



STATE OF WISCONSIN
Department of Employee Trust Funds
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Correspondence Memorandum

Date: April 14, 2021
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 action is required.

The following is a summary of audit engagements completed or in progress, and the status of other OIA activities from November 13, 2020 through April 14, 2021.

Engagements Completed

- Retired Lives Data Extract Audit
- Statement of Benefits Abnormal Balances Review
- Annuity Benefits Calculation Periodic Review
- Vulnerability Management Audit
- Social Engineering Test

Engagements In-Progress

- Retiree Health Insurance Deduction Audit – Field Work
- Variable Transfer Audit – Field Work
- Employer Call Center Service Review – Field Work

Other Activities

- Provided Third-Party Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed audit reports drafted by independent auditors and provided feedback to program managers
 - Assisted program managers in the development of statement of work for the upcoming contract compliance audit
- Participated in the review of the Request For Proposal (RFP) for the Deferred Compensation program and developed scoring benchmarks for the audit requirements in the RFP

Board	Mtg Date	Item #
GIB	5.12.21	14L

- Monitored activities of fraud hotline — four incidents were reported during this reporting period and of the four cases, three were closed
 - two incidents were for identity theft that were not related to ETF; the fraud hotline was used by members to notify ETF on the incidents
 - one was for alleged fraud. Upon investigation, ETF determined no fraud was involved
 - one is under preliminary assessment
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A for the summary)

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

Attachment A: Open Audit Issues Report Summary Memo



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Correspondence Memorandum

Date: February 26, 2021

To: Audit Committee

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

Subject: Open Audit Issues Report

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

The Open Audit Issues report tracks recommendations raised by the OIA for all internal audits and recommendations raised by the external independent auditors. 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 performing follow-up audits to confirm the completion of corrective actions if deemed necessary.

The table below provides a summary of audits with findings that have not been closed as of February 26, 2021. Compared with the status reported in the last quarter, audits with IT findings were either reclassified or added to the tracking report.

Open Audit Issues Summary

Program	Audit Report Date	Audit Performed by	Audit Recommendations					
			Closed	In Progress		Open		Total Outstanding
				#	Complete By	#	Complete By	
Total - Internal Audit								
LTDI OIA Audit	August 2019	OIA	2	1	January 2021 January 2022	-		1
ETF 2017 CAFR (Report 18-10)	October 2018	LAB		1	March 2022			1
IT Needs Assessment, Procurement, and Security	September 2020	LAB	3	2	December 2021			2
Network Security	October 2020	JANUS	7	2	May 2021	19	TBD	21
Vulnerability Management	December 2020	JANUS	1	5	January 2022			5
Social Engineering	January 2021	JANUS	2	1	March 2021			1
Total - IT Audit			15	12		19		31
Uniform Dental Insurance Program Audit	August 2019	CTI	9	1	January 2021 January 2022	-		1
Data Warehouse & Visual Business Intelligence Services Audit	September 2019	Segal	11	-		5	July 2021	5
Wisconsin Deferred Compensation Audit	June 2020	Wipfli	3	1	June 2021	1	July 2021	2
Total - TPA Audit			23	2		6		8
ETF 2019 CAFR (Report 21-3)*	February 2021	LAB	2	2		1		3
Report Total			40	16		26		42

* ETF will report status of recommendations to GIB in May 2021, and to the Joint Legislative Audit Committee by June 30, 2021.