



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

Date: April 17, 2020
To: Group Insurance Board
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: FY2020 - FY2021 Audit Plan Status

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

The following is a summary of audit engagements completed or in progress, and the status of other OIA activities from November 15, 2019 through April 17, 2020.

Engagements Completed

- Annuity Calculation Limited Review
- TPA Contract Transition Balance Quality Review (phase one)

Engagements In-Progress

- Active Lives Data Extract Audit – Fieldwork
- WRS Member Account Adjustments Audit – Fieldwork
- TPA Contract Transition Balance Quality Review (phase two) - Fieldwork
- IT Governance Assessment – Report Writing
- Network Security – Planning
- Endpoint Imaging - Planning

Other Activities

- Provided Third-Party Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed draft and final audit reports and provided feedback to program managers and independent auditors to ensure quality of audit work received
 - Assisted program managers in the development of statement of work for the upcoming contract compliance audits
 - Revised SOC report review checklist and provided training to responsible program managers

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB | 5.13.20 | 9M |

- Provided assistance as Subject Matter Expert on the audit requirements in the development of Request for Proposals for the Insurance Administration System, the Life Insurance Program, the Staywell contract extension, and the FDIC-Insured Investment Option of the WDC program.
- Tracked the status of all open audit issues, including TPA contract compliance audits completed in FY2020, through the quarterly Open Audit Issue Report (see Attachment A for the summary)
- Monitored activities of fraud hotline – No new incidents were reported during this review period

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

Attachment A: Open Audit Issues Report Summary Memo



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Correspondence Memorandum

Date: March 5, 2020

To: Audit Committee

From: Yikchau Sze, Director
 Office of Internal Audit (OIA)

Subject: Open Audit Issues Report Summary Memo

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

The Open Audit Issues report tracks recommendations raised by the Office of Internal Audit (OIA) for all internal audits completed since July 2014. 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 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.

In FY2020, OIA started tracking recommendations raised by external auditors to ensure appropriate remediation of all audit findings by management.

The table below provides a summary of all audits with recommendations that have not been closed as of February 28, 2020. Since the last quarterly report, all three COOP audit findings were closed. Additionally, the Health Insurance Billing Audit recommendations were added; one is already closed and one is in progress, due to be closed by June 2020. The recommendations from the external audits for the Dental Program and Data Warehouse were added including, two in progress and five open recommendations.

Open Audit Issues Summary

| Program | Audit Performed by | Audit Recommendations | | | | Total Outstanding |
|--|--------------------|-----------------------|-------------|----------|----------|-------------------|
| | | Closed | In Progress | Open | Over Due | |
| Income Continuation Insurance | OIA | 10 | 1 | - | - | 1 |
| IT Asset Management Audit | OIA | 2 | 1 | - | - | 1 |
| LTDI Audit | OIA | - | 3 | - | - | 3 |
| Health Insurance Billing Audit | OIA | 1 | 1 | - | - | 1 |
| Total - Internal Audit | | | 6 | - | - | 6 |
| Uniform Dental Insurance Program Audit | CTI | 9 | 1 | - | - | 1 |
| Data Warehouse & Visual Business Intelligence Services Audit | Segal | 10 | 1 | 5 | - | 6 |
| Total - External Audit | | | 2 | 5 | - | 7 |
| Report Total | | | 8 | 5 | - | 13 |