



STATE OF WISCONSIN
Department of Employee Trust Funds
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Correspondence Memorandum

Date: May 26, 2022
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: FY22 - FY23 Biennial Audit Plan Update

This memo is for information purposes only. No Committee action is required.

The following is a summary of audit engagements completed, in-progress, and the status of other OIA activities from February 24, 2022 through May 26, 2022.

Engagements Completed

- Master Data Management – Person Domain Review
- Equipment and Sensitive Data Protection Assessment

Engagements In-Progress

- Chapter 40 Procurement
- Department Terms and Conditions
- Sick Leave Reporting
- Third-Party Administrator Contract Compliance Audit for the Administration of Pre-Tax Savings Accounts

Other Activities

- Provided Third-Party Administrator Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed draft audit report and provided feedback to the benefit program manager
- Assisted as Subject Matter Expert on the audit requirements in the development of Request for Proposals
- Provided oversight for the annual Service Organization Control, SOC1 Type 2 reporting
- Engaged in the audit management software upgrade
- Assisted ETF fraud response by reviewing and responding to incidents submitted through ETF Hotline

Board	Mtg Date	Item #
AUD	6.23.22	5

- Three reported incidences; one was closed as an unsubstantiated fraud claim; two are under review
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A)
- Conducted Biennial Audit Plan interim review for potential adjustments to better align resources with risk (see the summary table below)

FY22 – FY23 Audit Plan Status

	FY 22		FY 23		FY22 - FY23
	Complete	In-Progress	To-Be-Complete	Deferral/Cancellation	Planned Total
OIA	5	3	8	1	17
Outsourced IT	1	2	2	2	7

Attachment: A. Open Audit Issues Report Summary Memo



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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 independent external auditors. OIA updates the Open Audit Issues report quarterly, based on the status reported by management. Management is responsible for the 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.

Compared with the status reported in the last quarter, no OIA audits, IT audits, or TPA audits have open audit issues to report. The only audit recommendations remaining on this quarter's tracking report were from LAB's 2020 financial statements audit.

Open Audit Issues Summary - May 2022

Program	Audit Report Date	Audit Performed by	Audit Recommendations				
			Closed	In Progress		Open	Total Outstanding
				#	Complete By		
ETF 2020 ACFR (Report 21-14)	September 2021	LAB	1	2	November 2022	-	2
Total - LAB Audit			1	2		-	2