



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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## Correspondence Memorandum

**Date:** April 4, 2018  
**To:** Group Insurance Board  
**From:** Yikchau Sze, Director  
Office of Internal Audit  
**Subject:** 2017-2019 Audit Plan Status

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

The following is a summary of the audit engagements completed or in progress and the status of other Office of Internal Audit (OIA) activities from November 18, 2017 through March 2, 2018.

This information was presented to the Audit Committee of the Employee Trust Funds Board on March 29<sup>th</sup>, 2018.

### Audit Engagements – Completed

- HIPAA Privacy and Breach Notification Compliance Audit

### Audit Engagements – In Progress

- Cash Receipt and Disbursement – Fieldwork
- Annuity Payment – Limited Review

### Other OIA Activities

- Led the implementation effort of opening the fraud hotline to WRS members
- Updated Internal Audit Manual to reflect the latest revisions to the Internal Audit Charter and Audit Committee Charter and the streamlined audit documentation process in TeamMate

Reviewed and approved by Robert J. Conlin, Secretary

Electronically Signed 04/23/18

Board	Mtg Date	Item #
GIB	5.16.18	9J

- Participated in the development of ETF operational metrics, in particular, the metric of Status of Internal Audit Recommended Action Items
- Performed third party administrator audit oversight by
  - participating in discussion of extending Pharmacy Benefit Manager audit contract
  - contributing to the RFP planning for the Third-Party Administrator Auditors needed in 2018
  - attending kick-off meeting of contract compliance audit of Income Continuation Insurance
- Issued simplified bid for External Quality Assessment
- Continued Audit Command Language online training
- Tracked and reported the status of open audit issues to the Audit Committee through the quarterly Open Audit Issue Report (see attached)

More detailed Open Audit Issues Report available upon request.

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

Attachment A: Open Audit Issues Memo



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## *Correspondence Memorandum*

**Date:** March 2, 2018

**To:** Audit Committee Members

**From:** Yikchau Sze, Director  
Office of Internal Audit

**Subject:** Open Audit Issues Report

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

Office of Internal Audit (OIA) updates the Open Audit Issues report quarterly based on status reported by management. Management is responsible for timely completion of actions that address audit findings. OIA is responsible for tracking progress reported by management and formally accepting the closure of Internal Audit findings. The formal acceptance is achieved by performing follow-up audits to confirm the completion of corrective actions that are in place for one year.

### Open Audit Issues Summary

Audit	Audit Recommendations						OIA Follow-up
	Closed	In Progress	Open	Over Due	On-Hold	Total	Acceptance Audit
Mobile Computing Device Audit	4	0	0	0	1	5	N/A
Income Continuation Insurance	7	0	0	1	3	11	N/A
Health Insurance Eligibility	3	0	0	0	0	3	Planned
WRS Employer Reporting	3	0	0	0	2	5	N/A
Full File Compare	3	0	0	0	1	4	N/A
OFAC Compliance	1	0	0	0	1	2	N/A
Tax Reporting and Tax Payment	2	0	0	0	0	2	N/A
TASC	2	6	2	0	0	10	N/A
Invoice Processing Audit	2	1	0	0	0	3	N/A
	27	7	2	1	8	45	

Compared with last quarter's status report, 13 new recommendations from the TASC and Invoice Process audits were added to the report. Of the 13 items, 4 were already completed, 7 were in progress, and 2 remain open. Due to the delayed Rollout 2 of myETF, some open or in-progress items were put on hold by management.