



Retirement Plan Services

# Milwaukee County

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## ACTION REPORT

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TO: Chairman Theodore Lipscomb, Sr., County Board Chairman

FROM: Amy Pechacek, Interim Director, RPS

RE: Request for 1 FTE –Senior Pension Research & Compliance Analyst/ Pension Administration

DATE: 1/12/2018

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### I. BACKGROUND

In April of 2014, Corporation Counsel and Pension Board counsel submitted a supplemental Voluntary Correction Plan (“VCP”) to the Internal Revenue Service (“IRS”) regarding additional pension calculation errors and the proposed correction methodology. The outside auditing firm of Baker Tilly was engaged under a three part audit to assist in research required to complete the VCP and in a consulting capacity to make operational recommendations to help reduce future administrative error risk. The three audit phases were presented to the Pension Board, the County Board’s Finance and Audit Committee, and the County Board’s Personnel Committee Please see files #17-154, 17-166, 17-243, 17-321, 17-340, 17-405, 17-532, 17-567, 17-659, and 17-727 for details.

Phase 3 of the Baker Tilly audit documented the complexity of operational risks associated with the administration of the County’s pension benefits and provided recommendations related to process documentation, internal auditing, segregation of duties, and quality assurance. Additional Retirement Plan Services (RPS) staffing resources are needed to build on this framework and implement the recommended risk mitigation efforts to increase the efficiency and accuracy of benefit administration. RPS is requesting two additional positions, a Senior Pension Research & Compliance Analyst and a Clerical Specialist. Please see the associated Clerical Specialist request for additional details.

## II. RECOMMENDATION

RPS recommends that the County Board authorize the addition of the following position to be dedicated to internal benefit quality assurance, auditing, compliance, internal and external controls, and process documentation:

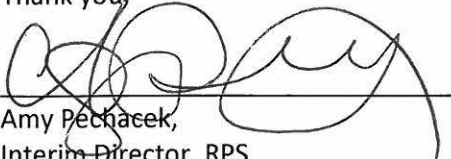
Title	No. of Positions	Title Code	Pay Grade
Sr. Pension Research & Compliance Analyst	1.0 full-time equivalent	TBD	32 M

The Sr. Pension Research & Compliance Analyst will be primarily dedicated to the following duties:

1. Quality assurance and internal auditing- review and verify complex benefit calculations and benefit determinations, audit data accuracy including researching and resolving discrepancies with internal and external stakeholders, develop systematic internal operational audit practices to reduce error risks
2. Compliance review- work with the operations, fiscal, and technology branches of RPS to ensure compliance with all applicable rules and regulations and achieve required segregation of duties and internal controls. Assist in reviewing and designing work flows that reduce issue occurrence, leverage efficiencies, and are consistent with industry best practice models for benefit administration
3. Process documentation- update and document process and procedures for all RPS administrative operations in accordance with Ordinances, Rules, IRS regulations, and operational needs. Develop and recommend new administrative process documentation in all deficient areas. Identify and resolve conflicts with current practice and clearly establish internal and external roles and responsibilities for accountability measures
4. Reference documentation- update and ensure accuracy of internal reference guides, flowcharts, and benefit charts for use by retirement analysts and stakeholders
5. Communication- train appropriate staff and communicate to all relevant stakeholders process flows and procedural recommendations

This position may also be assigned special projects and other duties as deemed necessary and appropriate.

Thank you,



Amy Pechacek,  
Interim Director, RPS

cc: Chris Abele, County Executive  
Scott Manske, Comptroller  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Raisa Koltun, Chief of Staff, County Executive

Steve Cady, Research & Policy Director  
Margaret Daun, Corporation Counsel  
Jim Carrol, Principal Assistant Corporation Counsel  
Kerry Mitchell, Director, Dept. Human Resources  
Teig Whaley-Smith, Director, DAS  
Norb Gedemer, Pension Board Chairman  
Laurie Braun, Pension Board Vice Chairperson  
Michael Harper, Pension Board Audit Committee Chairman