



**STATE OF WISCONSIN**  
Legislative Audit Bureau

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Janice Mueller  
State Auditor

January 4, 2005

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

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

We have completed a financial audit of the investment activity of the State Investment Fund, the Retirement Trust Funds, and the Various Funds managed by the State of Wisconsin Investment Board for the year ended June 30, 2004. We issued unqualified auditor's reports on the fair presentation of the financial statements. These financial statements and related opinions are included in the Investment Board's 2004 Annual Report.

As provided for in *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,

Janice Mueller  
State Auditor

JM/DA/ss

cc: Senator Carol Roessler  
Representative Suzanne Jeskewitz

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the State Investment Fund, the Retirement Trust Funds, and the Various Funds managed by the State of Wisconsin Investment Board as of and for the years ended June 30, 2004 and 2003, and have issued our reports thereon dated August 27, 2004, and November 19, 2004. The financial statements and related auditor's opinions have been included in the State of Wisconsin Investment Board's annual report for 2004. We conducted our audits 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*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Investment Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Investment Board's financial statements are free of material misstatement, we performed tests of its 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*.

This independent auditor's report is intended for the information and use of the Investment Board's management and its audit committee, and the Wisconsin Legislature. This independent auditor's report, upon submission to the Joint Legislative Audit Committee, is a matter of public record, and its distribution is not limited. However, because we do not express an opinion on internal control over financial reporting or on compliance, this report is not intended to be used by anyone other than these specified parties.

November 19, 2004

by

LEGISLATIVE AUDIT BUREAU



Diann Allsen  
Audit Director