



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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## CORRESPONDENCE MEMORANDUM

**DATE:** October 8, 2013  
**TO:** Group Insurance Board  
**FROM:** John Vincent, Director  
Office of Internal Audit  
**SUBJECT:** Quarterly Audit Report

**This memo is for informational purposes only. No Board action is required.**

The following provides a summary of Office of Internal Audit projects and advisory services completed or initiated, as well as other activities, as of August 1, 2013. This information was presented to the Audit Committee of the Employee Trust Funds (ETF) Board on September 26, 2013.

### 2011-2013 AUDIT PLAN

#### 1. Audit Projects – Fieldwork Completed

- Benefit Payments System (BPS) Manual Transactions Audit (13-03) – Report will be presented to the Audit Committee at the December 5, 2013 meeting.

#### 2. Engagements/Projects – In-Process

- Information Privacy and Security
- Internal Control Plan Review
- Vendor Contract Invoice Approval Review
- Internal Audit Manual
- On-line Employer Self-Assessment
- Review of Process to Discontinue Wisconsin Employee Benefits Systems (WEBS) Access and Permissions Upon Termination

#### 3. Advisory Services/Special Requests – Active/Continuing

- ETF Security Council – Mr. Vincent is a member of the Security Council and attends meetings, providing advice about data governance security policies (e.g., data classification, logging, auditing, and computer security incident response).

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Electronically Signed 10/14/13

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB   | 11.12.13 | 6F     |

- Compliance Audits of Third-Party Administrators (TPA) – Mr. Lebi provided comments on the recommendation for extending the TPA compliance audit contract for Wisconsin Deferred Compensation program.
- Affirmative Action Committee – Mr. Lebi serves on this Committee.

#### **4. Monitoring of System Development Projects**

- a. Transformation, Integration, and Modernization Initiative (TIM) – Mr. Vincent and Steve Hurley (Director – Office of Policy, Privacy and Compliance) comprise the Risk Management Monitoring Team for this initiative.

#### **5. Special Projects**

- a. Self Assessment with Independent Validation (SAIV) – A simplified bid has been issued by the Department of Employee Trust Funds (ETF) for an Independent Validation of Quality Assurance Review (QAR). The intent is to procure the services of an independent assessor to perform an independent validation of the self-assessment QAR completed by ETF's Office of Internal Audit. It is expected that the final report will be discussed at the December 5, 2013, Audit Committee meeting.

This step is part of a quality assurance and improvement program, currently under development, which covers all aspects of the internal audit function.

#### **6. Training/Association Meetings**

- a. Webinars:
  - Retirement Plans and Investments (2 days) – Mr. Lebi, Ms. Van Marter
  - Retirement Benefit Calculation Methods (webinar) – Ms. Malzacher
  - Enterprise Risk Management (IIA webinar) – Mr. Lebi, Ms. Van Marter
  - Public Sector Plan Administration/Compliance, Ethics and Trends – Mr. Lebi, Ms. Van Marter

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