

Assurance Report

1614 Enrollment Review (Follow Up)

November 28, 2016

Cindy Rougeou, Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During this follow up review, it was noted that two items from Project 0911 have been addressed and six items remain open. All nine items from Project 1121 remain open.

BACKGROUND

This was a planned engagement on the fiscal year end (FYE) 2016 Audit Plan. The fieldwork for this engagement was completed on November 4, 2016.

Open items from the FYE 2009 and FYE 2011 enrollment reviews were evaluated. Members were enrolled using the C and H files, Employers self-service (ESS), and SOLARIS Enrollment Tab.

The SOLARIS member enrollment process includes rule-based validations which enable LASERS staff to identify new enrollment records that need to be reviewed. There are currently four instances in which these validations are performed:

- Employer Self-Service (ESS)
 - Website that allows agency human resource personnel to log in and perform various functions, including enrollment of employees into LASERS.
- SOLARIS Enrollment Tab
 - SOLARIS sub-process which provides LASERS staff the ability to adjust enrollment records.
- Processing of an enrollment file (H file)
 - Electronic file received from the LaGov Human Capital Management (HCM) System, formerly known as ISIS, on a weekly basis that contains new enrollment information. This file is the primary mode in which new enrollments are received by LASERS.
- Processing of a contribution file (C file)

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- Electronic files received from agencies on a monthly basis that contain both enrollment and contribution information.

Generally speaking, when a new enrollment is received via one of these sources, SOLARIS applies a set of pre-defined rules to validate this enrollment information. If the enrollment does not violate the rules, the member is enrolled. If it does violate the rules, either the enrollment will not be allowed or the enrollment is allowed and a work item will be placed in the member's Imaging record to be researched and rectified. When rectifying a record, the rule-based validation process is run again when LASERS staff attempts to modify an enrollment record. If this change violates an enrollment rule, then the change cannot be saved. This control is designed to prevent improper adjustments from being made to an enrollment record.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement consisted of reviewing open items from prior audit projects related to LASERS enrollments.

The primary objectives of this engagement were to:

- Review observations and recommendations previously identified for enrollments.
- Confirm the outlined status for observations and recommendations for enrollments is correct.

Procedures used to complete this engagement included:

- Reviewing observations and recommendations previously identified for enrollments and confirming the outlined status for them.
- Reviewing outcomes of enrollment situations.
- Conducting other inquiries considered necessary to achieve engagement objectives.

This engagement was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

PROJECT 0919 AND 1121 FOLLOW UP – STATUS UPDATE

The most recent two reviews performed by Audit Services in the enrollment area occurred in FYE 2009 and 2011. During this review, the open items from these previous projects were re-tested and the results are outlined below.

1. PROGRAMMING RELATED TO THE WEEKLY ISIS FILE SHOULD BE REVISED (PROJECT 0919)

During the 0919 review, testing was performed on the weekly file from the HCM to ensure the key data related to enrollments were working as designed. Please refer to the background section of this report for relevant information on certain aspects of the enrollment process.

Outlined below are the original details associated with the two items re-tested along with the updated testing results.

a. Multiple actions that occur during the week are not being provided to LASERS (ITEM CLOSED)

PRIOR PROJECT OBSERVATION DETAILS

Currently, the ISIS weekly file is programmed to only provide the most recent human resource action on an employee's ISIS record to LASERS. This method does not allow for multiple actions that occur during the week to be provided to LASERS. Activities that represent a hire, transfer, or termination entry should be reported as a separate line item on the ISIS weekly file.

STATUS PRIOR TO CURRENT PROJECT

Per Member Services, this item was addressed as part of the recent SOLARIS updates made to the enrollment process which was completed during the June 2015 build.

CURRENT PROJECT OBSERVATION DETAILS

During the 0919 review, it was noted that the HCM weekly file did not allow situations in which multiple actions occurred during the week to be properly reported to LASERS.

Currently, when multiple actions occur in a week, they are provided to LASERS either on separate files across two separate weeks or on one file.

Previously, the expectation was that the actions that represent a hire, transfer, or termination entry should be reported as a separate line item on the same HCM weekly file. Although the multiple actions are not on the same file, the total information that is needed by LASERS is being reported. Since LASERS is receiving multiple actions, this item is closed. It should be noted that the issue regarding LASERS consistently receiving termination dates for individuals transferring from one agency to another is discussed in Observation 1b below.

b. Termination dates are not populated on the ISIS file (ITEM OPEN)

PRIOR PROJECT OBSERVATION DETAILS

Termination dates are not populated on the ISIS file for actions indicating a transfer from one LASERS reporting agency to a different reporting agency.

STATUS PRIOR TO CURRENT PROJECT

Per Member Services, this item was addressed as part of the recent SOLARIS changes made to the enrollment process which was completed during the June 2015 build.

CURRENT PROJECT OBSERVATION DETAILS

Currently, termination dates populate from the HCM file if an individual is transferring from an agency that performs employee payroll in the HCM system to an agency that does not. However, when an individual transfers from an agency that performs employee payroll in the HCM system to another that also uses the HCM system in this way, a termination date is not consistently included on the file. The absence of the termination date in certain situations allow for an incorrect termination date to be entered by a LASERS employee or the inactive batch process.

RECOMMENDATION

LASERS staff should work with the Office of Statewide Uniform Payroll (OSUP) staff to evaluate the reason for these inconsistencies and, as necessary, revise the programming of the weekly HCM file to address this issue. SOLARIS programming should also be revised, if needed, to accommodate changes to the weekly HCM file.

RESPONSE

Member Services agrees with this recommendation and will notify OSUP of the discrepancies and provide them with examples. Member Services has also requested an audit report to analyze the detail action data provided by OSUP. The Information Technology Division will work with Member Services to revise application programming if necessary. The priority to address this recommendation has been set as high with a target completion date of January 31, 2017.

2. ENROLLMENT PROCESSING PERFORMED BY THE AGENCY CONTRIBUTION AND HR FILES ARE NOT FUNCTIONING AS INTENDED

OBSERVATION

During the 0919 review, testing was performed to verify that SOLARIS enrollment rule based validations (formerly known as enrollment edits) were working as designed. During the 1121 review, testing was performed to verify that SOLARIS functioned as intended due to the changes created by Act 992 of the 2010 Regular Legislative Session. Please refer to the background section of this report for relevant information on certain aspects of the current enrollment process. The primary issue identified during retesting of these items was the inconsistent results for C and H File enrollment processing. The processing of enrollment information should be consistent when processed by either the C or H File. Please refer to Appendix A for the original details associated with the items retested along with the updated testing results identified during this project. Of these 14 items, 13 remain open and one is closed.

RECOMMENDATION

Member Services should work with IT for items 2A through 2M to ensure that the C and H file processes pertaining to the enrollment validation functions as expected.

RESPONSE

Member Services agrees with this recommendation and has begun resolving it with comprehensive changes to the ACR contribution and HR file processes. These changes will ensure that all created enrollments that violate the enrollment rules will be placed in pending status. IT will update the SOLARIS application to address these findings. Member Services also noted that all work items that should have been generated by the C file process were accidentally turned off during the Enrollment Project and a data bug is being worked to turn those back on. TFS work items 36424, 36427, and 36416 have been entered for these updates. Furthermore, Member Services also plans to make enhancements to the SOLARIS testing process to better ensure these types of issues are tested for on a regular basis. The priority to address this recommendation has been set as high with a target completion date of January 31, 2017.

3. MEMBER IS IN DROP ACCRUAL PRELIM STATUS (formerly ME-020) (ITEM OPEN)

OBSERVATION

During the 0919 review, testing was performed to verify that SOLARIS enrollment rule based validations (formerly known as enrollment edits) were working as designed. One item relating to a member in DROP Accrual Prelim Status was found in which the results of all enrollment processes were inconsistent. Please refer to the background section of this report for relevant information on certain aspects of the current enrollment process. Please refer to Appendix B for the original details associated with this retested item along with the updated testing results. This item remains open.

RECOMMENDATION

Member Services should work with IT to ensure that the ESS and SOLARIS Enrollment Tab both function the same way as the C and H file and have the same expected results.

RESPONSE

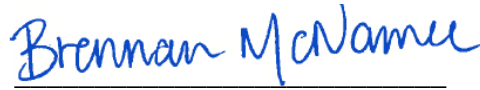
Member Services agrees with this recommendation and will work with IT to resolve this. The priority to address this recommendation has been set as medium with a target completion date of June 30, 2017.

FOLLOW-UP

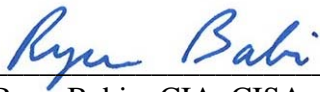
A follow-up to this engagement will not be scheduled at this time. Audit Services will maintain this information on a tracking report. These items will be tracked until they are closed.



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APPENDIX A: ENROLLMENT PROCESSING PERFORMED BY THE AGENCY CONTRIBUTION AND HR FILES
ARE NOT FUNCTIONING AS INTENDED

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2A 0919 Observation 2 Recommendation 1	Member does not have the required 10 years of service to contribute on a job appointment less than two years	TFS item 20797 (formerly SIR 9440) was closed after it was made obsolete by TFS item 30806 which is also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> An enrollment should not be created. (This was not tested during Project 0919.) <i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C and H Files:</i> A pending enrollment was not created nor was a work item generated.
2B 0919 Observation 2 Recommendation 2	Employee is a LASERS Service Retirement Preliminary Retiree and is eligible for LASERS enrollment. Form 10-2, Reemployment of Retiree, is required.	TFS item 21686 (formerly SIR 9443) was entered to address this issue and is currently open.	<i>ESS and SOLARIS Enrollment Tab:</i> An active enrollment record should be created and a work item should generate. (This was not tested during Project 0919.) <i>C and H files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C File:</i> A pending enrollment was not created and a work item did generate. <i>H File:</i> No issues were identified.

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2C 0919 Observation 2 Recommendation 3	Employee is a LASERS Retired after DROP Prelim Retiree and is eligible for LASERS enrollment. Form 10-2, Reemployment of Retiree is required.	TFS item 21686 (formerly SIR 9443) was entered to address this issue and is currently open.	<p><i>ESS and SOLARIS Enrollment Tab:</i> An active enrollment record should be created and a work item should generate. (This was not tested during Project 0919.)</p> <p><i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.</p>	<p><i>ESS:</i> No issues were identified.</p> <p><i>SOLARIS Enrollment Tab:</i> An active enrollment was created; however, a work item did not generate.</p> <p><i>C File:</i> A pending enrollment was not created; however, a work item related to this situation was generated.</p> <p><i>H File:</i> A pending enrollment was not created; however, work items were generated, but they did not relate to this situation.</p>
2D 0919 Observation 2 Recommendation 6	Employee is a LASERS Disability Preliminary Retiree and is eligible for LASERS enrollment. Form 10-2A, Reemployment of Disability Retiree, is required.	TFS item 21686 (formerly SIR 9443) was entered to address this issue is currently open.	<p><i>ESS and SOLARIS Enrollment Tab:</i> An active enrollment should be created and a work item should generate. (This was not tested during Project 0919.)</p> <p><i>C and H Files:</i> An inactive enrollment should be created and a work item should generate.</p>	<p><i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified.</p> <p><i>C File:</i> An inactive enrollment was not created; however, a work item was generated, but it did not relate to this situation.</p> <p><i>H File:</i> An inactive enrollment was not created; however, a work item related to this situation was generated.</p>

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2E 1121 Observation 1 Recommendation 1	SOLARIS allows members that have an initial enrollment into LASERS on or after January 1, 2011, with contributions posted to their record after January 1, 2011, to subsequently enroll in plans that they are not eligible for, without an ME edit being generated. The individuals that fall into this scenario are only eligible to participate in one of the three retirement plans created by ACT 992.	TFS Bug 22948 (formerly SOLARIS Request #11545) was entered to address this issue, however this bug was closed after it was made obsolete by Change Request 30806. This change request is also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> A new enrollment should not be created and work item should not generate. <i>C and H file:</i> An active enrollment should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C and H Files:</i> When enrolling individuals using the C and H file, employees were actively enrolled into the plans that they were not eligible for. Additionally, work items did not generate for all individuals as expected.

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2F 1121 Observation 1 Recommendation 2	SOLARIS allows members with service credit in old hazardous duty specialty plans (e.g., correctional primary, wildlife agent) to enroll in old hazardous duty specialty plans after January 1, 2011 that they are not eligible for without an ME edit being generated. For example, a member who has only Correctional 2 (COR2) service credit is no longer allowed to enroll in Bridge 2 (BRG2). There are no edits to catch this change and Member Services will not be notified of the incorrect enrollment.	TFS Bug 22947 (formerly SOLARIS request #11544) was entered to address this issue; however, this bug was closed after it was made obsolete by Change Request 30806. This change request is also closed.	<p><i>ESS and SOLARIS Enrollment Tab:</i> An enrollment should not be created and a work item should not generate.</p> <p><i>C and H Files:</i> A pending enrollment should be created and a work item should generate.</p>	<p><i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified.</p> <p><i>C and H Files:</i> When enrolling individuals using the C and H file, employees were actively enrolled into the plans that they were not eligible for. Additionally, work items did not generate for all individuals as expected.</p>

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2G 1121 Observation 1 Recommendation 3	In certain instances, SOLARIS prevents correct enrollments from occurring.	TFS Bug 22552 (formerly SOLARIS Request #11273) was entered to address this issue, however this bug was closed after it was made obsolete by Change Request 30806. This change request is also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> An active enrollment should be created and a work item should not generate. <i>C and H Files:</i> A pending enrollment should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C and H Files:</i> A pending enrollment was not created nor was a work item generated.
2H 1121 Observation 1 Recommendation 4	Employee is a LASERS member with a previous enrollment in the Regular 1 (RGL1) plan, making them ineligible to contribute to the Regular 2 (RGL2) plan.	TFS Bug 22949 (formerly SOLARIS Request #11548) was entered to address this issue; however, this bug was closed after it was made obsolete by Change Request 31869. This change request is also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> An enrollment should not be created and a work item should not generate. <i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C File:</i> A pending enrollment was not created and a work item did not generate. <i>H File:</i> A pending enrollment was not created; however, a work item did generate.

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2I 1121 Observation 1 Recommendation 4	Employee is a LASERS member with a previous enrollment in the Regular 1 (RGL1) plan, making them ineligible to contribute to the Regular 3 (RGL3) plan.	TFS Bug 22949 (formerly SOLARIS Request #11548) was entered to address this issue; however, this bug was closed after it was made obsolete by Change Request 31869. This change request is also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> An enrollment should not be created and a work item should not generate. <i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. <i>C File:</i> A pending enrollment was not created and a work item did not generate. <i>H File:</i> A pending enrollment was not created; however, a work item did generate.
2J 1121 Observation 1 Recommendation 4	Employee is a new enrollee with an enrollment date on July 1, 2006, making them eligible for the Regular 2 (RGL2) plan and ineligible to contribute to the Regular 1 (RGL1) plan.	TFS Bug 22942 (formerly SOLARIS Request #11550) was entered to address this issue; however, this bug was closed after it was made obsolete by TFS items 22620, 22943, 23211, 24685, and 31869. These TFS items are also closed.	<i>ESS:</i> An enrollment should not be created and a work item should not generate. <i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS. <i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS:</i> No issues were identified. <i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS. <i>C File:</i> A pending enrollment was not created and a work item did not generate. <i>H File:</i> A pending enrollment was not created; however, a work item did generate.

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2K 1121 Observation 1 Recommendation 4	Employee is a new enrollee with an enrollment date on December 31, 2010, making them eligible for the Regular 2 (RGL2) plan and ineligible to contribute to the Regular 1 (RGL1) plan.	TFS Bug 22942 (formerly SOLARIS Request #11550) was entered to address this issue; however, this bug was closed after it was made obsolete by TFS items 22620, 22943, 23211, 24685, and 31869. These TFS items are also closed.	<p><i>ESS:</i> An enrollment should not be created and a work item should not generate.</p> <p><i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS.</p> <p><i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.</p>	<p><i>ESS:</i> No issues were identified.</p> <p><i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS.</p> <p><i>C File:</i> A pending enrollment was not created and a work item did not generate.</p> <p><i>H File:</i> A pending enrollment was not created; however, a work item did generate.</p>
2L 1121 Observation 1 Recommendation 4	Employee is a LASERS member with a previous enrollment in the Regular 2 (RGL2) plan, making them ineligible to contribute to the Regular 3 (RGL3) plan.	TFS Bug 22942 (formerly SOLARIS Request #11550) was entered to address this issue; however, this bug was closed after it was made obsolete by TFS items 22620, 22943, 23211, 24685, and 31869. These TFS items are also closed.	<p><i>ESS:</i> An enrollment should not be created and a work item should not generate.</p> <p><i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS.</p> <p><i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.</p>	<p><i>ESS:</i> No issues were identified.</p> <p><i>SOLARIS Enrollment Tab:</i> This could not be tested because new enrollees cannot be entered using SOLARIS.</p> <p><i>C and H Files:</i> A pending enrollment was not created and a work item did not generate.</p>

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
2M 1121 Observation 1 Recommendation 4	Member is eligible to contribute to the Hazardous Duty Plan (HAZP) with a positive election agreement on file.	TFS Bug 22945 (formerly SOLARIS Request #11553) was entered to address this issue; however, this bug was closed after it was made obsolete by TFS items 19615, 20090, and 24622. These TFS items are also closed.	<i>ESS and SOLARIS Enrollment Tab:</i> A pending enrollment should be created and a work item should generate. <i>C and H Files:</i> A pending enrollment record should be created and a work item should generate.	<i>ESS:</i> No issues were identified. <i>SOLARIS Enrollment Tab:</i> A pending enrollment was created; however, no work item generated. <i>C and H Files:</i> A pending enrollment was not created and a work item did not generate.
2N 0919 Observation 2 Recommendation 4	Employee is a LASERS Rehired Retired Option 1A and is eligible for LASERS enrollment. Therefore, this employee is required to complete a 10-2 Reemployment of Retiree form.	TFS item 21687 (formerly SIR 9444) was entered to address this issue and is now closed.	N/A	This item is closed. After discussion with Member Services, it was determined that this test is no longer valid. This enrollment situation was previously used to generate a pending enrollment to make Member Services look for Form 10-2, Reemployment of Retiree. Currently, Member Services can receive employment verification and this form from Fiscal.

APPENDIX B: MEMBER IS IN DROP ACCRUAL PRELIM STATUS (formerly ME-020) (ITEM OPEN)

INDEX	DESCRIPTION	STATUS PRIOR TO CURRENT PROJECT	CURRENT EXPECTED RESULTS	TESTING RESULTS
3A 0919 Observation 2 Recommendation 5	Employee is in DROP Accrual Prelim status. No contributions are due until the end of the DROP period.	TFS item 21686 (formerly SIR 9443) was entered to address this issue and remains open.	<p><i>ESS and SOLARIS Enrollment Tab:</i> An active enrollment should be created and a work item should generate. (This was not tested during Project 0919.)</p> <p><i>C File:</i> An inactive enrollment should be created and a fiscal work item should generate if contributions are received.</p> <p><i>H Files:</i> An inactive enrollment should be created and a work item should not generate.</p>	<p><i>ESS and SOLARIS Enrollment Tab:</i> No issues were identified. However, this is inconsistent with the expected results of the C and H file in regards to a Member services work item being generated.</p> <p><i>C File:</i> No issues were identified</p> <p><i>H Files:</i> No issues were identified</p>