



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: August 26, 2024
To: Audit Committee
From: Yikchau Sze, Director
Office of Internal Audit
Subject: Open Audit Issues Report

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

The Open Audit Issues report tracks recommendations raised by the Office of Internal Audit (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) has the following changes:

- Recommendations of the two internal audits reported to the Committee at the June meeting, the Duty Disability Program audit, and the Wisconsin Deferred Compensation Program Contract Compliance audit were added to the Open Audit Issues report for status monitoring.
- The Wisconsin Retirement System Contribution Payments audit was removed as recommendations were closed.
- The one remaining recommendation from the Uniform Dental Third-Party Administrator contract compliance audit was targeted to be implemented for the calendar year 2025 reporting.

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

Attachment A

Open Audit Issues Summary - August 2024

Program	Audit Report Date	Audit Performed by	Issue	Risk Rating	Audit Recommendations			
					Outstanding	Complete By	Closed	Total
Duty Disability Program	February 2024	OIA	Annual Adjustment	High	1	11/30/2024		
			Annual Income Review	High	1	11/1/2024		
			Payment Schedule	Low - Medium	1	10/31/2025		
			Complexity of Rules	High	1	12/31/2024		
WDC Program TPA Contract Compliance	May 2024	OIA	Quarterly Service Level Agreement Reporting	Medium	1	1/2/2025		
			Self-directed Brokerage Option Required Minimum Balances and Participant Fees	Medium	1	1/2/2025		
			Equity Wash Requirements	Low - Medium		6/30/2024		1
			Contribution Limit Review	Low - Medium		9/30/2024		1
SOC2 Reporting	October 2023	OIA	See the audit report discussed in closed session	Including all Risk levels	2	12/31/2024		2
Required Minimum Distribution	August 2023	OIA	Late RMDs for Employees Terminated at or over RMD Age	Medium - High	1	9/1/2024		
			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	August 2022	OIA	Issue Log and Training Materials	Medium		2/1/2023		1
			UW Faculty SHICC Years of Adjusted Continuous Service (ACS)	Medium		2/15/2023 5/15/2023 8/15/2023 2/29/2024		1
			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
LTDI Audit	August 2019	OIA	Folder Access	Medium - High	1	6/30/2024 6/30/2025		2
Total - OIA Audit					13		11	24

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	November 2023	PillarRx	Some manufacturers were slightly above the rebate variance threshold	N/A	1	9/1/2024		
Uniform Dental Benefits Administration Audit	September 2023	CTI	Recommendations related to several areas	N/A	1	4/3/2024 TBD 1/1/2025	9	
Wellness Program Administration Audit	August 2022	Segal	Recommendations related to several areas	N/A	3	9/1/2024	6	
Total - External TPA Audit					5		15	20
IT Control Assessment for ECM and MDM	November 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	11	Action plans were developed. 5 4 out of 10 have targeted completion dates	5	
Total - IT Audit					22		5	27