



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

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

CORRESPONDENCE MEMORANDUM

DATE: October 9, 2014
TO: Group Insurance Board
FROM: Yikchau Sze, Director
Office of Internal Audit
SUBJECT: Quarterly Audit Report

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

The following is a status summary of projects and advisory services completed or in-progress from July 1, 2014 to September 5, 2014 of the second year of the 2013-2015 Audit Plan (Plan). Audits to be conducted in the remaining plan year are listed in Appendix A. This information was presented to the Audit Committee of the Employee Trust Funds (ETF) Board on September 25, 2014. An annual status summary will be reported to the ETF Board in December.

Audit Engagements – Active

- (13-09) Contract Invoices and Payments Review
- (14-01) Physical Security of Mobile Devices and Access Security of Information on the Mobile Devices

Advisory Services/Special Requests – Active

The nature and scope of these services are to add value and improve ETF's governance, risk management and control processes without the internal auditor assuming management responsibility.

- ETF Security Council – Participation in Security Council meetings as a non-voting member, providing advice about data governance security policies.
- Review of Compliance Audits of Third-Party Administrators (TPA) – Review draft audit reports, working papers, and provide comment and assistance to the Division of Insurance Services and Division of Retirement Services

Reviewed and approved by John Voelker, Deputy Secretary

Electronically Signed:
10/31/2014

Board	Mtg Date	Item #
GIB	11.18.14	8F

- Transformation, Integration, and Modernization Initiative (TIM) Risk Management Monitoring Team
- Benefit Administration System (BAS) Validation – Participated in discussion to validate BAS processes that would provide auditing capabilities for the Office of Internal Audit
- BAS Sprint – Participated as subject matter expert in the BAS Sprint - User Profile Security

Audit Management Software

Audit management software was approved as ETF's FY15 budgetary item. A project plan is being developed.

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

Appendix A: Audit Engagements to be completed

Audit Engagements to Be Completed – Re-prioritized the Plan; Reduced outstanding audit engagements from 21 to 4

- Tax Reporting and Payment Review – to determine if tax reporting and submission of payments to Internal Revenue Service are timely and accurate
- Eligibility of Spouse as Dependent for Health Insurance – to determine if the process to confirm the dependent eligibility of spouses is operating as intended
- Domestic Partner Application Process - to determine if the timeliness of the approval process and subsequent internal notification process are working as intended
- Income Continuation Insurance – to determine if the procedures for processing enrollment applications of income continuation insurance are operating as intended