



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-0553/P1

MIM:emw

DOA:.....Sherwin, BB0005 - Office of Internal Audit

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

ADMINISTRATIVE CHANGES

Internal auditor

This bill creates an Office of Internal Audit attached to ETF. Under the bill, the office plans and conducts audits of activities and programs administered by ETF, among other responsibilities, while following policies, principles, and directives established by the Employee Trust Funds Board (ETFBoard).

The bill requires ETFBoard to appoint an internal auditor and internal audit staff within the classified service who report directly to ETFBoard. Currently, the internal auditor for ETF reports to the secretary of ETF, and internal audit staff report to the internal auditor.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.165 (title) of the statutes is amended to read:

15.165 (title) Same; attached boards and offices.

SECTION 2. 15.165 (5) of the statutes is created to read:

15.165 (5) OFFICE OF INTERNAL AUDIT. There is created an office of internal audit that is attached to the department of employee trust funds under s. 15.03. The office shall be under the direction and supervision of an internal auditor who shall be appointed by the employee trust funds board in the classified service. The internal auditor shall report directly to the employee trust funds board.

BILL**SECTION 3**

SECTION 3. 40.03 (1) (dm) of the statutes is created to read:

40.03 (1) (dm) Shall develop and implement policies, principles, and directives for the office of internal audit and determine the qualifications of and appoint, in the classified service, staff for the office of internal audit. Staff appointed under this paragraph shall report directly to the board.

SECTION 4. 40.03 (4m) of the statutes is created to read:

40.03 (4m) OFFICE OF INTERNAL AUDIT. (a) The office of internal audit shall provide independent assurance that the public employee trust fund assets under the control of the department are safeguarded for the purpose of ensuring the fulfillment of the benefit commitments to individuals under this chapter.

(b) The internal auditor may review any activity, information, or record of the department that relates to the administration of the fund.

(c) The internal auditor shall plan and conduct audit activities, including external audits, risk assessments, research projects, and management reviews, under the direction of the board and in accordance with policies, principles, and directives determined by the board.

(d) The internal auditor shall monitor the department's compliance with applicable legal requirements and contracts entered into by the department and the board.

SECTION 9113. Nonstatutory provisions; Employee Trust Funds.

(1) INCUMBENT INTERNAL AUDITOR. The individual holding the position of internal auditor in the department of employee trust funds on the day before the

BILL**SECTION 9113**

effective date of this subsection shall continue to serve in that position until an internal auditor is appointed under s. 15.165 (5).

(2) INCUMBENT STAFF. Individuals holding positions as staff internal auditors in the department of employee trust funds on the day before the effective date of this subsection shall continue to serve in those positions until staff are appointed under s. 40.03 (1) (dm).

(END)