EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE ANNUITY AND PENSION BOARD

Minutes of the Administration and Operations Committee Meeting held May 19, 2016

The meeting was called to order at 9:08 a.m.

Committee Members Present:	Martin Matson Gerald Pace
Committee Members Not Present:	Carmelo Patti (excused)
ERS Staff Present:	Bernard J. Allen, Executive Director
	Beth Cleary, Deputy Director
	David Silber, Chief Investment Officer
	Kelly Reid, Chief Technology Officer
	Mary Turk, Business Operations Analyst
	Jan Wills, Board Stenographer

Others Present: Daniel Ludwig, Kyle Johnson, Experis.

Election of Vice-Chair. Mr. Matson tabled this item until the next Administration & Operations Committee meeting for the full committee to vote on.

Experis Internal Audit Report(s). As a matter of information, Committee members received the Experis Internal Audit Report containing the Risk Assessment and Internal Audit Plan for Fiscal Year 2016 as well as six audit reports. Mr. Ludwig and Mr. Johnson of Experis presented the 2016 Risk Assessment as well as six audit reports on: Investments Audit, Information Technology General Controls Audit, Software Licensing Audit, Benefit Payroll Audit, Contributions Audit, and Vendor Management Audit. Discussion ensued throughout the reports. Mr. Ludwig reported the internal control environment had remained relatively unchanged in 2015-2016. He noted that the ERS has had several personnel changes in finance, membership and payroll. Ms. Cleary mentioned that inter-department transfers allow for staff to bring institutional knowledge from their previous positions. Mr. Johnson stated that the ERS IT Standard Practice Instructions (SPIs) were well written and up to date. Mr. Ludwig and Mr. Johnson concluded their reports and left the meeting at 9:52 am.

IT Projects Portfolio. As a matter of information, Committee members received the ERS IT Portfolio Report dated May 19, 2016. Ms. Reid updated the Committee on the technology projects, applications stats, upcoming projects and a snapshot of the IT portfolio as of May 1, 2016. Ms. Reid commended the IT department team members for their work on the FileNet P8 Upgrade. Discussion ensued.

Organizational/Personnel Update. As a matter of information, Committee members received a copy of the Organizational/Personnel Update, dated May 19, 2016. Ms. Cleary reported that the ERS Reclasses and Reorganizations are still in progress. She stated seven positions will go to the Finance & Personnel Committee on June 8, 2016 for authorization to fill.

Approval of Internal Audit Charter. As a matter of information, Committee members received copies of the Internal Audit Charter dated May 2016. Ms. Cleary noted the document, with the exception of the date, is identical to last year's charter. It was moved by Mr. Pace, and seconded by Mr. Matson to approve the Internal Audit Charter.

Hewlett-Packard State and Local Enterprise Services, Inc. Contract and Statement of Work. Ms. Cleary stated since there were a few outstanding negotiation items, the contract couldn't be brought to today's committee meeting.

There being no further business, Mr. Matson adjourned the meeting at 10:03 a.m.

Bernard J. Allen Secretary and Executive Director

(**NOTE:** All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employes' Retirement System, 789 N. Water Street, Suite 300.)