



**STATE OF WISCONSIN**  
Legislative Audit Bureau

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Janice Mueller  
State Auditor

December 2, 2008

Mr. Keith S. Bozarth, Executive Director, and  
Members of the Investment Board Audit Committee  
State of Wisconsin Investment Board  
121 East Wilson Street  
Madison, Wisconsin 53703

Dear Mr. Bozarth and Members of the Investment Board Audit Committee:

We have completed a financial audit of the investments and investment activity of the Retirement Investment Trust Funds, the State Investment Fund, and the Various Funds managed by the State of Wisconsin Investment Board as of and for the year ended June 30, 2008. We issued unqualified auditor's reports on the fair presentation of the financial statements. These financial statements and related opinions are included in the Investment Board annual report for 2008.

As provided for in *Government Auditing Standards*, we also are furnishing you with the auditor's report on internal control over financial reporting and on compliance and other matters. We did not identify any control or compliance concerns required to be reported under these standards.

We appreciate the courtesy and cooperation extended to us by Investment Board staff during the audit.

Sincerely,

Janice Mueller  
State Auditor

JM/DA/bm

Enclosure



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Retirement Investment Trust Funds, the State Investment Fund, and the Various Funds managed by the State of Wisconsin Investment Board as of and for the year ended June 30, 2008, and have issued our reports thereon dated August 28, 2008, and December 2, 2008. The financial statements and related auditor's opinions are included in the State of Wisconsin Investment Board's annual report for 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Investment Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Investment Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Investment Board's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined in the preceding paragraph.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Investment Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This independent auditor's report is intended for the information and use of the Investment Board's trustees and management, and the Wisconsin Legislature. This report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, because we do not express an opinion on the effectiveness of the Investment Board's internal control or on compliance, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 2, 2008

by



Diann Allsen  
Audit Director