



The Legislative Audit Bureau makes 17 recommendations to Retirement Plan Services and 3 recommendations to the Milwaukee County Office of the Comptroller

Recommendations to Retirement Plan Services

Findings Related to Internal Control over Financial Reporting (p. 7)

We recommend Retirement Plan Services staff:

1. segregate fiscal duties and implement effective monitoring procedures when segregation of duties cannot be accomplished (p. 34);
2. fully document its system of internal control (p. 34);
3. periodically, but at least annually, reassess its system of internal control to identify risks and make adjustments as necessary (p. 34);
4. work with the Pension Board to develop a change to its charter to require a periodic assessment of the system of internal control and report to the Pension Board on the results of the assessment (p. 34);

We recommend Retirement Plan Services staff improve its internal control related to the pension benefit computer system by:

5. developing written procedures for and implementing a periodic review of user role configurations (p. 38);
6. developing written procedures for the provisioning and deprovisioning of user access (p. 38);
7. reassessing the process for existing periodic reviews of user access, identifying where duties may be appropriately segregated among its staff, and developing written procedures for the user access review process (p. 38);

We recommend Retirement Plan Services staff develop and implement procedures to:

8. annually obtain and review the custodian bank's service organization audit report and assess the effectiveness of the custodian bank's internal controls as reported in the service organization audit report (p. 40);
9. annually review the complementary user entity controls identified in the custodian bank's service organization audit report and assess whether appropriate and sufficient internal controls are present at Retirement Plan Services to complement the internal controls at the custodian bank (p. 40);
10. annually document its review of the service organization audit report and the complementary user entity controls (p. 40);

We recommend Retirement Plan Services staff:

11. develop and implement written procedures to obtain and review significant modifications included in the consulting actuary's data before the consulting actuary completes its calculations (p. 42);

Other Items of Interest (p. 9)

We recommend Retirement Plan Services staff work with the Milwaukee County Office of the Comptroller to:

12. comply with current ordinances that require contributions to be withheld from hazard pay for deputy sheriff employees and collect contributions related to these payments on behalf of the Employees' Retirement System of the County of Milwaukee (Appendix 2);
13. obtain contributions for the Employees' Retirement System of the County of Milwaukee for hazard payments from 2013 through 2023 that had not previously been remitted on behalf of deputy sheriff employees (Appendix 2);

We recommend Retirement Plan Services staff work with the Pension Board to:

14. determine the reporting needed for each type of investment manager (Appendix 2);
15. update the Statement of Investment Policy to clarify each reporting requirement and with whom each required report should be submitted (Appendix 2);
16. implement additional oversight procedures to ensure the Investment Consultant receives and provides to the Board all required reports completed by the investment managers, as required by the Statement of Investment Policy (Appendix 2); and

Audit Follow-Up

We recommend Retirement Plan Services:

17. report to the Joint Legislative Audit Committee by December 1, 2024, on its efforts to implement all of these recommendations (Appendix 2).

Recommendations to Milwaukee County Office of the Comptroller

Finding of Noncompliance by the Milwaukee County Office of the Comptroller (p. 10)

We recommend that the Milwaukee County Office of the Comptroller:

1. develop and implement written procedures sufficient to ensure it complies with the requirements of Wisconsin Statutes and Milwaukee County Ordinances and conducts its work in accordance with *Government Auditing Standards* (Appendix 3);
2. develop and implement written procedures sufficient to ensure it performs adequate monitoring and enforcement of all written requirements of the contracts for audit services it oversees (Appendix 3); and

Audit Follow-Up

We recommend that the Milwaukee County Office of the Comptroller:

3. report to the Joint Legislative Audit Committee by December 1, 2024, on the status of its efforts to implement all of these recommendations (Appendix 3).