

Assurance Report

1812 University of Louisiana at Lafayette (ULL)

December 11, 2017

Ernest Savoie, President
Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During the review of ULL, the following observations were noted and detailed below:

1. Leave without pay (LWOP) dates not consistently reported to LASERS.
2. Two wage types not properly classified as LASERS eligible.

BACKGROUND

This was a planned engagement on the fiscal year end (FYE) 2018 Audit Plan. The fieldwork for this engagement was completed on November 30, 2017. ULL employs approximately 580 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

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

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

- 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.

Procedures used to complete this engagement included:

- Interviewing LASERS and ULL staff.

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- Reviewing relevant personnel and payroll records.
- Reviewing records from the State of Louisiana Retirement Information System (SOLARIS).
- Analyzing LASERS member records using Audit Command Language (ACL).
- Conducting other inquiries considered necessary to achieve engagement objectives.

This engagement was conducted in accordance with the policies and procedures of the Audit Services Division.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. LEAVE WITHOUT PAY (LWOP) DATES NOT CONSISTENTLY REPORTED TO LASERS

OBSERVATION

During this review, it was determined that LWOP dates were not consistently reported to LASERS. According to LASERS Liaison Memo 13-24, it is necessary for non-LaGov reporting agencies to report LWOP to LASERS. LWOP dates can be reported to LASERS in two primary ways, Employer Self-Service (ESS) or on the monthly contribution file. The agency noted that an employee previously reported LWOP using the ESS method, but after their departure from ULL in 2012, LWOP has not been consistently reported. Incorrect or missing LWOP information can cause errors in producing retirement estimates for members and can also impact the proper calculation of service credit.

RECOMMENDATION #1

The agency should review their LWOP reporting procedures and process currently in place and make the necessary changes to ensure this information is reported to LASERS accurately and timely. Target completion date is March 31, 2018.

AGENCY RESPONSE

The agency agrees with this recommendation. ULL will work with the University's IT department and LASER IT to add LWOP reporting to the contribution file.

RECOMMENDATION #2

The agency should work with LASERS Member Services staff to ensure LWOP information since 2012 is properly reported to LASERS. Target completion date is June 30, 2018.

AGENCY RESPONSE

The agency agrees with this recommendation. ULL will work with the University's IT department and LASER IT to provide a report of LWOP since 2012.

2. TWO WAGE TYPES NOT PROPERLY CLASSIFIED AS LASERS ELIGIBLE

OBSERVATION

During this review, it was determined that two wage types, communication and vehicle allowances, were not classified as retirement eligible for LASERS reporting. According to LASERS Liaison Memo 13-13, wage types are retirement eligible if they are considered part of "earned compensation" which is defined in R.S. 11:403(10) as base pay and certain emoluments of employment such as paid housing

allowances, car allowances, food allowances, and clothing allowances. Reimbursement of expenses do not qualify as emoluments. Furthermore, LASERS Liaison Memo 12-07 states that, if the agency includes a cell phone allowance as an income item to the member, subject to federal and state income tax, then this is reportable income to LASERS. According to the agency, these two allowances are subject to federal and state income tax and are not a reimbursement of expenses. There are currently two LASERS members employed at ULL that receive either the communication or vehicle allowance.

RECOMMENDATION #1

The agency should review their agency reporting procedures and process currently in place and make the necessary changes to ensure communication and vehicle allowances are reported to LASERS accurately and timely. Target completion date is March 31, 2018.

AGENCY RESPONSE

The agency agrees with this recommendation. The Payroll Department at ULL will ensure that communication and vehicle allowances are reported to LASERS.

RECOMMENDATION #2

The agency should work with LASERS Fiscal staff to take the necessary steps to properly correct the records for the individuals impacted by this wage type misclassification. Target completion date is March 31, 2018.

AGENCY RESPONSE

The agency agrees with this recommendation. The Payroll Department at ULL will correct records for the individuals impacted by the wage type misclassification.

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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