

City of Milwaukee – Employees’ Retirement System (ERS)

Enrollment and Member Services Internal Audit

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JEFFERSON WELLS
RISK AND COMPLIANCE
WISCONSIN OFFICE

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EXECUTIVE SUMMARY

Background

At the direction of the Administration and Operations Committee, an Enrollment and Member Services audit was performed from July 30 – August 30, 2020. The City of Milwaukee Employees' Retirement System (ERS) has the responsibility of administering the benefits of its member constituency, which is comprised of employees and retirees of the City of Milwaukee and its related agencies.

As part of its administrative responsibilities, ERS enrolls new employees as retirement system members in the MERITS pension administration system. Any documentation that is used to support the enrollment process is imaged and indexed within the member's record to make available electronically in MERITS to support various pension administration workflows. To provide its members with information regarding their benefits, including the process to enroll and apply for benefits, the ERS member services area provides its members counseling sessions and information through various channels, including publications as well as the ERS website.

Audit Scope & Objectives

The objective of this internal audit was to determine the design and operating effectiveness of the controls in place to mitigate the risks in the Enrollment and Member Services processes. The scope of the internal audit included the following processes:

- Regulatory Development Monitoring
- Member Documentation
- User Access Review

Various audit techniques were used to assess and examine the effectiveness of the ERS internal control environment. Audit techniques included conducting interviews with ERS personnel, observation of performance of required procedures and controls, and examination of related documentation.

Overall Assessment

ERS management has implemented and maintained a solid internal control environment for the Enrollment and Membership Services process. ERS employees have either worked from home or have worked in the office according to an office rotation plan established due to the pandemic. The Internal Control Environment operated effectively during the pandemic with the shift to a work from home model being used by ERS. Based on the results of our review, no internal control deficiencies were identified.

Audits are only one part of a comprehensive risk management and control program. The procedures performed are included in the next section of this report.

Procedures Performed

The following procedures were performed during the internal audit.

- Reviewed existing documented procedures for process updates related to the Enrollment and Member Services process.
- Assessed physical and system controls over sensitive member information.
 - Determined that User Access to systems used by ERS was regularly reviewed and approved by management.
 - Through direct physical observation, noted that employee workstations were clear of sensitive member information at the end of the day and were in compliance with ERS policy.
 - Determined a Remote Access policy is established.
 - Additional procedures will be performed during the IT General controls audit for employees working remotely during the pandemic.
- Evaluated access to MERITS for propriety and potential segregation of duties concerns.
- Verified regulatory developments are monitored and presented to the Board for approval.
- Completed a walkthrough of the document imaging process and tested the applicable controls.
- Determined that management regularly evaluates personnel assigned to manage the Enrollment & Member Services process.