

# State of Wisconsin – Department of Employee Trust Funds

Report on Service Auditors' Reports and Call Center Staff Training for the  
Income Continuation Insurance Program



**WIPFLI**

## **Executive Summary**

November 22, 2021

State of Wisconsin – Department of Employee Trust Funds  
Madison, Wisconsin

In accordance with the Request for Proposal dated October 17, 2018, and our proposal dated November 28, 2018, and based on discussions with the State of Wisconsin Department of Employee Trust Funds (ETF) management, we have read the Service Auditors' Reports and made inquiries regarding call center staff training related to the Income Continuation Insurance (ICI) Program administered by Hartford Life and Accident Insurance Company (The Hartford) on behalf of ETF. This engagement was not intended to be, and was not, considered an audit or fraud examination because of the restricted nature and limited scope of the procedures performed.

### **Overview**

To achieve the objectives of this engagement, we completed discussions with key staff at The Hartford and ETF and observed certain documentation.

Results of our observations and recommendations relied on, and are dependent on, the completeness and accuracy of information provided by The Hartford and ETF without independent verification.

### **Reporting Results of Procedures**

A summary of the results of the control procedures is included in the Objectives, Procedures and Results section of this report.

The information presented in this report is designed to identify and prioritize selected financial and operational risks.

Distribution of this report by the specified parties to other third parties does not constitute designation of those third parties as "users" or "specified parties" with respect to this report or the matters addressed herein, nor does it permit those third parties to use or rely on this report for any purpose.

This engagement was performed in accordance with the Statement on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants. This information is intended solely for the information and use of The Hartford and ETF in relation to the results of procedures performed pursuant to the engagement letter. It is not intended to be, and should not be, reproduced, published, or distributed to anyone other than these specified parties or for any other purpose without the prior written consent of Wipfli LLP (“Wipfli”).

We look forward to our continued association and appreciate the opportunity to be of service. Please do not hesitate to contact Wipfli if you have any questions or concerns regarding information contained in the accompanying report.

*Wipfli LLP*

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# Review of Service Auditors' Reports and Call Center Staff Training

## Objectives, Procedures and Results

### Objectives

1. Inspect the Service Auditors' Reports for exceptions, deficiencies, and the overall opinion expressed on the effectiveness of the controls described.
2. Obtain an understanding of the procedures and controls surrounding The Hartford's training of the call center staff related to the intake of the State of Wisconsin claims.

### Procedures

1. Discussed with appropriate personnel the flow of information within ETF; within The Hartford; and between ETF and The Hartford.
2. Obtained and inspected the Independent Service Auditors' Report on Management's Description of its System and the Suitability of the Design and Operating Effectiveness of Controls reports on internal controls and effectiveness ("SOC 1") for The Hartford covering April 1, 2017 through September 30, 2020.
3. Obtained and read The Hartford manuals and procedures for training of intake staff center employees.

### Results – Service Auditors' Reports

Based on our inquiries, analysis of these processes, and our professional judgment, we assessed the potential for control risks.

Hartford engages a public accounting firm to assess the controls of its Disability Management Services' Self-Funded Operations through a Type 2 SOC 1 report. The Type 2 SOC 1 reports covering April 1, 2017 through September 30, 2020 for The Hartford contained certain testing exceptions related to the following that were identified by the Service Auditor:

- Systems Development, Application Program, and Infrastructure Change Management Controls
- Scheduling and Computer Operations Controls
- Claims Adjudication Controls (see further explanation below)
- Plan Setup and Maintenance Controls
- Logical Access Controls

The SOC 1 reports contained no testing exceptions related to Application Controls pertaining expressly to call center intake training. However, one SOC 1 report did have an exception related to claims adjudication. KPMG reported that of the 26 denied, suspended, or terminated claims selected for testing (population was all claim types), there was one instance where the claim (claim type not provided) was not approved by an appropriate level of management and was not a situation that excluded the requirement to be approved by an appropriate level of management.

# Review of Service Auditors' Reports and Call Center Staff Training

## Results – Service Auditors' Reports (Cont.)

The reports also specified a number of controls that user organizations should have in place to achieve the control objectives contained in the SOC 1 reports. ETF maintains documentation addressing each of the user level controls in the SOC 1 reports.

## Results – Intake Call Center Training

*Policy:* New hires receive four weeks of virtual training (five weeks for long-term disability claims) and two additional weeks of participation in a live work learning lab. The Customer Contact Center leaders work closely with the designated contacts to create a training that can be conducted in team huddles. After the training is completed, new hires begin on-the-job training with a mentor for up to a year. All claim intake work for the year is reviewed by the mentor, and corresponding feedback is provided. After the first year, ongoing training is implemented through workshops, online tools, courses, educational materials, and ongoing updates. Team leaders perform standard quality reviews and process confirmations each month. These reviews contain a sample of calls; therefore, it is not guaranteed that the review sample will include ETF calls. However, adherence to the ETF process specifics is continually monitored and real-time feedback is provided.

### *Potential Risks:*

- 1) Training tracker – Currently, there is no formal training tracking system in place. Given the number of employees, employee turnover, and routine training updates, it is possible that parts of training may be inadvertently missed, which can result in an increased risk of improper procedures being followed.
- 2) Guaranteed sample review – Currently, The Hartford performs standard quality reviews and process confirmations each month on a sample of calls. However, there is no guarantee that ETF intake calls are included in that sample therefore there is a risk that the ETF intake call review is not being done consistently. This also results in an overall increased risk in improper procedures and protocols if errors are not caught timely.