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## Correspondence Memorandum

**Date:** March 4, 2024  
**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 Committee action is required.**

The Open Audit Issues report tracks recommendations raised by the OIA for all internal audits and recommendations raised by independent external auditors. OIA updates the Open Audit Issues report quarterly, based on the status reported by management. Management is responsible for the 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.

OIA conducted a follow-up audit on the closed Long-Term Disability Insurance (LTDI) audit findings. One of the four audit findings was re-opened and added to the Open Audit Issues Summary Report below due to corrective actions being not fully implemented.

Additionally, compared with the status reported in the last quarter, the Open Audit Issues report (starting on page 2) has the following changes:

- Third-Party Administrator (TPA) contract compliance audit of Pre-tax Saving Account Programs was removed, as recommendations were all implemented.
- One more recommendation from the Sick Leave Reporting audit was closed.
- The recommendation from the prior Pharmacy Benefit Manager TPA contract compliance audit was closed as being verified by the audit completed in November 2023; one new recommendation from current audit was added.
- The recently completed SOC 2 Reporting internal audit and the Uniform Dental TPA contract compliance audit were added to the Open Audit Issues report for status monitoring.

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

Attachment A



