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

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: November 16, 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, the Open Audit Issues report (starting on page 2) includes:

- Three more recommendations from the Third-Party Administrator (TPA) Contract Compliance audit of Pre-tax Saving Account Programs were closed – only one recommendation remains to be implemented by 12/31/2023.

- One outstanding recommendation from Sick Leave Reporting audit that requiring updates to the existing system was rescheduled to be completed in March 2025.

- The recommendation from the prior Pharmacy Benefit Manager TPA contract compliance audit was closed as result of the completion of the current audit cycle.

- Three internal audits reported to the Committee at the September meeting were added to the Open Audit Issues report for status monitoring.

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

Board	Mtg Date	Item #
AUD	12.14.23	5

Open Audit Issues Summary - November 2023

Program	Audit Report Date	Audit Performed by	Issue	Risk Rating	Audit Recommendations			
					Outstanding	Complete By	Closed	Total
Public Records Requests	Aug. 2023	OIA	Public Records Notice Information	Low - Medium		7/31/2023	1	
			Policies and Procedures Update	Low - Medium		10/31/2023	**1**	
			Shared Network Drive Security	Medium		7/31/2023	1	
WRS Contribution Payments	Aug. 2023	OIA	Over/Under Contributions	Medium	1	2/1/2024		
Required Minimum Distribution	Aug. 2023	OIA	Late RMDs for Employees Terminated at or over RMD Age	Medium - High	1	6/1/2024		
			RMD Process Procedures and Published Information	Medium - High	1	9/1/2024		
			RMD Cycle-End Review to Address Process Gaps	Medium - High	1	1/1/2025		
Sick Leave Reporting Audit	Aug. 2022	OIA	Issue Log and Training Materials	Medium		2/1/2023	1	
			UW Faculty SHICC Years of Adjusted Continuous Service (ACS)	Medium	1	~~2/15/2023~~ ~~5/15/2023~~ ~~8/15/2023~~ 2/29/2024		
			Year of ACS Determination	Low - Medium		4/30/2023	1	
			500 Hour SHICC Restoration	Medium	1	~~9/1/2023~~ 3/31/2025		
			Employment Category Review	Low - Medium		11/15/2022	1	
			AcSL Application Access Review	Medium		8/12/2022	1	
TPA - Optum Financial Audit	Feb. 2023	OIA	Reporting Concerns	Medium - High		8/31/2023	1	
			ERA and CB Claims Substantiation	Medium		9/30/2023	1	
			Contribution Limits and HSA Eligibility	Medium	1	~~9/30/2023~~ 12/31/2023		
			Quarterly Performance Standards Reporting	Medium		~~6/30/2023~~ 8/31/2023	1	
			Performance Standards Penalty	Low - Medium		~~5/31/2023~~ ~~6/30/2023~~ 8/31/2023	1	
			SFTP Access	Low - Medium		1/31/2023	1	
Total - OIA Audit					**7**		**12**	**19**

Program	Audit Report Date	Audit Performed by	Issue	Risk Rating	Audit Recommendations			
					Outstanding	Complete By	Closed	Total
Pharmacy Benefit Manager Services & Medicare Part D Employer Group Waiver Audit	Sept. 2022	PillarRx				Next Audit Cycle; 2023	1	
Wellness Administrator	Aug. 2022	Segal			3	Next Audit Cycle; 2024	6	
Total - External TPA Audit					**3**		**6**	**9**
IT Control Assessment for ECM and MDM	Nov. 2022	JANUS		Including all Risk levels	11	High level plan was developed; implementation will be after IAS go-live		
Breach Response Readiness	June 2023	JANUS		Low and Medium	10	Action plans were developed. 5 out of 10 have targeted completion dates	5	
Total - IT Audit					**21**		**5**	**26**