



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
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of Employee Trust Funds
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Correspondence Memorandum

Date: August 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 May 26, 2022, through August 26, 2022.

Engagements Completed

- Sick Leave Reporting Audit
- Annuity Calculation Limited Review
- Oversight of Annual Third-Party Administrator (TPA) System and Organization Controls (SOC) 1 Report Review

Engagements In-Progress

- Chapter 40 Procurement Audit
- Department Terms and Conditions Audit
- Interest Crediting Audit
- TPA Contract Compliance Audit for the Administration of Pre-Tax Savings Accounts
- IT General Controls Assessment

Other Activities

- Provided TPA Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed draft audit report and provided feedback to the benefit program manager
- Provided oversight for the annual TPA SOC1 Type 2 reporting
- Completed audit management software upgrade and migration
- Provided independent review on certain calculations and financial statement reviews completed by the Division of Trust Finance for the Annual Comprehensive Financial Reporting

Board	Mtg Date	Item #
AUD	9.22.22	5

- Assisted ETF fraud response by facilitating the review and response to incidents submitted through ETF Hotline
 - Two incidents were closed as unsubstantiated fraud claims, including one received this quarter
- Engaged in the agency's biennial budget request discussion
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A)

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 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.

The audit recommendations remaining on this quarter's Open Audit Issues report were from the contract compliance audit for the Wisconsin Deferred Compensation Plan and the Legislative Audit Bureau's 2020 financial statements audit. There are no In-Progress or Open audit issues to report for the OIA and IT audits in this quarter.

Open Audit Issues Summary - August 2022

Program	Audit Report Date	Audit Performed by	Audit Recommendations				
			Closed	In-Progress	Open	Total	
WDC AUP CY 2021	June 2022	Wipfli	4	1	January 2023	-	1
Total - TPA Audit			4	1		-	1
ETF 2020 ACFR (Report 21-14)	September 2021	LAB	1	2	November 2022	-	2
Total - LAB Audit			1	2		-	2