



State of Wisconsin  
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## Correspondence Memorandum

**Date:** May 29, 2015  
**To:** Audit Committee  
**From:** Yikchau Sze, Director  
Office of Internal Audit  
**Subject:** LRWL's roles and responsibilities in the implementation of BAS

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

The Department of Employee Trust Funds (ETF) has undertaken a multi-year strategic initiative to transform, integrate and modernize its information technology systems. The integrated IT system is called the Benefits Administration System (BAS).

To ensure the success of this initiative, ETF engaged LRWL, a technology and management consulting firm specializing in public pension and benefits administration, to co-develop the request for proposal (RFP) for the vendor selection and to provide project management oversight during the implementation. Fourteen months into this modernization initiative, Rollout 1-Imaging and Basic Workflow, is currently scheduled to go live on July 20, 2015.

Attached is an overview of LRWL's roles and responsibilities in this multi-year initiative. Peter Cole, LRWL Oversight Project Manager, will be at the Audit Committee meeting for the presentation.

Attachment: LRWL Presentation

Reviewed and approved by Robert J. Conlin, Secretary

Electronically signed 6/8/15

Board	Mtg Date	Item #
AUD	6.25.15	3



*Moving Retirement Systems Forward*

**Wisconsin Employee Trust Fund BAS Project  
LRWL Inc.  
Audit Committee Presentation**

June 25, 2015

Peter P Cole, PMP

# LRWL EXPERIENCE - HISTORY

## ❑ Our Corporate Mission

- To assist public retirement systems in exceeding the expectations of their customers. We do this by providing the most experienced and professional staff in the industry.

## ❑ Founded 1981

- Technology and management consulting firm

## ❑ Since 1994

- Focused exclusively on the public pension industry
- Retirement
- Benefits administration

# LRWL EXPERIENCE

- ❑ Over 70 clients
- ❑ 20 consultants, 9 of whom have previously worked for implementers
- ❑ Average staff member experience in Public Pension environment – 14 years
- ❑ All work based on LRWL proprietary methodologies

# LRWL EXPERIENCE – BY THE NUMBERS

- ❑ **41** previous projects similar to the WI ETF BAS project, i.e., vendor procurement followed by Oversight Project Management (OPM)
- ❑ **159** line-of-business proposals evaluated
- ❑ **24** different line-of-business vendors evaluated
- ❑ **13** different line-of-business implementation vendors in projects where LRWL provided PM and OPM services

# LRWL HISTORY GOALS AT ETF

- ❑ Selected through competitive bid process in June 2012; started work in July
- ❑ Major goals of the engagement:
  - Co-develop Request for Proposal (RFP) for a Benefits Administration System (BAS)
  - Assist ETF during vendor procurement
  - Provide Oversight Project Management (OPM) during implementation
  - Advise on industry best practices throughout

# LRWL APPROACH / METHODOLOGIES

- ❑ **BPR<sup>ETIREMENT</sup> Tools<sup>®</sup>** – for supporting business process re-engineering activities
- ❑ **RFP<sup>ENSION</sup> Tools<sup>®</sup>** – for supporting RFP development and solicitation / procurement activities through contract negotiation and execution
- ❑ **ITP<sup>LANNING</sup> Tools<sup>™</sup>** – for developing strategic, IT and project plans
- ❑ **OR<sup>ETIREMENT</sup> Tools<sup>™</sup>** – for supporting business studies, operational reviews, and feasibility analyses
- ❑ **DA<sup>TACLEAN</sup> Tools<sup>™</sup>** – for facilitating data cleansing activities
- ❑ **OPM<sup>ANAGEMENT</sup> Tools<sup>®</sup>** - for overseeing and quality assuring technology implementations

*Our methodologies and approaches are based on sound project management structures, configured to public benefits administration clients, and reviewed and adjusted with every project*

# AUDIT ASPECTS OF LRWL'S ROLE

- Risk Management
- Data Cleansing and Conversion
- Functional Requirements
- Functional Access and Security



# RISK MANAGEMENT

- ❑ Submitted list of potential BAS project risks and mitigating factors – one of LRWL’s initial deliverables:
  - Procurement phase: August 2012
  - Implementation phase: March 2014
- ❑ List provided basis for ETF-managed risk assessment:
  - Monthly project risk meetings
  - Quarterly Auditor overview thereof

# DATA CLEANSING AND CONVERSION

- ❑ LRWL assisted in procurement of 3rd party (ICON) to assist with data cleansing
- ❑ Document the data cleansing and conversion process:
  - Overall Data Cleansing and Conversion Plan
  - DQCP (Data Quality Check Points)
  - Data Element Cleansing Plans
  - Data Mapping (what legacy data element becomes what BAS data element)
  - Migration Specifications (Legacy : Temporary Staging Data Base : BAS)
  - Reconciliation

# FUNCTIONAL REQUIREMENTS

- ❑ In development of RFP:
  - Started with LRWL template
  - Augmented with ETF business and technical requirements
  - Facilitated multiple business reviews
- ❑ In management of implementation:
  - Created Requirements Traceability Matrix (RTM)
  - Assist ETF Test Team to ensure every requirement tested and confirmed

# FUNCTIONAL ACCESS AND SECURITY

- ❑ Access to solution is role-based
- ❑ All user activities are logged:
  - Can determine all actions taken against an individual member
  - Can determine all actions taken by an individual staff member
- ❑ All additions and changes to data made through the programmatic interface

# Questions????

