



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

Date: November 13, 2020
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: FY2020 - FY2021 Audit Plan Status

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

The following is a summary of audit engagements completed or in progress, and the status of other OIA activities from August 21, 2020 through November 13, 2020.

Engagements Completed

- Member Bank Account Set up and Change Audit
- Disability Annuity Benefit Audit
- Employer Reporting Special Project
- Network Security Audit
- Endpoint Imaging Audit

Engagements In-Progress

- Retired Lives Data Extract Audit – Field Work
- Statement of Benefits Abnormal Balances Review – Field Work
- Annuity Benefits Calculation Periodic Review - Planning
- Vulnerability Management Audit – 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
- Collaborating with business areas to develop a formal anti-fraud program at ETF
 - Fraud Policy was adopted by the agency on November 10, 2020

Board	Mtg Date	Item #
AUD	12.09.20	8

- Monitored activities of fraud hotline - no incident was reported during this reporting period
 - In calendar year 2020, only one incident was reported. The incident was deemed abandoned subsequently due to response was not received timely (within three-months a follow-up question is posted)
- Tracked the status of all open audit issues, including TPA contract compliance audits through the quarterly Open Audit Issue Report (see Attachment A for the summary)
- Michelle Hoehne recently obtained her Certified Internal Auditor certification issued by the IIA
- OIA staff attended virtual conference provided by the Public Pension Financial Forum between October 16 and October 30, which provided up to 36 CPE credits

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

Attachment: A. Open Audit Issues Report Summary Memo



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The Open Audit Issues report tracks recommendations raised by the OIA for all internal audits and recommendations raised by the external independent auditors for contract compliance audits and program audits. 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 performing follow-up audits to confirm the completion of corrective actions if deemed necessary.

The table below provides a summary of all audits with findings that have not been closed as of November 13, 2020. Compared with the status reported in the last quarter:

- Two previous in-progress audit findings from the LDTI audit were closed
- All audit findings from the Health Savings Accounts, Employee Reimbursement Accounts and Commuter Fringe Benefit Accounts Audit were closed. The audit is therefore removed from the Open Audit Issues Summary table

Open Audit Issues Summary

Program	Audit Report Date	Audit Performed by	Audit Recommendations					Total Outstanding	
			Closed	In Progress		Open			Over Due
				#	Complete By	#	Complete By		
LTDI Audit	August 2019	OIA	2	1	January 2021	-	-	1	
Total - Internal Audit				1		-	-	1	
Uniform Dental Insurance Program Audit	August 2019	CTI	9	1	January 2021 January 2022	-	-	1	
Data Warehouse & Visual Business Intelligence Services Audit	September 2019	Segal	11	-		5	July 2021	5	
Wisconsin Deferred Compensation Audit	June 2020	Wipfli	3	1	May 2021	1	July 2021	2	
Total - External Audit				2		6		8	
Report Total				3		6		9	