

## Assurance Report

### 1602 Employer Agency Queries

June 30, 2016

Cindy Rougeou, Executive Director  
The LASERS Audit Committee

### BACKGROUND

This was a planned engagement for the fiscal year end (FYE) 2016 Audit Plan. This report provides a progress update of the queries performed on employer agencies. The fieldwork for this engagement was completed on June 29, 2016.

Audit Services uses the available data for employer agencies, which consists of employee and leave information, for the purpose of developing continuous auditing tests.

This project expands the coverage of Audit Services throughout the contributing agencies. Ongoing proactive reviews of these files are completed through Audit Command Language (ACL) scripts that are scheduled to run on a regular basis.

### SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement consists of the review of employer agency reviews.

The primary objectives of this engagement were to determine if:

- Eligible employees are enrolled properly in accordance with LASERS regulations.
- Rehired retirees are reported in accordance with LASERS regulations.
- Retiree leave balances certified by the agency are accurate.

Procedures used to complete this engagement included:

- Analyzing electronic files and results.
- Reviewing human resource related documentation.
- Conducting other inquiries considered necessary to achieve engagement objectives.

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Cindy Rougeou, Executive Director

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

## ENGAGEMENT SUMMARY

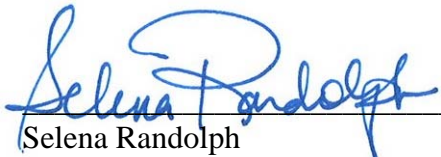
The results generated from testing are evaluated by Audit Services and then submitted to either LASERS or agency personnel for verification and correction, as necessary. Some examples of the types of anomalies included:

- Rehired retirees that are not properly reported to LASERS, which may result in excess earnings or benefit overpayments (depending on rehire option selected).
- Individuals that are not enrolled and/or do not start contributing to LASERS on the date of hire.
- Incorrect retiree leave balances reported to LASERS which can result in monthly benefit or lump sum leave payment errors.

Since these types of errors are typically found in a timelier manner than a traditional audit, the impact to LASERS and the individuals are mitigated. As noted in the engagement objectives, the focus is to ensure compliance with select statutory provisions. Additionally, non-compliance can result in a monetary recovery for LASERS. The realized recovery for this project was approximately \$3,887.44 as of the FYE.

## FOLLOW-UP

A follow-up to this engagement is not necessary. All unresolved items will be carried over as part of FYE 2017 testing.

  
Selena Randolph  
Auditor

  
Ryan Babin, CIA, CISA  
Audit Services Director