



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

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: February 15, 2019
To: Audit Committee
From: Pam Henning, Assistant Deputy Secretary
Subject: Internal Audit Director Proposed Evaluation Process

This memo is for Audit Committee review and discussion. No action is required.

Background

As you're aware, the Department of Employee Trust Fund's (ETF) 2019-2021 biennial budget submittal to the Governor includes a provision to create an independent Office of Internal Audit (OIA) reporting functionally to the ETF Board. The OIA Director's salary will be set and evaluation will be conducted by the ETF Board with input from the Audit Committee.

Currently, the OIA Director reports directly to Secretary Conlin. As part of the OIA Director's annual performance evaluation, Secretary Conlin seeks feedback from the Audit Committee informally to include in the evaluation as appropriate.

Proposed Evaluation Process

Since the biennial budget will not yet be passed by the June Board meeting when annual performance evaluations are conducted, we would like to suggest a process to begin gathering feedback for the Internal Audit Director's evaluation for the formal June evaluation. Consistent with the statutory language provided in the biennial budget, we would entertain having feedback for this year's OIA Director's evaluation be sent directly to the Human Resource Director instead of the ETF Secretary. Secretary Conlin would still conduct the official performance evaluation of the OIA Director for this year and discuss with you at your June Committee meeting.

Once the biennial budget provisions pass the legislative process, we will coordinate with the ETF Board and Audit Committee to determine, like done previously with the ETF Secretary's evaluation, what evaluation criteria and process you'd like to use for your annual evaluation of the OIA Director going forward. This may include input from other sources or using a survey tool.

Staff will be available at the Audit Committee meeting to answer any questions.

Board	Mtg Date	Item #
AUD	3.21.19	7
EXC	3.20.19	5C