



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
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Correspondence Memorandum

Date: July 22, 2021
To: Group Insurance Board
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: Quarterly Audit Report

This memo is for information 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 April 14, 2021 through July 22, 2021.

Engagements Completed

- Health Insurance Deduction Setup for Annuitants
- Benefit Calculation and Distribution Limited Review
- Variable Fund Transfer

Engagements In-Progress

- Medicare Split Contract Audit
- Employer Call Center Services Review
- Medical Record Access Review
- ECM Record Processing

Other Activities

- Developed biennial audit plan for fiscal year 2022 to fiscal year 2023
- Assisted development of the Fraud Response Plan
- 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
- Provided oversight to the review process of Service Organization Control, SOC1 Type2, reporting at ETF

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GIB	8.18.21	9H

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- 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
- Monitored activities of fraud hotline — two incidents were reported during this reporting period and none was substantiated as fraud
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A for the summary of open audit issues as of May 21, 2021)

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

Attachment: A. Open Audit Issues Report Summary Memo



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Correspondence Memorandum

Date: May 21, 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 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 May 21, 2021. Below are some highlights compared with the status reported in the last quarter:

- one internal audit was added to the Open Audit Issues report
- two audits were removed from the report as recommendations were all closed
- one in progress item from Network Security is postponed to October 2021

Open Audit Issues Summary

Program	Audit Report Date	Audit Performed by	Audit Recommendations					Total Outstanding
			Closed	In Progress		Open		
			#	Complete By	#	Complete By		
Retired Lives Data Extract Audit	February 2021	OIA	1	December 2021	-		1	
Total - Internal Audit			1				1	
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 Oct 2021	19	TBD	21	
Vulnerability Management	December 2020	JANUS	1	5 January 2022			5	
Total - IT Audit			13	11		19	30	
Uniform Dental Insurance Program Audit	August 2019	CTI	9	1 January 2021 January 2022	-		1	
Wisconsin Deferred Compensation Audit	June 2020	Wipfli	4	1 July 2021	-		1	
Total - TPA Audit			13	2			2	
ETF 2019 CAFR (Report 21-3)*	February 2021	LAB	4	-	1	November 2021	1	
Report Total			30	14		20	34	

* ETF to report status of recommendations to the Joint Legislative Audit Committee by June 30, 2021.