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Correspondence Memorandum

Date: October 22, 2024

To: IAS Program Management Team

From: Michelle Hoehne, Kurt Petrie, Yikchau Sze
Office of Internal Audit (OIA)

Subject: Internal Audit Insurance Administration System (IAS) Program Review
Monthly Report

Background

This is our fourth monthly communication for our IAS Program Review, covering the period from September 21, 2024 – October 21, 2024. OIA's role for this consulting project is to provide feedback on IAS program management and verify that key program outcomes are achieved. OIA is using documentation review and evidence testing to verify the following:

- Management oversight is appropriate
- Status reporting is accurate
- Key risks are identified and properly treated
- Necessary testing is completed
- Other key project milestones are supported and achieved

OIA Activities Completed

As part of the routine, ongoing monitoring OIA completes, we attended the following meetings:

- IAS Business Weekly Check-in
- Monthly IAS Program Risk Review
- Biweekly Decisions, Actions, and Questions (DAQ+) Log Review
- Biweekly Benefitfocus, ETF, Project Management Check-In

We reviewed the following items for reasonableness and asked follow-up questions as necessary:

- DAQ+ Log
- IAS Program weekly status reports
- Monthly Portfolio Committee Reports
- Eclipse time tracking and allocation of hours

Attachment B

- Risks and issues documented in Eclipse

OIA Items Noted

Major Project Deliverables

As noted in our first three reports, OIA was waiting for major project deliverables, such as IAS project charters to be finalized. On October 21, 2024, OIA was notified by the IAS Program Manager that the project charters were finalized. Due to the timing of this report, OIA has not yet had a chance to verify OEI and Program Management's review of these, including their assessment for any project scope gaps, constraints, and dependencies.

Project Workplans

As noted in our September 23, 2024 report, project work plans were created and uploaded for the majority of the IAS projects in ETF's project implementation software, Eclipse. However, during our review we identified dates that had been moved back since the work plans were loaded. For example, specific to OIA's review of the DOA-STAR, Non-STAR IAS Project work plan as of September 30, 2024, 28 out of 95 tasks had end dates that were moved back¹. While we noticed some dates were moved forward, most changes were dates being pushed back on other plans. The impact on the specific project and the overall timeline of moving these dates is unclear. As the IAS Program is getting closer to End-to-End Testing, which is scheduled to start on December 9, 2024, the time remaining to complete all tasks is shrinking. Therefore, when a decision is made to move work plan task due dates, an assessment must be made both on the impact to other project work plans if dependent on that task(s), and the impact to the overall program timeline.

We recommend the following when changes are made to the work plans:

- At least one Program Manager is involved in the decision to move work plan task due dates and the decision is documented.
- Determine if the task is a dependency for another project and, if so, a discussion occurs with that project manager to understand the impact.
- Develop an approach for when task due dates are changed and assess the impact to the overall program timeline, including whether those tasks can be completed before the start of End-to-End Testing.

Project Completion Timeline

OEI Management created a separate program work plan, IAS Program Management Work Plan, to monitor the remaining milestones and important tasks from each individual project in Eclipse. We reviewed these milestones and tasks, and it appears the list is complete and accurate. However, this work plan does not automatically

¹ Two of the 95 tasks were moved forward.

update when individual project due dates or tasks percentage completed are changed. In addition, the number of outstanding milestones and tasks that were past their due date when we completed our review on September 30, 2024 was 117. There were 147 tasks past their due date as of October 17, 2024. Therefore, we recommend that OEI Management take the necessary steps to monitor and update this work plan and the outstanding milestones and tasks, to ensure the impact of these outstanding items can be timely assessed for their impact on the Program timeline.

In early September, Program Management staff sent a survey to ETF staff involved with the IAS projects to obtain feedback on incomplete development efforts, future state manual processes, vendor and employer concerns, user experience considerations, and critical gaps. This was done to ensure all gaps are addressed and ETF is fully prepared for go-live. Staff provided a lot of helpful feedback. IAS Program and Project Managers are documenting the actions needed, if any, to address concerns. This assessment is still ongoing, and OIA will review it when completed. In addition, several projects are at risk given their actual percentage completed compared to the expected percentage completed. Contingency planning is currently underway by OEI and Program Management regarding what can be completed in the remaining timeframe and when new and additional items are identified. However, these contingency plans are still in-progress and questions remain regarding how all the outstanding work will be completed in time for End-to-End Testing.

We recommend that as Program and Project Managers complete the review of the feedback provided by staff, including how and when all outstanding items will be completed, then assess the impact these items may have on End-to-End Testing. Additionally, we recommend that the results of the survey and resulting assessment be shared with the Program Management Team, to assist in their oversight responsibilities.

Staffing Turnover

There was some recent turnover and future planned turnover in key roles on the IAS Program. Program Management shifted staff around to cover the projects related to the staffing departures. However, with more planned turnover in the future in a critical role, this is a significant risk to the IAS Program. In addition, the loss of information and historical knowledge this causes, now and in the future, is a concern to the overall program. OEI Management did hire two new project managers and are recruiting for two more to help mitigate some of the turnover, but it will take time to train and get staff up to speed.

IAS Program Management Team

The purpose of the IAS Program Management Team (PMT), according to the current draft charter under review by the PMT, is to have an active role in the IAS program governance structure. The PMT is tasked with providing oversight and guidance on escalated risks and resolving issues and decisions that cannot be resolved within the program, especially those with broader impact on the organization and its mission.

Finally, the PMT members are to be advocates within their business areas and the overall organization for the IAS program.

OIA attended the first PMT meeting on August 8, 2024, and the two meetings held in September 2024. The meeting scheduled for October 2024 was cancelled due to lack of agenda items. Thus far, the PMT members have been presented with certain program risks and issues, Internal Audit's IAS Program Review Monthly Reports, an overview of the IAS Program Management Work Plan in Eclipse and have been included on the distribution list for the IAS Program weekly status reports. Also, most members are included as invitees to the IAS Business weekly check-in meetings. Additionally, the PMT has been tasked with providing feedback on the recently drafted memos for the ETF Board Budget and Operations Committee and the Group Insurance Board (GIB).

At the first August PMT meeting, the PMT Charter was introduced to members for feedback. Based on feedback, OEI Management and Program Managers made significant revisions to the initial charter scaling back the proposed oversight responsibilities of the PMT and shared a new version with the members on October 9, 2024, for a second round of feedback due by the next PMT meeting. Even with the more focused purpose statement, it appears gaps may still exist between the expectations on members and their ability to meet those expectations given the information available to them.

We recommend that the PMT finalize their charter in a timely manner. Appropriate information that enables members to fulfill their roles and responsibilities should be agreed upon and made available to the PMT.

cc: Strategic Council