



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: May 21, 2020
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: FY2020 - FY2021 Audit Plan Status

Staff requests the Audit Committee approve the proposed changes to the current audit plan.

The following is a summary of audit engagements completed or in progress, and the status of other OIA activities from February 28, 2020 through May 21, 2020.

Engagements Completed

- Active Lives Data Extract Audit
- IT Governance Maturity Assessment

Engagements In-Progress

- WRS Member Account Adjustments Audit – Field Work
- Retired Lives Data Extract Audit – Planning
- TPA Contract Transition Balance Quality Review (phase two) – Field Work
- Network Security – Field Work
- Endpoint Imaging – Field Work

Other Activities

- Provided Third-Party Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed audit reports drafted by independent auditors and provided feedback to program managers
 - Assisted program managers in the development of statement of work for the upcoming contract compliance audits
- Provided assistance as Subject Matter Expert on the audit requirements in the development of Request For Proposals for the Income Continuation Insurance Program

Board	Mtg Date	Item #
AUD	6.17.20	6

- Provided oversight to the SOC1 Tye2 review process
- Tracked the status of all open audit issues, including TPA contract compliance audits completed in FY2020, through the quarterly Open Audit Issue Report (see Attachment A for the summary)
- Monitored activities of fraud hotline – No new incidents were reported during this review period
- Assessed and re-prioritized outstanding projects remaining on the audit plan for this calendar year based on risks and resources:

	Project	Priority	Timing
1	Disability Annuity Benefits	High	June
2	Banking Information Set-up/Update	High	June
3	Employer Call Center Services	Medium/High	September
4	Employer Onboarding	Medium	September
5	Health Insurance Deduction in BPS	Medium	December
6	Benefit Calculation and Distribution	Medium	November
7	Locating Beneficiaries	Low	Cancel
8	Member Account Maintenance	Low	Cancel
9	Employer Compliance Review Assistance	Low	Cancel

OIA is seeking approval from the Audit Committee to cancel the three engagements identified in the table above.

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

Attachment: A. Open Audit Issues Report Summary Memo



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: May 21, 2020
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: Open Audit Issues Report

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

The Open Audit Issues report tracks recommendations raised by the Office of Internal Audit (OIA) for all internal audits completed since July 2014. OIA updates the Open Audit Issues report quarterly, based on status reported by management. Management is responsible for timely completion of actions that address audit findings. OIA is responsible for tracking progress reported by management and formally accepting the closure of audit findings. The formal acceptance is achieved by performing follow-up audits to confirm the completion of corrective actions that are in place for one year.

The table below provides a summary of all audits with findings that have not been closed as of May 21, 2020. Compared to the number of open audit issues reported in last quarter, OIA findings were reduced by two and external audit findings were increased by one. It was the result of the following activities

- one in progress finding from the ICI audit was closed due to being included in the Insurance Administration System project
- the last in progress finding from the IT Assets Management audit was closed
- one in progress finding from the Data Warehouse audit was closed
- The HSA, ERA and CB audit was added to the tracking report

Open Audit Issues Summary

Program	Audit Performed by	Audit Recommendations				
		Closed	In Progress	Open	Over Due	Total Outstanding
LTDI Audit	OIA	-	3	-	-	3
Health Insurance Billing Audit	OIA	1	1	-	-	1
Total - Internal Audit			4	-	-	4
Uniform Dental Insurance Program Audit	CTI	9	1	-	-	1
Data Warehouse & Visual Business Intelligence Services Audit	Segal	11	-	5	-	5
Health Savings Account (HSA), Employee Reimbursement Accounts (ERA), and Commuter Fringe Benefit Accounts (CB) Audit	Wipfli	-	2	-	-	2
Total - External Audit			3	5	-	8
Report Total			7	5	-	12