



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: February 28, 2014
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, advisory services completed or initiated, as well as other activities as of February 28, 2014.

2011-2013 AUDIT PLAN

1. **Audit Projects – Completed**
 - a. BPS Manual Transactions Audit (13-03) – Report was presented at the December 8, 2013 meeting.
 - b. **(new)** Information Privacy and Security Incidents Reports (13-08) – Report included in the Committee material.
2. **Engagements/Projects – In-Process**
 - a. (13-04) Internal Control Plan Review
 - b. (13-05) Employer Audit Program
 - c. (13-09) Vendor Contract Invoice Approval Review
 - d. (13-10) WEBS Access Termination Process Review
 - e. Internal Audit Manual
 - f. Continuous Monitoring Development Project

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Electronically Signed 3/6/14

Board	Mtg Date	Item #
AUD	3.27.14	7

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 extending the TPA compliance audit contract for the Wisconsin Deferred Compensation Program.
 - **(new)** Mr. Lebi reviewed and provided comments on the ERA/Commuter TPA compliance audit report provided by Wipfli.
 - **(new)** Mr. Lebi is following up with the Division of Insurance Services about a finding reported in the Life Insurance TPA compliance audit.

4. Monitoring of System Development Projects

- a. Transformation, Integration, and Modernization Initiative (TIM) – Mr. Vincent and Steve Hurley (director, Office of Policy, Privacy & Compliance) make up the Risk Management Monitoring Team for this initiative.
- b. **(new)** Review of Financial Management Information System (FMIS) Cut-over Plan – Mr. Lebi is reviewing the plan to convert data to the new system.

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 assurance review (QAR). The QAR was completed and reported to the Audit Committee at the December 5, 2013, meeting. 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
 - Identify opportunities to enhance OIA management and work processes.

The final report presented a number of opportunities that will assist OIA to more fully conform with IIA Standards and enhance the auditing services OIA provides to ETF.

- b. **(new)** Audit Management Software – Staff has been evaluating software products to be used in audit management activities (e.g., audit planning, reports, record keeping, etc.).

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

Added during this reporting period:

- Continuous Assurance and Auditing: A Guidance Review – Mr. Lebi, Ms. Van Marter
- Managing P-Card Challenges – Mr. Lebi, Ms. Van Marter
- The Affordable Care Act: What Every Internal Auditor Needs to Know – Mr. Lebi, Ms. Van Marter
- Infusing Traditional Investigation with the Audit – Mr. Lebi, Ms. Van Marter
- Kick Start Internal Audit in 2014 – Mr. Lebi, Ms. Van Marter
- Regulatory Hot Topics for Financial Services – Mr. Lebi, Ms. Van Marter
- Volcker Rule: Examining the Impact – Mr. Lebi, Ms. Van Marter
- Preventing Healthcare Fraud with Data Analysis – Mr. Lebi, Ms. Van Marter
- Internal Audit's Role in Identifying Emerging Risks – Mr. Lebi, Ms. Van Marter

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