

Status of Internal Audit Plan

FY 2020 – FY 2021

Office of Internal Audit

May 21, 2021



Board	Mtg Date	Item #
AUD	9.16.21	7

Executive Summary

This report provides information on the status of the Biennial Internal Audit Plan for FY2020 - FY2021 (Plan). The Plan included 19 projects for the Office of Internal Audit (OIA) and 13 information technology (IT) projects that OIA outsourced to JANUS Association, a consulting firm specializing in IT auditing and consulting services.

OIA is on target to complete 15 projects by June 30, 2021. Of the four outstanding projects, the CEM Data Compilation project was removed due to termination of the CEM contract; two projects were cancelled due to reduced risk; and one project was rolled over to the FY2022 – FY2023 Biennial Internal Audit Plan.

JANUS completed five projects. The low completion rate resulted from: 1) the aggressiveness of the Plan; 2) the delay in the IT Governance Assessment project; and 3) the significant increase in the scope of Network Security Assessment. Of the eight outstanding projects, four projects were cancelled to better align with the agency priority and four projects were rolled over to the FY2022 – FY2023 Biennial Internal Audit Plan to balance risk with available resources.

Detailed Audit Plan Status

The table on this page and the following pages provide the status of audit projects planned for FY2020 and FY2021, and the reasons why certain projects were not completed according to the Plan.

Title	Type	Status – May 2021	Report Date	Reason for Change
OIA Projects				
Active Lives Data Extract	Audit	Completed	5/20/2020	
TASC Balances Audit	Audit	Completed	8/24/2020	
Health Insurance Billing	Audit	Completed	9/16/2019	
Third-Party Administrator Oversight, including SOX Report Reviews and Contract Compliance Audit Oversight	Consulting	Completed	Various memos issued	
Benefits Calculation and Distribution	Agreed-upon Procedures	Completed	2/11/2021 3/2/2020	
Employer Reporting	Special Project	Completed	12/9/2020	
Retired Lives Data Extract	Audit	Completed	2/26/2021	
Member Account Adjustment	Audit	Completed	7/6/2020	
Disability Annuity Benefits	Audit	Completed	9/22/2020	

Title	Type	Status – May 2019	Report Date	Reason for Change
Health Insurance Deduction Setup for Annuitants	Audit	Completed	5/28/2021	
Member Bank Account Setup and Change	Audit	Completed	10/6/2020	
Employer Call Center Services	Consulting	In progress – to be completed by June 30, 2021		
Member Account Maintenance	Consulting	Deferred		Rolled over to FY2022-FY2023 audit plan due to change of priority
CEM Data Compilation	Consulting	Cancelled		CEM contract terminated
Employer Onboard	Consulting	Cancelled		Cancelled due to reduced risk
Variable Fund Transfer	Audit	Completed	5/26/2021	
Medicare Split Contract Invoicing	Audit	In progress – to be completed by June 30, 2021		
Locating Beneficiaries	Consulting	Cancelled		Cancelled due to reduced risk

Title	Type	Status – May 2021	Report Date	Reason for Change
IT Projects				
IT Governance Assessment	Consulting	Completed	4/24/2020	
Network Security Assessment – Penetration Testing	Audit	Completed	10/20/2020 Summary Report. Four detailed reports issued between June and August 2020	
IT General Controls Audit	Audit	Deferred		Deferred to FY2022 due to priority and resources
System Development Life Cycle	Consulting	Deferred		Deferred to FY2023 due to priority and resources
Endpoint Imaging Audit	Audit	Completed	9/11/2020	
Data Management	Consulting	Cancelled		To be included when data management projects are implemented
Vulnerability Management Program	Audit	Completed	12/18/2020	
Data Loss Prevention	Audit	Deferred		Deferred to FY2023 due to priority and resources
Data Privacy Review	Consulting	Cancelled		Original scope is too general and overlaps with other projects
Identify Access Management	Consulting	Cancelled		To be included when remediations are completed
System Implementation Review	Consulting	Cancelled		To better align with the resources available
Social Engineering	Audit	Completed	1/5/2021	
Breach Response Readiness	Audit	Deferred		Deferred to FY2022 to assess improved process



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Correspondence Memorandum

Date: May 21, 2021
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 OIA for all internal audits and recommendations raised by the external independent auditors. 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 audits with findings that have not been closed as of May 21, 2021. Below are some highlights compared with the status reported in the last quarter:

- one internal audit was added to the Open Audit Issues report
- two audits were removed from the report as recommendations were all closed
- one in-progress item from Network Security audit is postponed to October 2021

Open Audit Issues Summary

Program	Audit Report Date	Audit Performed by	Closed	Audit Recommendations				
				In Progress		Open		Total Outstanding
				#	Complete By	#	Complete By	
Retired Lives Data Extract Audit	February 2021	OIA		1	December 2021	-		1
Total - Internal Audit				1		-		1
LTDI OIA Audit	August 2019	OIA	2	1	January 2021 January 2022	-		1
ETF 2017 CAFR (Report 18-10)	October 2018	LAB		1	March 2022			1
IT Needs Assessment, Procurement, and Security	September 2020	LAB	3	2	December 2021			2
Network Security	October 2020	JANUS	7	2	May 2021 Oct 2021	19	TBD	21
Vulnerability Management	December 2020	JANUS	1	5	January 2022			5
Total - IT Audit			13	11		19		30
Uniform Dental Insurance Program Audit	August 2019	CTI	9	1	January 2021 January 2022	-		1
Wisconsin Deferred Compensation Audit	June 2020	Wipfli	4	1	July 2021	-		1
Total - TPA Audit			13	2		-		2
ETF 2019 CAFR (Report 21-3)*	February 2021	LAB	4	-		1	November 2021	1
Report Total			30	14		20		34

* ETF to report status of recommendations to the Joint Legislative Audit Committee by June 30, 2021.