



**STATE OF WISCONSIN**  
**Legislative Audit Bureau**

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Toll-free hotline: 1-877-FRAUD-17

Joe Chrisman  
State Auditor

November 25, 2013

Mr. Michael Williamson, Executive Director, and  
Members of the Investment Board Audit Committee  
State of Wisconsin Investment Board  
121 East Wilson Street  
Madison, Wisconsin 53703

Dear Mr. Williamson and Members of the Investment Board Audit Committee:

We have completed a financial audit of the investments and investment activity of the Retirement Funds, the State Investment Fund, and the Various Funds managed by the State of Wisconsin Investment Board as of and for the year ended June 30, 2013. We issued unmodified auditor's reports on the fair presentation of the financial statements. These financial statements and related opinions are included in the Investment Board's fiscal year 2013 Annual Report.

As required by *Government Auditing Standards*, we are also furnishing you with the auditor's report on internal control over financial reporting and on compliance and other matters. We did not identify any control or compliance concerns required to be reported under these standards.

We appreciate the courtesy and cooperation extended to us by Investment Board staff during the audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Chrisman".

Joe Chrisman  
State Auditor

JC/SH/ss

Enclosure



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Joe Chrisman  
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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters**

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-chairpersons  
Joint Legislative Audit Committee

Mr. Michael Williamson, Executive Director, and  
Members of the Investment Board Audit Committee  
State of Wisconsin Investment Board

We have audited the financial statements and the related notes of the Retirement Funds and the Various Funds managed by the State of Wisconsin Investment Board as of and for the years ended June 30, 2013, and have issued our report thereon dated November 25, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the Comptroller General of the United States. The financial statements and related auditor's opinions have been included in the State of Wisconsin Investment Board's fiscal year 2013 Annual Report.

### **Internal Control over Financial Reporting**

Management of the Investment Board is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered the Investment Board's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Investment Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Investment Board's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent misstatements, or to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Investment Board's financial statements will not be prevented, or that a material misstatement will not be detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Investment Board's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Investment Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Investment Board's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

LEGISLATIVE AUDIT BUREAU



Joe Chrisman  
State Auditor

November 25, 2013