



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

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Correspondence Memorandum

Date: October 22, 2021
To: Group Insurance Board
From: Yikchau Sze, Director
Office of Internal Audit (OIA)
Subject: OIA Biennial Audit Plan Status

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 July 23, 2021 through October 22, 2021.

Engagements Completed

- Medicare Split Contract Audit
- Employee Call Center Services Review

Engagements In-Progress

- Enterprise Content Management (ECM) Record Processing Review
- Special Project — Medical Record Access Review
- Chapter 40 Procurement Audit

Other Activities

- Provided Third-Party Contract Compliance Audit Oversight
 - Participated in periodic audit check-in meetings
 - Reviewed audit report 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 audits
- Coordinated efforts for the annual Service Organization Control, SOC1 Type2 review; identified process improvements for future reviews; and provided guidance to project managers for additional communications to employers/payroll centers
- Assisted in the review of the Request for Proposal for the Deferred Compensation program for vendor responses
- Monitored activities of fraud hotline — one incident was reported during this reporting period and was not substantiated as fraud

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB | 11.17.21 | 13H |

- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment)

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

Attachment: Open Audit Issues Report



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Correspondence Memorandum

Date: August 19, 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 August 19, 2021. Below are some highlights compared with the status reported in the last quarter:

- One internal audit, Variable Fund Transfer audit, was added to the Open Audit Issues report
- Three external audits, Uniform Dental, Deferred Compensation and 2019 CAFR, were removed from the report as recommendations were all closed

Open Audit Issues Summary

| Program | Audit Report Date | Audit Performed by | Audit Recommendations | | | | | |
|--|-------------------|--------------------|-----------------------|-------------|-------------------------------|-----------|-------------|-------------------|
| | | | Closed | In Progress | | Open | | Total Outstanding |
| | | | | # | Complete By | # | Complete By | |
| Variable Fund Transfer Audit | May 2021 | OIA | 1 | 2 | December 2021 | - | | 2 |
| Retired Lives Data Extract Audit | February 2021 | OIA | | 1 | December 2021 | - | | 1 |
| Total - Internal Audit | | | | 3 | | - | | 3 |
| 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 |
| Report Total | | | 13 | 14 | | 19 | | 33 |