

Assurance Report

1909 Department of Public Safety (DPS)

September 25, 2018

Lt. Colonel Jason Starnes, Chief Administrative Officer
Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During the review of DPS, there was one observation pertaining to enrollment related reporting issues.

BACKGROUND

This was a planned engagement on the fiscal year end 2019 Audit Plan. The fieldwork for this engagement was completed on September 21, 2018. DPS employs approximately 1,343 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

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

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

- 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 DPS staff.
- Reviewing relevant personnel and payroll records.
- Reviewing records from the State of Louisiana Retirement Information System (SOLARIS).
- Reviewing data obtained from LaGov Human Capital Management (HCM).

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- 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.

OBSERVATION, RECOMMENDATIONS, AND RESPONSES

1. ENROLLMENT RELATED REPORTING ISSUES IDENTIFIED

OBSERVATIONS

During this review, there were four enrollment related issues identified which are as follows:

- a. There were two individuals who were enrolled into the incorrect retirement plan upon hire. Both were hired into hazardous duty positions and should have been enrolled in the Hazardous Duty Plan (HAZP) since they did not have service credit in LASERS prior to being hired into a hazardous duty position. One was enrolled in the Regular Employee 4 plan (RGL4) and the other was enrolled in the Regular Employee 3 plan (RGL3). In both instances, the individuals were contributing into plans that have lower employee contribution rates of eight percent compared to the nine and a half percent rate of the HAZP. Additionally, the individuals were also subject to the lower benefit accrual rate of two and a half percent compared to the HAZP accrual rate of three and a third percent.
- b. One individual was hired on January 9, 2017 into a non-hazardous duty position and was properly enrolled in the RGL4 plan. On February 12, 2018, this individual was hired into a hazardous duty position which resulted in them having a choice to either join the HAZP prospectively or remain in the RGL4 plan. This election is made by the individual on the Hazardous Duty Services Plan Election form (2-18). In this situation, the election form was not obtained by the agency from the individual upon being hired into their hazardous duty position.
- c. There was one individual who retired from the Louisiana State Police Retirement System (LSPRS) and then subsequently hired into a LASERS eligible position on June 18, 2018. According to R.S. 11:411(7)(b), membership shall be optional for any person who is receiving retirement benefits from any Louisiana public retirement system. This individual opted to join LASERS and was not properly enrolled.

It should be noted that DPS has begun taking the necessary steps to correct these records and update their procedures and training.

RECOMMENDATION #1

The agency should work with LASERS to ensure the remaining steps are taken to fully correct the records for the individuals noted above. Target completion date is October 31, 2018.

AGENCY RESPONSE

We agree with the recommendation. We have reached out to each affected employee and notified them of the error and necessary steps to correct the error. For the employees noted in letter A. of the Observations, since these errors resulted in additional contributions owed, HR reached out to

OSUP to obtain the correct amounts owed and have set up payment plans, with repayment amounts agreed upon by the employees until retroactive contributions have been made whole. For the employee noted in letter B., we have notified the employee of their option to join the Hazardous Duty Plan or retain eligibility in their former plan. We have also requested a completed Election Form, Form 2-18, to confirm their decision. For the employee noted in letter C., they have now been enrolled in the proper retirement plan. The benefits section of HR will meet with staff to conduct a training to ensure that staff understands timely and accurately enrolling of employees into retirement plans based on all relevant factors (prior service, previous retirement, position type, etc.).

RECOMMENDATION #2

The agency should review their enrollment procedures and process and make any necessary changes to ensure the items noted in the observation are adequately addressed. Target completion date is December 31, 2018.

AGENCY RESPONSE

We agree with the recommendation. As stated above, the benefits section of Human Resources will conduct a training with HR Analysts who are responsible for the processing of employees into various retirement plans. We will cover processes and procedures for enrollments. Additionally, the benefits section will put processes in place to audit enrollments each pay period. If the position is a hazardous duty position, the benefits section will confirm with the HR Analyst that the employee was not eligible for another plan and if the employee was eligible, that a 2-18 form has been received. We will also review all checklists used in the hiring process to ensure procedures are clear and up-to-date.

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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