

Employees' Retirement System of the County of Milwaukee
Minutes of the July 12, 2006 Audit and Compliance Committee Meeting

1. Call to Order

Chairman Walter Lanier called the meeting to order at 3:40 p.m. in the law offices of Walter Lanier at 1849 N. Dr. Martin Luther King Dr., Milwaukee, WI. 53212.

2. Roll Call

Members Present:

Walter Lanier
Thomas Weber
Marilyn Mayr

Members Excused:

John Parish
Dean Roepke

Others Present:

Jack Hohrein, ERS Manager
Erica Buckingham, Reinhart, Boerner, Van Deuren s.c.
John Martin, ERS Pension Board Member
Gordon Mueller, ERS Fiscal Officer
Darlene Middleman, Virchow Krause
Wayne Morgan, Virchow Krause

Mr. Martin joined the meeting to discuss the management letter even though he is not a committee member.

3. Annual Audit Management Letter and Audit Functions

Mr. Morgan reviewed the process and how the contracts for Virchow Krause services apply to the County and ERS. He stated that Virchow Krause has a Fiduciary obligation to both Milwaukee County and the Pension Board. The services include, issuing comments to the County Board of Supervisors, issuing an opinion on the financial statements, a report on internal control and issuing a management letter.

He continued with a review of the draft management letter to the Pension Board.

Comments included:

- 1) A formal internal control system
- 2) Personnel disaster recovery program
- 3) Review of calculations and
- 4) New audit standards

The Committee discussed various options and concerns of each comment that was identified.

It was noted that Mr. Morgan and Mr. Huff should be added to the Audit Committee mailing list. Mr. Morgan reported that R.V. Kuhns has provided audit services and survey reports on other pension plans.

Mr. Lanier requested that Mr. Morgan contact him on the status of the signatures required on the representation letter.

4. Adjournment

The meeting was adjourned at 5:30 p.m.

Submitted by
Jack L. Hohrein
Pension Board Secretary