

Assurance Report

1924 LA State University Medical Center (LSUHSC-NO)

May 17, 2019

Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During the review of LSUHSC-NO, there was an observation noted relating to ineligible earnings that were reported to LASERS.

BACKGROUND

This was a planned engagement on the fiscal year end (FYE) 2019 Audit Plan. The fieldwork for this engagement was completed on May 10, 2019. LSUHSC-NO employs approximately 469 LASERS employees.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement included a review of records for LSUHSC-NO employees.

The primary objectives of this engagement were to determine if LSUHSC-NO:

- 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.

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Cindy Rougeou, Executive Director

Procedures used to complete this engagement included:

- 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, RECOMMENDATION, AND RESPONSE

1. INELIGIBLE EARNINGS REPORTED TO LASERS

OBSERVATION

During this review, it was determined that ineligible earnings were reported to LASERS for one individual. This individual was employed in a position at LSUHSC-NO that was not eligible for LASERS; however, a portion of wages earned in that position were coded as regular student wages and incorrectly reported to LASERS. This occurred because the individual transferred from an ineligible position to a LASERS eligible position in the middle of a pay period and the portion of earnings associated with the ineligible position was submitted to LASERS. The agency confirmed that ineligible wages in the amount of \$57.12 was incorrectly reported to LASERS.

After discovering the issue with the regular student wages, other earnings codes classified as LASERS eligible were identified where the code appears to be associated with positions ineligible for LASERS. The agency plans to conduct a review of the earnings codes in their system to address any other errors in retirement eligibility classification. The reporting of ineligible earnings to LASERS can impact the calculation of service credit and final average compensation.

RECOMMENDATION

The agency should identify and correct any earnings codes in their system that are not properly classified for retirement eligibility purposes. Furthermore, any employees affected by any misclassification should be corrected. The agency should work with LASERS Fiscal staff to take the necessary steps to properly correct the records of for any individuals impacted. Target completion date is December 31, 2019.

AGENCY RESPONSE

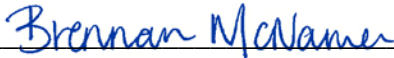
The agency has provided the following action plan:

- Review all wage types and update their eligibility in LSUHSC-NO's payroll system where necessary.
- Identify any employees who have earnings that were improperly sent to LASERS.
- Take the appropriate actions to have the incorrect earnings and contributions removed from SOLARIS.
- Request a refund of the contributions that were submitted to LASERS in error.
- Refund any employees that had contributions improperly withheld.

- LSUHSC-NO's Accounting Services will run a report prior to each payroll run to ensure that the deductions from earnings that are not LASERS eligible are not included in the contribution amounts.

FOLLOW-UP

No follow-up is necessary.



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