

City of Milwaukee Employees' Retirement System (ERS)

Enrollment and Member Services Internal Audit Report

OCTOBER 2010

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EXECUTIVE SUMMARY

Jefferson Wells performed an internal audit of the enrollment and member services processes performed by ERS.

The objective of the audit was to determine whether ERS has implemented adequate controls to mitigate risks inherent in the processes, as well as to perform testing of key controls.

The audit included the following high level activities. A more detailed listing of the audit activities performed is included in the next section of the report.

- Ensured existing controls documentation, including a process narrative and risk control matrix, accurately reflect the current process, key risks, and controls.
- Performed testing of key process controls to determine operating effectiveness.

Fieldwork was completed from September 7 through October 7, 2010.

Conclusion

This report reflects the results of the Jefferson Wells engagement. The techniques used to identify these results included interviews, observations, and review of supporting documentation. Based on the results of our audit, the controls related to the enrollment and member services processes are generally adequate and functioning as intended by management.

ERS staff should be commended on the following practices:

- The maintenance of documented procedures.
- Consistently positive customer satisfaction survey results for the various member services activities, including new employee orientations, pre-retirement seminars, and individual counseling sessions.
- The timeliness of handling member inquiries and member adjustments.
- The active monitoring and communication of plan changes that impact member records and status.

No significant control weaknesses were found during the audit.

PROCEDURES PERFORMED

The following procedures were performed during the internal audit. All items tested occurred during the period of December 2009 through September 2010 unless noted otherwise.

- Confirmed that the documented procedures and process maps for enrollment and member services accurately and completely reflect the current processes.
- Reviewed and tested the controls over adding new hires to the MERITS system. Obtained a listing of new enrollees added to the system for the month of August 2010. Verified that the required forms were on file and verified enrollee information was complete and accurate in the system.
- Reviewed procedures over safeguarding member's personal information.
- Tested controls over suspended member records. Tested three agency edit reports to determine if suspended member records were resolved accurately and timely. Verified changes to fifteen member records to ensure ERS completed member changes timely and accurately.
- Reviewed the paralegal's spreadsheet for recent developments regarding legal opinions, Chapter 36, and council file updates impacting the pension plan. Confirmed that the changes were reviewed and approved by the ERS Board.
- Verified that customer satisfaction surveys are conducted and reviewed by management for the various member services activities (i.e. retirement counseling, pre-retirement, new employee orientation, reception area).