Board meetings and Committee meetings and report to the Board on its findings, as appropriate.
- Keep minutes of the Executive Committee meetings and ensure that minutes are made available to Board members.

Meetings

The Committee shall meet as needed.

Charter Review

The Board, in consultation with the Executive Committee, shall review this charter for relevancy and appropriateness at least once every three years.

History

The Board adopted this charter on December 12, 2008.

The Board reviewed and approved this charter, with no changes, on December 1, 2011.

The Board reviewed and approved this charter, with no changes, on December 11, 2014.

The Board reviewed and approved this charter, with changes, on April 2, 2015.