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Correspondence Memorandum

Date: May 29, 2015
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit
Subject: 2013-2015 Audit Plan Status

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

The following is a summary of the status of projects and advisory services completed or initiated in the second year of the 2013-2015 Audit Plan years. This information covers the period July 1, 2014 through May 29, 2015.

Audit Engagements – Completed

- Contract Invoices and Payments Review – This audit was to provide reasonable assurance that the agency is properly managing vendor contracts regarding costs and deliverables. There were no recommendations in the report.
- Mobile Computing Device Audit Part I (Laptops and Tablets) - This audit was to determine physical security of mobile devices and assess security of information stored on those devices. There are three recommendations in the report. See Appendix A Open Issues Report.
- Mobile Computing Device Audit Part II (Removable Media Security) – This audit was to determine whether internal controls are in place and working effectively in regards to removable media security. There are two recommendations in the report. See Appendix A Open Issues Report.

Advisory Services/Special Requests

The nature and scope of these services are to add value and improve ETF's governance, risk management, and control processes without the internal auditor assuming management responsibility.

Reviewed and approved by Robert J. Conlin, Secretary

Electronically Signed 9/10/15

Board	Mtg Date	Item #
AUD	9.24.15	7

- ETF Security Council – Participated in Security Council meetings as a non-voting member and provided advice about data governance security policies.
- Third-Party Administrators (TPA) Audit – Reviewed draft audit reports and provided comments to management.
- Wisconsin Deferred Compensation (WDC) Financial Statement Audit Request for Bid (RFB) – Reviewed and assessed vendors' responses to the RFB requirements of vendor staffing and experience.
- Transformation, Integration and Modernization (TIM)
 - Participated as a member of Risk Management Monitoring team.
 - Participated as subject matter expert in the Benefit Administration System (BAS) Sprint - User Profile Security.
 - Reviewed and advised audit related functionalities in the BAS.
 - Discussed and proposed documentation of business processes flowcharts as one of the final deliverables of the BAS project.
 - Participated in the Change Management discussions to promote collaborative approach of managing changes across the agency.
- Wisconsin Retirement System Employer Compliance – participated in the discussion and review of the employer compliance pilot program.
- Health Insurance Portability and Accountability Act (HIPAA) – participated and advised on the risk assessment for HIPAA compliance.

Status update of the revised 2013-2015 Audit Plan presented to the Committee at the September Audit Committee meeting in 2014

- Tax Reporting and Payment Review – to determine if tax reporting and submission of payments to Internal Revenue Service are timely and accurate.
 - Rolled over to 2015-2017 plan
- Eligibility of Spouse and Domestic Partner as Dependent for Health Insurance – to determine if the process to confirm the dependent eligibility of spouses and domestic partners is operating as intended.
 - In progress, planned to report to the Audit Committee in September 2015

- Domestic Partner Application Process - to determine if the timeliness of the approval process and subsequent internal notification process are working as intended.
 - Removed from the Plan due to reduced exposure
- Income Continuation Insurance – to determine if the procedures for processing enrollment applications of income continuation insurance are operating as intended.
 - In progress, planned to report to the Audit Committee in September 2015

Audit Management Software

Audit management software was installed. Training and testing are underway.

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

Appendix A

Open Issues Report as of June 30 2015 Office of Internal Audit							
Report Date	Audit	Objective & Scope	Recommendations	Management Responses	Responsible Staff	Estimated Completion Date	Status
11/07/2014	Mobile Computing Device Audit - Part I, Laptops and Tablets	Verify that security over both physical assets and information accessed by the assets are adequate	Establish and document asset management processes	Update and improve IT assets tracking; develop asset tracking policy; Utilize IT Asset Management software provided by STAR	Steven Mueller	June 2015	In Progress
			Enhance controls over laptops dedicated for training	Inventory laptops dedicated for training; register loaner mobile devices		Nov 2014	Closed
			Enhance security measure	ETF will leverage DET's security measure after completing ETF's infrastructure re-hosting project at DET in 2016		TBD	Open
01/31/2015	Mobile Computing Device Audit – Part II, Removable Media Security	Determine whether internal controls are in place and working effectively regarding Laptops, USB drives and smartphones brought into ETF's environment by staff, contractors and vendors	USB Port Functionality	Re-advertise ETF-Issued Computing Device Policy with potential of revisiting the issue after completion of the infrastructure re-hosting project at DET	Steven Mueller	Feb 2016	In Progress
			Compliance with Non-ETF Issued Personal Computing Device Policy	Train a second technician on the process; review and update procedure's		April 2014	Closed