

## Assurance Report

### 1917 Delgado Community College (DCC)

January 15, 2019

William Wainwright, Interim Chancellor  
Cindy Rougeou, LASERS Executive Director  
The LASERS Audit Committee

#### EXECUTIVE SUMMARY

During the review of DCC, there was an observation noted relating to one individual that was not properly enrolled in LASERS.

#### BACKGROUND

This was a planned engagement on the fiscal year end (FYE) 2019 Audit Plan. The fieldwork for this engagement was completed on December 17, 2018. DCC employs approximately 156 LASERS members.

#### SCOPE, OBJECTIVES, AND METHODOLOGY

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

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

- 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.

#### BOARD OF TRUSTEES:

Shannon Templet, Board Chair  
Thomas Bickham, Vice Chair  
Virginia Burton  
Commissioner Jay Dardenne

Beverly Hodges  
Judge William Kleinpeter  
Janice Lansing  
Barbara McManus

Sen. Barrow Peacock  
Rep. Kevin Pearson  
Lori Pierce  
Hon. John Schroder  
Lorry Simmons Trotter

Cindy Rougeou, Executive Director

Procedures used to complete this engagement included:

- Interviewing LASERS and DCC staff.
- 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.

## **OBSERVATION, RECOMMENDATIONS, AND RESPONSES**

### **1. INDIVIDUAL WAS NOT PROPERLY ENROLLED INTO LASERS**

#### **OBSERVATIONS**

During this review, one individual was hired into a LASERS eligible position, but was not properly enrolled into LASERS.

According to LA R.S. 11:411(7)(a), “membership shall be optional for those persons sixty years of age or older at the time of employment and for those persons fifty-five years of age or older who have credit for at least forty quarters in the Social Security system.” The individual should provide a copy of the Social Security Administration’s form (SSA-7005) to validate that they have attained at least 40 quarters of work in Social Security.

The individual identified during this review was between 55 and 60 years of age at their hire date and elected to not be enrolled in LASERS. However, it was discovered that documentation of the 40 quarters of work in Social Security was not submitted; therefore, they did not meet the criteria that allows for them to opt out of LASERS.

It should be noted that DCC has begun taking the necessary steps to correct this record 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 record for the individual noted above. Target completion date is February 28, 2019.

#### **AGENCY RESPONSE**

We agree with the recommendation. As stated above, the Human Resources/Benefit department has begun the process in correcting the identified individual’s information. The remaining steps are for the calculation of what was paid into FICA, making a payment made into LASERS of that amount, including the difference in percentage not paid by both employee and employer.

## **RECOMMENDATION #2**

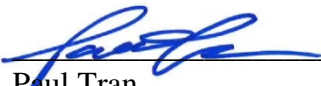
The agency should review their enrollment procedures and process and make any necessary changes to ensure the items noted in the observation are adequately addressed. Target completion date is April 30, 2019.

### **AGENCY RESPONSE**

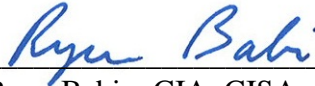
We agree with the recommendation. To ensure that employees are well informed, Human Resources/Benefits office will educate employees who are between the ages of 55-60 and desire not to enroll into LASERS, that they are to provide documentation from the Social Security Administration, stating that the employee has met the required 40 quarters to not enroll.

## **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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Auditor



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Audit Services Director

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