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## ***Correspondence Memorandum***

**Date:** October 20, 2022

**To:** Group Insurance Board

**From:** Yikchau Sze, Director  
Office of Internal Audit

**Subject:** Quarterly Audit Report

**This memo is for information purposes only. No Committee action is required.**

The following is a summary of audit engagements completed, in-progress, and the status of other Office of Internal Audit (OIA) activities from July 22, 2022—October 20, 2022.

### **Engagements Completed**

- Sick Leave Reporting Audit
- Annuity Calculation Limited Review
- Oversight of Annual Third-Party Administrator (TPA) System and Organization Controls (SOC) 1 Report Review

### **Engagements In-Progress**

- Chapter 40 Procurement Audit
- Department Terms and Conditions Audit
- Interest Crediting Audit
- Resources Management Review
- TPA Contract Compliance Audit for the Administration of Pre-Tax Savings Accounts
- IT General Controls Assessment

### **Other Activities**

- Provided oversight for the TPA Contract Compliance Audits
  - Participated in periodic audit check-in meetings
  - Reviewed draft audit reports and provided feedback to the benefit program managers
- Provided oversight for the annual TPA SOC1 Type 2 reporting
- Completed audit management software upgrade and migration

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- Provided independent review on certain calculations and financial statement reviews completed by the Division of Trust Finance for the Annual Comprehensive Financial Reporting
- Assisted ETF fraud response by facilitating the review and response to incidents submitted through ETF Hotline
  - Two incidents were closed as unsubstantiated fraud claims, including one received this quarter
- Engaged in the agency's biennial budget request discussion
- Tracked the status of all open audit issues through the quarterly Open Audit Issue Report (see Attachment A)

Attachment A: [Open Audit Issues Report](#)