

## Assurance Report

### 1501 Continuous Auditing

June 30, 2015

Cindy Rougeou, Executive Director  
The LASERS Audit Committee

### BACKGROUND

The continuous auditing project approach primarily consists of using automated testing techniques to review and analyze various processes at LASERS on a continual basis throughout the fiscal year. A couple of benefits to this approach are that it allows for confirmation that controls in place continue to function as intended and for a more timely identification of possible issues. The automated testing is performed at different intervals (i.e., daily, monthly, quarterly, annually) depending on the type of test and area being tested. Issues identified are reviewed for validity and provided to LASERS staff for verification and correction, when necessary. The main areas covered during this project include the following:

- Death
- Refunds
- Benefits
- Membership
- Disability
- Purchases and Transfers
- Accounting Processes (SOLARIS)
- Accurint Search Activity
- IRS Form 1099-R

In addition, new testing scripts were developed this fiscal year in the following areas: death, refunds, benefits, Accurint search activity, membership, and disability.

<b>Board of Trustees:</b>	Thomas Bickham, Board Chair	Hon. John Kennedy	Rep. Kevin Pearson	Cindy Rougeou, Executive Director
	Janice Lansing, Vice Chair	Judge William Kleinpeter	Lori Pierce	
	Connie Carlton	Barbara McManus	Kathy Singleton	
	Sen. Elbert Guillory	Commissioner Kristy Nichols	Shannon Templet	
	Beverly Hodges			

## ENGAGEMENT SUMMARY

### 1. IRS FORM 1099-R TESTING FOR CALENDAR YEAR 2014

#### SUMMARY

This project included a review of the 1099-R forms issued by LASERS and Empower Retirement for the 2014 tax year. The process to generate the 1099-R data and forms is adequate. No reportable issues were identified during our testing. The 1099-R forms were mailed to benefit recipients prior to the January 31<sup>st</sup> deadline.

### 2. AUTOMATED QUERIES OF VARIOUS PROCESSES FOR FISCAL YEAR END 2015

#### SUMMARY

The automated queries identified approximately 160 records that required data correction and approximately \$29,000 of overpayments that were made. Further details regarding the overpayments are as follows:

- A duplicate lump sum leave payment was issued.
- Overpayments due to death where collection had not been pursued.



Ryan Babin, CIA, CISA  
Audit Services Director