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# City of Milwaukee – Employees' Retirement System (ERS)

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## *Enrollment and Member Services Internal Audit Report*

**MAY 2017**

**EXPERIS**  
RISK ADVISORY SERVICES  
WISCONSIN OFFICE

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## **EXECUTIVE SUMMARY**

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### **Background**

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At the direction of the Administration and Operations Committee, a Membership and Enrollment Services audit was performed during the period February 10 – March 3, 2017. 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.

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### **Audit Scope & Objectives**

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The objective of the Enrollment and Member Services audit encompassed the review of processes and controls related to the following:

- Review the risks inherent within the Enrollment and Member Services functions, and evaluate the adequacy of controls designed to mitigate those risks.
- Test the key process controls to determine operating effectiveness.

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.

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### **PROCEDURES PERFORMED**

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The following procedures were performed during the internal audit.

- Reviewed existing documented procedures for process updates related to the Enrollment and Member Services process.
- Tested the timeliness of new member record entry into MERITS.
- Observed that confidential member information is stored securely during non-business hours.

- Tested the updating and revision process for correspondence (i.e. letters, forms) sent to members.
- Verified regulatory developments are monitored and presented to the Board for approval.
- Reviewed ERS's process for gathering and reporting member feedback.
- Completed a walkthrough of the document imaging process.

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### **Overall Assessment**

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ERS management has implemented a solid internal control environment for its Membership and Enrollment processes. 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. Recommendations are provided with the objective to assist the Board, Administration and Operations Committee and management in the effort to eliminate, reduce or mitigate overall risks. The procedures performed, findings, and recommendations, including management's written response, are included in the next section of this report.

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**OBSERVATIONS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE**

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None.