



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: November 11, 2013
TO: Audit Committee Members
FROM: John Vincent, Director
Office of Internal Audit
SUBJECT: 2013-2015 Audit Plan Status

This memo is for informational purposes only. No action is required.

Below is the status summary of the 2013-2015 Audit Plan projects and advisory services completed or initiated, as well as other activities as of November 1, 2013.

2011-2013 AUDIT PLAN

1. Audit Projects – Completed

- a. BPS Manual Transactions Audit (13-03) – Report is included in December materials.

2. Engagements/Projects – In-Process

- a. (13-04) Internal Control Plan Review
- b. (13-05) Employer Audit Program
- c. (13-08) Information Privacy and Security
- d. (13-09) Vendor Contract Invoice Approval Review
- e. (13-10) WEBS Access Termination Process Review
- f. Internal Audit Manual
- g. Continuous Monitoring Development Project

3. Advisory Services/Special Requests – Active/Continuing

- a. ETF Security Council – Mr. Vincent participates in Security Council meetings, providing advice about data governance security policies (e.g., data classification, logging, auditing, and computer security incident response).
- b. Compliance Audits of Third-Party Administrators (TPA) – Mr. Lebi provided comments on the recommendation for extension of the TPA compliance audit contract for the Wisconsin Deferred Compensation Program.
- c. Affirmative Action Committee – Mr. Lebi serves on this Committee.

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Electronically Signed 11/13/13

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4. Monitoring of System Development Projects

- a. Transformation, Integration, and Modernization Initiative (TIM) – Mr. Vincent and Steve Hurley (Director – Policy, Privacy & Compliance Office) make up the Risk Management Monitoring Team for this initiative.

5. Special Projects

- a. External Quality Assessment Review – The Office of Internal Audit (OIA) acquired the services of an external auditor to conduct a quality assessment review (QAR) of the OIA function. Based on the information received and evaluated during the QAR, it was this auditor's opinion that the OIA partially conforms to the Institute of Internal Auditors (IIA) Professional Practices Framework (IIA Standards, Definition of Internal Auditing, Code of Ethics). A number of opportunities were provided in the final report that will assist OIA in more fully conforming to the IIA Standards and enhance its services to ETF.

This was the first QAR completed on the OIA function since the internal audit function was established in July 1985. The QAR was conducted with the following objectives:

- Assess OIA's conformance to The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*;
- Evaluate OIA's effectiveness in carrying out its mission; and
- To identify opportunities to enhance OIA management and work processes, as well as its value to ETF.

The final report is included in the December material.

6. Training/Association Meetings

- a. Webinars:
 - Retirement Plans and Investments (2 days) – Mr. Lebi, Ms. Van Marter
 - Retirement Benefit Calculation Methods (webinar) – Ms. Malzacher
 - Enterprise Risk Management (IIA webinar) – Mr. Lebi, Ms. Van Marter
 - Public Sector Plan Administration/Compliance, Ethics and Trends – Mr. Lebi, Ms. Van Marter
 - Business Continuity Management – Crises Management – Mr. Lebi
 - Investment Basics – Mr. Lebi, Ms. Van Marter
 - Writing Audit Reports That Get Results – Ms. Van Marter
 - MIS Institute – Continuous Auditing – Ms. Malzacher

I will be available at the Audit Committee meeting to answer any questions.