

DRAFT

# MINUTES

March 21, 2019

## Audit Committee

Employee Trust Funds Board  
State of Wisconsin



## Location:

State Hill Farms Building – Room N112  
4822 Madison Yards Way, Madison, WI 53705

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## COMMITTEE MEMBERS PRESENT:

William Ford, Chair  
Leilani Paul, Vice Chair

Michael Langyel, Secretary

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## PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of Secretary:

Bob Conlin, Secretary  
Pam Henning, Assistant Deputy  
Secretary

Bureau of Information Technology Services:

Mark Robinson, Deputy Director

Office of Policy, Privacy and Compliance  
(OPPC): Steve Hurley, Director

Office of Internal Audit (OIA):

Yikchau Sze, Director  
Michelle Hoehne, Auditor-Advanced  
Ramona Yee, Auditor-Advanced  
Rick Onasch, Auditor-Advanced

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## OTHERS PRESENT:

Legislative Audit Bureau:

Emily Pape, Audit Supervisor

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Mr. Ford called the Audit Committee (Committee) to order at 8:00 a.m.

## CONSIDERATION OF MINUTES OF PREVIOUS MEETING:

*Mr. Langyel moved to accept the minutes of the December 13, 2018, Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which was passed on a voice vote.*

Board	Mtg Date	Item #
AUD	6.20.19	2

### **ELECTION OF OFFICERS:**

Mr. Ford proposed that he remain as Chair, that Ms. Paul become the Vice Chair and that Mr. Langyel become the Secretary.

***Mr. Langyel made a motion to accept the election of officers, and Ms. Paul seconded the motion, which passed on a voice vote.***

### **INTERNAL AUDIT – CONTINUITY OF OPERATIONS PLAN (COOP):**

Ms. Yee provided an overview of the audit scope and audit procedures as related to the Department of Employee Trust Fund's (ETF) Continuity of Operations Plan. An effective COOP Plan is necessary to ensure ETF can resume essential business services under all types of threats or conditions. Essential business services involve those functions that must be recovered within 30 days of plan activation.

There were three findings and several process improvement observations included in the audit. Mr. Robinson, Mr. Conlin and Mr. Hurley provided additional information on the COOP Plan and some specific efforts that will be implemented to improve the COOP plan.

### **INTERNAL AUDIT – IT ASSET MANAGEMENT BY THE BUREAU OF INFORMATION TECHNOLOGY SERVICES (BITS):**

Ms. Hoehne indicated that the audit included an assessment of the management of corrective actions from the OIA 2014 Mobile Computing Device Audit.

Ms. Hoehne concluded that BITS made significant improvement in the IT assets management process since the 2014 audit. This audit identified two findings related to inventory controls and one finding related to the ETF internal policy development and maintenance. Committee members asked clarification questions related to the findings. Mr. Robinson explained how BITS had already implemented corrective actions related to the IT assets management findings. Mr. Hurley explained that the OPPC will take the lead to address the policy development finding.

### **AUDIT FREQUENCY GUIDELINE**

Ms. Sze discussed the memorandum on Internal Audit Planning and Audit Frequency (Ref. AUD | 3.21.19 | 5) and requested approval of the proposed Audit Frequency Guidelines, as indicated below:

<b>Risk Rating</b>	<b>Frequency</b>
High	< = 3 years
Moderate	4 – 5 years
Low	6 – 7 years
Very Low	N/A

**MOTION TO ADOPT THE AUDIT FREQUENCY GUIDELINES:**

***Ms. Paul moved to adopt the Audit Frequency Guidelines. Mr. Langyel seconded the motion, which passed on a voice vote.***

**FY 2018-2019 AUDIT PLAN STATUS, INCLUDING OPEN ISSUES REPORT:**

Ms. Sze provided the status of audit projects and reported on other OIA activities as presented in the Audit Plan Status memo covering the reporting period from November 27, 2018 to February 26, 2019. There were no new ETF Fraud Hotline Reports.

Ms. Sze also provided an update on open audit issues.

**INTERNAL AUDIT DIRECTOR PROPOSED EVALUATION PROCESS**

Ms. Henning provided a high-level overview of the new evaluation process and the reasons why changes to the current evaluation process are proposed.

**ADJOURNMENT**

***Ms. Paul moved to adjourn the meeting. Mr. Langyel seconded the motion, which passed on a voice vote.***

The Committee adjourned at 8:54 a.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Michael Langyel, Secretary  
Audit Committee