

Assurance Report

1517 University of New Orleans (UNO)

August 3, 2015

Peter Fos, President, UNO
Cindy Rougeou, Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

Overall, effective procedures are in place with regard to retirement related processes for UNO. During the review of UNO, one observation was noted relating to the agency incorrectly reporting pay frequency data on the monthly agency contribution report.

BACKGROUND

This was a planned engagement on the fiscal year end 2015 Audit Plan. The fieldwork for this engagement was completed on July 10, 2015.

The Office of Human Resource Management, within the Division of Business Affairs, develops and administers Human Resource Management activities that are designed to meet the needs of Management in accomplishment of missions through the fair, efficient and economical use of personnel in accordance with the requirements of the University of New Orleans.

The office formulates and issues policies concerning Placement and Recruitment, Employer-Employee Relations, Fringe Benefit Programs, Training and Employee Development, and evaluates programs as outlined by various manuals, regulations, policies procedures and memoranda. The office also administers a Human Resource Management information system that allows timely and accurately reporting of personnel information.

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|---------------------------|-----------------------------|-----------------------------|--------------------|-----------------------------------|
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UNO employs approximately 200 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement included a review of records for UNO employees.

The primary objectives of this engagement were to determine if UNO:

- Accurately reports payroll, earnings and contributions information to LASERS.
- Accurately and timely enrolls eligible individuals into LASERS.
- Performs retirement and post retirement processing in an accurate and timely manner.
- Staff receives periodic training on LASERS related topics.

Procedures used to complete this engagement included:

- Inquiries of LASERS and UNO staff.
- Reviewing relevant personnel and payroll records.
- Reviewing records from the State of Louisiana Retirement Information System (SOLARIS).
- Comparing LASERS member records to UNO employee records using Audit Command Language (ACL).
- 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.

OBSERVATION, RECOMMENDATION, AND RESPONSE

1. PAY FREQUENCY INCORRECTLY REPORTED ON THE MONTHLY AGENCY CONTRIBUTION REPORT

OBSERVATION

The pay frequency field is incorrectly reported on the monthly Agency Contribution Report (ACR) for employees paid on a bi-weekly basis. According to the ACR file layout, the pay frequency field should represent the pay period frequency of an employee. A review of recent reports submitted to LASERS showed that the pay frequency for bi-weekly employees is being populated with the code to be utilized for monthly employees.

Incorrect reporting of pay frequency can cause errors in producing retirement estimate for members, since LASERS computer system projects service credit based on pay periods, pay frequency, base, and earnings that have been reported by agencies.

RECOMMENDATION

The agency should correct the programming used to generate the Agency Contribution Report to ensure the actual payment schedule of the employee is used to populate the pay frequency field.

Target completion date is September 30, 2015.

RESPONSE

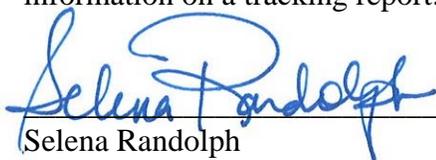
UNO has corrected the programming used in generating the Agency Contribution Report. A test file was sent to ensure the actual payment schedule of the employee is used to populate the pay frequency field. LASERS confirmed that the test file was formatted properly. Therefore, the new file format will be submitted in August 2015 to upload July 2015 contributions.

AUDITOR COMMENTS

The pay frequency was re-tested and reviewed by Audit Services for the July 2015 Agency Contribution Report. UNO corrected the pay frequency as described in their response above. This issue has been resolved and the observation is now closed.

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. This item will be tracked until they are closed.


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