

DRAFT

# MINUTES

June 20, 2019

## Audit Committee

Employee Trust Funds Board  
State of Wisconsin



## Location:

Hill Farms State Office 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

Office of Strategic Health Policy:  
Eileen Mallow, Director

Division of Trust Finance (DTF):  
Amelia Slaney, Deputy Administrator

Office of Internal Audit (OIA):  
Yikchau Sze, Director  
Michelle Hoehne, Auditor-Advanced  
Rick Onasch, Auditor-Advanced  
Mona Yee, Auditor-Advanced

Division of Management Services:  
Steve Mueller, Administrator  
Greg Beach, CISO  
Beth Bucaida, Contract Specialist  
Melissa Adams, IS Business  
Automation Consultant

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## OTHERS PRESENT:

Legislative Audit Bureau (LAB):  
Emily Pape, Audit Supervisor

Protiviti Consulting:  
Jason Maslan  
Hans VanVliet

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

Board	Mtg Date	Item #
AUD	9.19.19	2

## **CONSIDERATION OF MINUTES OF PREVIOUS MEETING:**

***Mr. Langyel moved to accept the minutes of the March 21, 2019 Committee meeting, as submitted by the Board Liaison. Ms. Paul seconded the motion, which was passed on a voice vote.***

## **AUDIT FINDING FOLLOW-UP: NON-RETIREMENT PROGRAM PAYMENTS:**

Ms. Slaney and Ms. Mallow provided an update on the audit recommendations from the Non-Retirement Program Payments audit that were presented to the Committee in September 2018. They provided a memo (Ref. AUD | 6.20.19 | 3) outlining the corrective actions implemented since the audit. OIA considers this audit finding closed.

## **INTERNAL AUDIT PLAN FOR BIENNIAL PERIOD FY2018 – FY2019:**

- A. Audit Plan Recap – Ms. Sze provided an update on the status of the FY2018 - FY2019 Internal Audit Plan as of May 2019. OIA is on target to complete 13 engagements by the end of FY2019. The two remaining information technology (IT) focused audits will be included in the newly developed IT audit plan for FY2020 – FY2021. Mr. Ford indicated that he liked the flexibility of how the plan is revised periodically based on current risk factors.
- B. Open Audit Issues Report – Ms. Sze provided the quarterly update on Open Audit Issues as of May 2019. Ms. Sze indicated that starting in FY2020, a new OIA effort will track and periodically report on external audit findings, such as those from third-party administrator compliance audits and LAB audits.
- C. Fraud Hotline Report – Ms. Sze discussed the Fraud Hotline Report. Ms. Sze explained that the hotline is a confidential means for ETF employees and the public to report issues. ETF has the capability of communicating with the informants, while maintaining the anonymity of the informant.

## **INTERNAL AUDIT PLAN FOR BIENNIAL PERIOD FY2020 – FY2021:**

Ms. Sze provided (Ref. AUD | 6.20.19 | 5) and walked through the draft, risk-based Internal Audit Plan for FY2020 – FY2021, which includes 19 projects to be performed by OIA. Jason Maslan and Hans Van Vliet, from Protiviti Consulting, presented the confidential, risk-based IT Audit Plan developed based on the IT risk assessment completed by Protiviti Consulting. The intent is for OIA to procure a vendor to perform IT audit services for all projects identified through the risk assessment process, including projects proposed for future years.

***Ms. Paul moved to approve the draft Internal Audit Plan for FY2020 – FY2021. Mr. Langyel seconded the motion, which passed on a voice vote.***

**PROCUREMENT OF INFORMATION TECHNOLOGY AUDIT SERVICES:**

Ms. Sze shared a memo (Ref. AUD | 6.20.19 | 6) recommending the Committee delegate its authority to the Director of OIA to solicit proposals for and contract with qualified firms to perform IT internal audits, including the authority of contract amendments. The plan is to complete the Request For Proposal for the IT audit work in July and award a contract in October 2019.

***Ms. Paul moved to delegate the Audit Committee’s authority to the Director of OIA to solicit proposals for and contract with qualified firms to perform IT internal audits, including the authority of contract amendments. Mr. Langyel seconded the motion, which passed on a voice vote.***

**ADJOURNMENT**

***Mr. Langyel moved to adjourn the meeting. Ms. Paul 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