



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

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 of Employee Trust Funds
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Correspondence Memorandum

Date: February 24, 2023
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 November 11, 2022, through February 24, 2023.

Engagements Completed

- Resource Management Using Eclipse
- Third Party Administrator Contract Compliance Audit – Optum Financials
- Annuity Calculation Limited Review

Engagements In-Progress

- Chapter 40 Procurement Audit
- WRS Employer Billing Audit
- Portfolio Intake Process Review
- Required Minimum Distribution Audit
- Breach Response Readiness 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
 - Assisted program manager in the development of a statement of work for the upcoming contract compliance audit
- Provided oversight for the annual Service Organization Controls, SOC1 Type 2 reporting
- Assisted ETF fraud response by facilitating the review and response to incidents submitted through ETF Hotline, and engaging in the development of fraud awareness and training program
 - Two incidents were submitted through ETF Hotline this reporting period; neither was substantiated as fraud cases

Board	Mtg Date	Item #
AUD	03.23.23	9

- Planned for the Spring conference of Association of Public Pension Fund Auditors at Madison
- Engaged Virginia Retirement System for the Peer Review and started preparation
- 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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Correspondence Memorandum

Date: February 27, 2023
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 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, two Sick Leaving Reporting audit recommendations were closed as scheduled; LAB's 2020 financial statements audit were removed as the last recommendation was completed in December 2022; Three new audits were added to the Open Audit Issues Summary report for status monitoring, including two TPA audits and one IT audit.

Open Audit Issues Summary - February 2023

Program	Audit Report Date	Audit Performed by	Audit Recommendations			
			Outstanding #	Complete By	Closed #	Total
Sick Leave Reporting Audit	August 2022	OIA		2/1/2023	1	
			1	2/15/2023		
				5/15/2023		
			1	4/30/2023		
			1	9/1/2023		
				11/15/2022	1	
	8/12/2022	1				
Total - Internal Audit			3		3	6
Pharmacy Benefit Manager	September 2022	PillarRx	1	Next Audit Cycle; 2023		
Wellness Administrator	August 2022	Segal	3	Next Audit Cycle; 2024	6	
Total - TPA Audit			4		6	10
IT Control Assessment for ECM and MDM	November 2022	JANUS		Action Plan will be developed by 5/31/2023		