



**STATE OF WISCONSIN**  
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## ***Correspondence Memorandum***

**Date:** August 19, 2021  
**To:** Audit Committee  
**From:** Yikchau Sze, Director  
Office of Internal Audit (OIA)  
**Subject:** OIA Biennial Audit Plan Status

**This memo is for information purposes only. No Board action is required.**

The following is a summary of audit engagements completed or in progress, and the status of other OIA activities from May 21, 2021 through August 19, 2021.

### **Engagements Completed**

- Health Insurance Deduction Setup for Annuitants
- Variable Fund Transfer Audit
- Benefit Calculation and Distribution Limited Review
- Medicare Split Contract Audit
- Employer Call Center Services Review

### **Engagements In-Progress**

- ECM Record Processing Review
- Special Project – Medical Record Access Review
- Chapter 40 Procurement Audit

### **Other Activities**

- Co-developed agency Fraud Response Plan
- Provided Third-Party Contract Compliance Audit Oversight
  - Participated in periodic audit check-in meetings
  - Reviewed audit report 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
- Coordinated efforts for the annual Service Organization Control, SOC1 Type2 review; identified process improvements for future reviews and provided guidance to project managers for additional communications to employers/payroll centers

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- Assisted in the review of the Request for Proposal for the Deferred Compensation program for vendor responses
- Monitored activities of fraud hotline — one incident was reported during this reporting period and was substantiated as fraud
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A)

Staff will be at the Board meeting to answer any questions.

Attachment: A. Open Audit Issues Report Summary Memo



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## *Correspondence Memorandum*

**Date:** August 19, 2021  
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**From:** Yikchau Sze, Director  
 Office of Internal Audit (OIA)  
**Subject:** Open Audit Issues Report

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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. 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 August 19, 2021. Below are some highlights compared with the status reported in the last quarter:

- One internal audit, Variable Fund Transfer audit, was added to the Open Audit Issues report
- Three external audits, Uniform Dental, Deferred Compensation and 2019 CAFR, were removed from the report as recommendations were all closed

### Open Audit Issues Summary

Program	Audit Report Date	Audit Performed by	Audit Recommendations					
			Closed	In Progress		Open		Total Outstanding
				#	Complete By	#	Complete By	
Variable Fund Transfer Audit	May 2021	OIA	1	2	December 2021	-		2
Retired Lives Data Extract Audit	February 2021	OIA		1	December 2021	-		1
<b>Total - Internal Audit</b>				<b>3</b>		-		<b>3</b>
LTDI OIA Audit	August 2019	OIA	2	1	<del>January 2021</del> 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	<del>May 2021</del> Oct 2021	19	TBD	21
Vulnerability Management	December 2020	JANUS	1	5	January 2022			5
<b>Total - IT Audit</b>			<b>13</b>	<b>11</b>		<b>19</b>		<b>30</b>
<b>Report Total</b>			<b>13</b>	<b>14</b>		<b>19</b>		<b>33</b>