

# LASERS Benefits Louisiana.

Louisiana State Employees'  
Retirement System



## Board Book



**THIS PAGE LEFT BLANK INTENTIONALLY.**



**NOTICE AND AGENDA**  
***Audit Committee Meeting***  
***Thursday, June 24, 2021***  
***12:30 p.m.***

The Audit Committee will meet in the fourth floor Board room of the Retirement Systems Building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

**Please silence your cell phone before meeting begins.**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC COMMENT** (allowed upon request before action items)

**IV. REGULAR BUSINESS**

1. Approval of the minutes of the March 20, 2021, meeting of the Audit Committee **(Action Item)**  
*Barbara McManus, Chair*
2. FYE 2021 Audit Projects Status Update **(Action Item)**  
*Ryan Babin, Audit Director*

**V. NEW BUSINESS**

1. Audit Committee and the External Auditors  
*Don McLean, Postlethwaite & Netterville*  
*Courtney Robertson, Postlethwaite & Netterville*
2. Approval of the Louisiana Compliance Questionnaire (External Audit) **(Action Item)**  
*Ryan Babin, Audit Director*
3. External Quality Assessment Review Report  
*Ryan Babin, Audit Director*
4. Approval of the FYE 2022 Audit Plan (Multi Year Plan Included) **(Action Item)**  
*Ryan Babin, Audit Director*
5. Customer Service Evaluation Survey Results  
*Ryan Babin, Audit Director*
6. Reports to be Reviewed  
*Ryan Babin, Audit Director*

7. Audit Director's Comments  
*Ryan Babin, Audit Director*

8. Executive Director's Comments  
*Cindy Rougeou, Executive Director*

**VI. OTHER BUSINESS**

**VII. ADJOURNMENT**

**NOTE:** If special accommodations are needed, please contact this office prior to meeting.

**Louisiana State Employees' Retirement System  
Audit Committee Meeting  
March 25, 2021**

The Audit Committee of the Louisiana State Employees' Retirement System met on Thursday, March 25, 2021 in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Judge William Kleinpeter, Chair, called the meeting to order at 12:35 p.m. Roll was called by Ms. Beth Labello, recording secretary.

\*\*\*\*\*

**Members Present:** \*Ms. Virginia Burton, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Janice Lansing, Mr. Rick McGimsey (designee of the Commissioner of Administration), Ms. Barbara McManus, and Ms. Lori Pierce

**Staff Present:** Mr. Ryan Babin, Audit Director; Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief of Staff; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Mr. Artie Fillastre, Chief Fiscal Officer; Mr. Logan Davis, IT Technical Support Analyst; Ms. Beth Labello, recording secretary

**Also Present:** Mr. Joey David, House Retirement Committee; Ms. Margaret Corley, Senate Retirement Committee; Ms. Shelley Johnson, Foster & Foster; Mr. Frank Jobert, RSEA (arrived at 12:48 p.m.); Trustees: Ms. Amy Mathews (designee for the Treasurer), Senator Barrow Peacock, Ms. Shannon Templet, and Mr. Charles Castille

A quorum was announced present and the meeting opened for business.

**Public Comment**

No public comments were made.

**Regular Business**

Judge Kleinpeter called for approval of the minutes of the December 10, 2020 Audit Committee Meeting. **Ms. McManus moved, seconded by Ms. Hodges, to approve the minutes. With no objection or discussion, the motion carried.**

\*Ms. Burton arrived at 12:41 p.m.

Mr. Babin reviewed the fiscal year ending 2021 Audit Projects Status Update.

**New Business**

Mr. Babin reviewed the Semi-Annual Review of Open Items Report.

Mr. Babin distributed the Audit Committee Fundamentals Manual and explained its purpose.

Mr. Babin reviewed the customer service evaluation survey results, which included positive responses.

Mr. Babin reviewed the Internal Review, which focused on the Ethics Program. He also reviewed the Executive Summary of Audit Reports.

Mr. Babin commented that his team and staff from other divisions evaluated the potential impact and risk exposure to LASERS of the Orleans Capital Management (OCM) ransomware incident. The outcome of the evaluation was that the remaining residual risk level is acceptable, and does not warrant any changes.

Ms. Rougeou had no Executive Director comments.

Mr. Babin met with the Audit Committee to conduct an Auditor Review.

#### **Other Business**

No other business was discussed.

#### **Adjournment**

The meeting adjourned at 1:04 p.m.

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
01	Fiscal/IT	JD Edwards User Security Review	This will be a joint project between Audit, Fiscal, and IT. Due to the specialized nature of this project, a third party company may be utilized to co-source an audit of the security. In addition, an evaluation of automated tools available to manage and audit security will be performed. <b>Project 1802 - fieldwork being finalized.</b>	N/A	2/26/2018	
02	Member Services/Fiscal/IT	Optimus Project Implementation (Phase 3)	This is Phase 3 of the Imaging replacement project. Audit's involvement in this project will vary; however, some possible review areas include: Functionality upgrades/enhancements, evaluation of possible online storage of Optimus data and disaster recovery related changes, and electronic forms. <b>Project 1904 - Fieldwork being performed. The initial functionality related to Phase 3/MyLASERS was implemented this fiscal year and the remaining functionality is currently scheduled for completion by the end of FYE 2021.</b>	N/A	7/6/2018	
03	Member Services/Fiscal/IT	Online Self-Service Security (Optimus Project Implementation (Phase 3) related)	This project relates to Phase 3 of the Imaging replacement project. Audit's involvement in this project will be focused on the online self-service security. <b>Project 1908 - Fieldwork being performed. The initial functionality related to self-service security was implemented this fiscal year and the remaining functionality is currently scheduled for completion by the end of FYE 2021.</b>	N/A	7/9/2018	

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
04	Investments/Fiscal	Investment manager review	<b>2021 Apollo Global Management - fieldwork being performed. Due to the COVID-19 pandemic, the site visit portion of this review has been delayed to 2021. The performance of the site visit or alternative will be re-evaluated in FYE 2022.</b>	N/A	1/29/2020	
05	Executive/IT	Disaster Recovery Process Modernization	IT is taking the steps to modernize the technology and approach to disaster recovery at LASERS. As part of this initiative, the disaster recovery process is also being modernized. Audit will participate in this project in a consulting capacity and review the new process as it is being developed and implemented. <b>Project 2009 - COMPLETED.</b>	Sep-Nov	8/20/2019	6/23/2020
06	Member Services/Fiscal	Employer Agency Reviews	Testing of employer agencies is conducted throughout the fiscal year. As one employer agency review is completed another is started.	Jul-Jun	N/A	N/A
		2103 Department of Education	<b>Completed.</b>	N/A	7/1/2020	7/16/2020
		2104 Louisiana State University	<b>Completed.</b>	N/A	7/3/2020	4/20/2021
		2105 Division of Administration	<b>Completed.</b>	N/A	7/7/2020	8/19/2020
		2107 Orleans Parish Criminal District Court	<b>Completed.</b>	N/A	7/22/2020	3/15/2021
		2111 Secretary of State	<b>Completed.</b>	N/A	9/24/2020	11/2/2020
		2114 Office of Homeland Security and Emergency Preparedness	<b>Completed.</b>	N/A	10/1/2020	10/7/2020
		2117 Department of Insurance	<b>Completed.</b>	N/A	12/23/2020	1/25/2021
		2121 19th Judicial District Court	<b>Fieldwork being performed.</b>	N/A	3/2/2021	
		2122 Baton Rouge Community College	<b>Fieldwork being performed.</b>	N/A	3/4/2021	
		2123 Metropolitan Human Services District	<b>Fieldwork being performed.</b>	N/A	3/29/2021	
		2125 Department of Culture, Recreation, & Tourism and Lt. Governor's Office	<b>Fieldwork being performed.</b>	N/A	4/30/2021	6



## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
07	Member Services/Fiscal	Employer Agency Queries	This project consists of a monthly evaluation of automated testing on employer agencies related to proper enrollment of members and rehired retirees and leave reporting for retirees.	Jul-Jun	7/1/2020	
			This project consists of the development of new automated testing for employer agencies.	Jul-Jun	7/1/2020	
08	Audit Services	Fraud Investigations		Jul-Jun	7/1/2020	
09	Executive/IT	Incident Response Plan Review	LASERS will be performing various testing scenarios/exercises to assist with further developing and improving the Incident Response Plan. Audit Services will be involved in these testing scenarios/exercises. <b>Project 2120 - fieldwork being performed.</b>	Jul-Sep	2/8/2021	
10	Investments/Fiscal	Service Organization Control (SOC) Report Review for Investment Vendors	This is an annual project where Investments and Audit Services perform a review of the SOC reports for LASERS external investment managers and custodian bank, BNY Mellon. SOC for Service Organizations reports are designed to help service organizations that provide services to other entities, build trust and confidence in the service performed and controls related to the services through a report by an independent CPA. <b>Project 2113 - COMPLETED.</b>	Jul-Sep	9/28/2020	4/30/2021
11	Audit Services	Investment Manager Review Project Templates Update	This project will consist of reviewing and revamping the due diligence questionnaires and testing template documents used during the investment manager reviews performed by Audit Services. This will allow us to be more effective and efficient when performing these reviews. <b>Project 2106 - COMPLETED.</b>	Jul-Sep	7/7/2020	1/5/2021

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
12	Member Services/Fiscal/IT	GASB 68 Actuarial File Review	<p>This project includes the following:</p> <ul style="list-style-type: none"> <li>- Testing of the actuarial data files submitted to the System Actuary for completion of the GASB 68 audit report.</li> <li>- Review of the GASB 68 audit report.</li> </ul> <p>This will cover the most recent previous fiscal year. <b>Project 2115 - COMPLETED.</b></p>	Aug-Oct	10/20/2020	12/11/2020
13	Fiscal	External Financial Statement Audit Report and Funding Actuarial Valuation Report Review	<p>This is an annual project that consists of a review of the external financial statement audit report and the funding actuarial valuation report. A cross comparison to the funding actuarial valuation report is also performed as part of this project. <b>Project 2108 - COMPLETED.</b></p>	Sep	9/8/2020	9/25/2020
14	Executive	Ethics Program Review	<b>Project 2110 - COMPLETED.</b>	Oct-Dec	9/17/2020	1/25/2021
15	Audit Services	Audit Charter and Policy Compliance Review	<p>This project will consist of the annual assessment of compliance and completion of the items outlined in the Audit Committee Charter, Audit Services Division Charter, and the Audit Resolution Policy and Procedures. <b>Project 2112 - COMPLETED</b></p>	Oct-Dec	9/28/2020	10/7/2020
16	Audit Services	Mkinsight/Pentana Audit Upgrade and Enhancement	<p>This project will be completing an upgrade of our audit management system. <b>This upgrade has been rescheduled to be started and completed in March-June 2021.</b></p>	Oct-Dec	11/20/2020	
17	Fiscal/Executive/IT	Property Control Review	<b>Project 2119 - fieldwork being performed.</b>	Jan-Mar	2/5/2021	
18	Member Services	Benefit Calculation Review	<b>Project 2118 - draft report being finalized.</b>	Jan-Mar	1/26/2021	

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
19	Investments/Fiscal	Investment manager review	<b>Due to this review including a site visit and the COVID-19 pandemic, the performance of this engagement will be delayed until next fiscal year.</b>	Jan-Mar		
20	Member Services/Fiscal/IT	Employer Self-Service Security	LASERS has a project planned to upgrade the security framework and features with the online portal used by employer agencies. Audit Services will be involved in this project. <b>Project 2126 - fieldwork being performed.</b>	Jan-Mar	5/17/2021	
21	Executive/Member Services/Fiscal/IT	Actuarial File Layout Update Project (FYE 2021)	This consulting project will consist of working with the necessary parties to evaluate proposed changes to the annual actuarial file layout and perform the necessary testing of those changes. This will be a multi-year project. Final decisions have not been made on the planned work on this project for the fiscal year, but the goal is to begin work on Phase 1. <b>Update: The initial analysis of the scope and effort of Phase 1 is being performed by IT and, upon completion, a anticipated start of Phase 1 will be established.</b>	Jan-Mar		
22	Audit Services	External Quality Assessment (Peer) Review of Audit Services Division	<b>Project 2109 - COMPLETED.</b>	Feb-May	2/8/2021	5/3/2021
23	IT	IT Security Management Review	The area of focus for this review is Active Directory. IT and Audit plan to partner with a third party firm to complete the technical aspects of this project. The process components of this area will be reviewed by audit. <b>Project 2124 - fieldwork being performed.</b>	Apr-Jun	4/27/2021	

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
24	Executive	Enterprise Risk Management (ERM) Implementation	<p>This is a consulting project where Audit Services is working with the Chief Risk Officer (CRO) to evaluate the various components of ERM that are in the process of being implemented. Work on this project is performed as requested by the CRO.</p> <p><b>Audit's involvement in ERM activities was not needed/requested this fiscal year.</b></p>	Jul-Jun	N/A	N/A
25	All Divisions	Continuous Auditing of Various Processes	<p>Continuous Auditing Queries performed in the following areas:</p> <ul style="list-style-type: none"> <li>- Accounting Processes (SOLARIS)</li> <li>- Accurint Search Activity</li> <li>- Benefits</li> <li>- Death</li> <li>- Disability</li> <li>- Membership</li> <li>- Refunds</li> <li>- Service Purchases</li> <li>- Transfers</li> </ul>			
			<p>This is the project for the research of the exceptions identified during this testing.</p>	Jul-Jun	7/1/2020	
			<p>This project consists of the development of new continuous auditing tests.</p>	Jul-Jun	7/1/2020	
			<p>This project includes the testing of the actuarial data files submitted to the System Actuary for completion of the funding actuarial valuation. This will cover the most recent previous fiscal year.</p> <p><b>Project 2101D - COMPLETED.</b></p>	Jul-Sep	7/1/2020	9/30/2020
			<p>Review of IRS Form 1099-R issued by LASERS.</p> <p><b>Project 2101E - COMPLETED.</b></p>	Dec-Jan	1/15/2021	5/10/2021

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
			Review of Required Minimum Distributions issued by LASERS. <b>Project 2101F - COMPLETED.</b>	Dec-Jan	11/13/2020	5/14/2021
26	Audit Services	Audit Services Follow Up Activities	This project consists of follow up on open items from previous projects conducted by the audit division. A larger than normal allocation has been assigned to this area for follow up related to Project 1604 IT Security Management Review, Project 1801 Agency Contribution Reporting Review, 1914 Rehired Retiree Review, and Project 2023 Internal Quality Assurance Review.	Jul-Jun	N/A	
		<b>ADMINISTRATIVE WORK</b>				
27	Audit Services	Administrative work--including audit committee preparation, preparing audit division budget, updates of the charter, updates of the audit services division procedure manual, audit plan development, staff performance evaluations, travel, etc.			N/A	
		<b>UNBUDGETED PROJECTS</b>				
27	Audit Services	These projects will consist of those not planned at the start of the fiscal year.			N/A	
		<b>PERCENTAGE OF HOURS ALLOCATION</b>				
		88.46%	Budgeted Projects			
		2.13%	Follow up Activities			
		5.08%	Unbudgeted Projects			
		8.75%	Administrative Time			
		<b>PERFORMANCE MEASURES</b>				

## FYE 2021 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
		Audit Committee Satisfaction Survey	Feedback will be used to identify improvements.			
		External Quality Assessment (Peer) Review	Performed once every five years and should receive a "generally complies" rating which is the highest offered.			
		Training hours per auditor	Each auditor must obtain 40 hrs of continuing education each fiscal year.			
		<b><u>STAFFING RESOURCES</u></b>				
		<b><u>Name and Position</u></b>	<b><u>Certifications</u></b>	<b><u>LASERS Audit Experience (Approx.)</u></b>		
		Ryan Babin, Audit Director	Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA)	18 years		
		Hollie Cowell, Staff Auditor	CPA, CIA, CISA	11 years		
		Reece Babin, Staff Auditor	CISA	4 years		
		Nicole Xue, Staff Auditor		3 years		
		Laura Sena, Staff Auditor	CPA, CIA	1 ½ years		

**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Governments)**

Dear Chief Executive Officer:

Attached is the Louisiana Compliance Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of a financial audit of Louisiana state and local government agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected officials should sign the document, in lieu of such a resolution.

The completed and signed questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the auditor at the beginning of the audit.** The auditor will, during the course of his/her regular audit, test the accuracy of the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the auditor during the course of his/her audit. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J Waguespack, CPA  
Louisiana Legislative Auditor

Enclosure

**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Government Agencies)**

June 1, 2021

**Postlethwaite & Netterville, APAC**  
**8550 United Plaza Boulevard, Suite 1001**  
**Baton Rouge, LA 70809**

In connection with your audit of our financial statements as of *June 30, 2021* and for *July 1, 2020 through June 30, 2021* for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of June 1, 2021.

**PART I.            AGENCY PROFILE**

1. Name and address of the organization.

*Louisiana State Employees' Retirement System*  
*P. O. Box 44213*  
*Baton Rouge, LA 70804-4213*

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

*N/A*

3. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

*See Attachment I*

4. Period of time covered by this questionnaire.

*July 1, 2020 through June 1, 2021*

5. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

*The Louisiana State Employees' Retirement System is an agency of the State of Louisiana, established under the provisions of Title 11 of the Louisiana Revised Statutes, as amended.*

6. Briefly describe the public services provided.

*The Louisiana State Employees' Retirement System is a cost-sharing multi-employer retirement system, which is organized for the purpose of providing retirement and other benefits for the employees of the State of Louisiana and its various departments and agencies and their beneficiaries. The System is supervised by a thirteen member Board of Trustees and is funded through employee and employer contributions and investment earnings. These services are provided through the administration of both a defined benefit and contribution plan.*

7. Expiration date of current elected/appointed officials' terms.

*See Attachment I*



## **LEGAL COMPLIANCE**

### **PART II. PUBLIC BID LAW**

8. The provisions of the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

A) All public works purchases exceeding \$250,000 have been publicly bid.

B) All material and supply purchases exceeding \$30,000 have been publicly bid.

Yes [ ] No [X]

*N/A – In accordance with Attorney General Opinion #93-676, LASERS is exempt from these procedures. See Louisiana State Employees' Retirement System, et al v. State of Louisiana through the Department of Justice, et al, 423 So. 2d 73 (LA. App. 1<sup>st</sup> Cir. 1982).*

### **PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [X] No [ ]

10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [X] No [ ]

### **PART IV. LAWS AFFECTING BUDGETING**

11. We have complied with the budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15) R.S. 39:33, or R.S. 39:1331-1342, as applicable:

#### **A. Local Budget Act**

1. We have adopted a budget for the general fund and all special revenue funds (R.S. 39:1305).

2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the general fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (R.S. 39:1305).

3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (R.S. 39:1306).

4. To the extent that proposed expenditures were greater than \$500,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (R.S. 39:1307).

5. If required, the proposed budget was made available for public inspection at the location required by R.S. 39:1308.

6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget (R.S. 39:1309).

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (R.S. 39:1309).

8. To the extent that proposed expenditures were greater than \$500,000, the chief executive officer or equivalent notified the governing authority in writing during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or

more (R.S. 39:1311).

9. The governing authority has amended its budget when notified, as provided by R.S. 39:1311. (Note, general and special revenue fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. State law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less, and exempts special revenue funds whose revenues are expenditure-driven - primarily federal funds-from the requirement to amend revenues.)

N/A Yes [ ] No [ ]

#### B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of R.S. 39:33.

N/A Yes [ ] No [ ]

*LASERS is subject to R.S. 39:81 and not R.S. 39:33. We submit to the Joint Committee on the Budget, not the Governor.*

#### C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R.S. 39:1331-1342.

N/A Yes [ ] No [ ]

### **PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS**

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with R.S. 24:513 and 515, and/or 33:463.

Yes [ X ] No [ ]

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

14. We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ X ] No [ ]

15. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [ X ] No [ ]

16. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

N/A Yes [ ] No [ ]

17. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

N/A Yes [ ] No [ ]

18. We have remitted all fees, fines, and court costs collected on behalf of other entities, in compliance with applicable Louisiana Revised Statutes or other laws

N/A Yes [ ] No [ ]

### **PART VI. MEETINGS**

19. We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

Yes [ X ] No [ ]

**PART VII. ASSET MANAGEMENT LAWS**

20. We have maintained records of our fixed assets and movable property records, as required by R.S. 24:515 and/or 39:321-332, as applicable.

Yes [ X ] No [ ]

**PART VIII. FISCAL AGENCY AND CASH MANAGEMENT LAWS**

21. We have complied with the fiscal agency and cash management requirements of R.S. 39:1211-45 and 49:301-327, as applicable.

N/A

Yes [ ] No [ ]

**PART IX. DEBT RESTRICTION LAWS**

22. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

N/A

Yes [ ] No [ ]

23. We have complied with the debt limitation requirements of state law (R.S. 39:562).

N/A

Yes [ ] No [ ]

24. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (R.S. 39:1410.62).

N/A

Yes [ ] No [ ]

**PART X. REVENUE AND EXPENDITURE RESTRICTION LAWS**

25. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes [ X ] No [ ]

26. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [ X ] No [ ]

27. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes [ X ] No [ ]

**PART XI. ISSUERS OF MUNICIPAL SECURITIES**

28. It is true that we have complied with the requirements of R.S. 39:1438.C.

N/A

Yes [ ] No [ ]

**PART XI. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS**

**Questions 29-58 not applicable to LASERS**

**Parish Governments**

29. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, R.S. 48:755(A).
- B. Development of a capital improvement program on a selective basis, R.S. 48:755.
- C. Centralized purchasing of equipment and supplies, R.S. 48:755.
- D. Centralized accounting, R.S. 48:755.
- E. A construction program based on engineering plans and inspections, R.S. 48:755.
- F. Selective maintenance program, R.S. 48:755.
- G. Annual certification of compliance to the auditor, R.S. 48:758.

Yes [ ] No [ ]

**School Boards**

30. We have complied with the general statutory, constitutional, and regulatory provisions of the

Louisiana Department of Education, R.S. 17:51-401.

Yes [ ] No [ ]

31. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [ ] No [ ]

32. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed-upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report, as part of their annual financial statements, measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
- Schedule 2, Class Size Characteristics

We have also, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules, and recognize that although the schedules will not be included in the agreed-upon procedures report, the content of the schedules will be tested and reported upon by school board auditors in the school board performance measures agreed-upon procedures report:

- Education Levels of Public School Staff
- Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
- Public School Staff Data: Average Salaries

We understand that the content of the first two schedules will be tested and reported upon together.

Yes [ ] No [ ]

#### Tax Collectors

33. We have complied with the general statutory requirements of R.S. 47.

Yes [ ] No [ ]

#### Sheriffs

34. We have complied with the state supplemental pay regulations of R.S. 40:1667.7.

Yes [ ] No [ ]

35. We have complied with R.S. 13:5535 relating to the feeding and keeping of prisoners.

Yes [ ] No [ ]

#### District Attorneys

36. We have complied with the regulations of the DCFS that relate to the Title IV-D Program.

Yes [ ] No [ ]

#### Assessors

37. We have complied with the regulatory requirements found in R.S. Title 47.

Yes [ ] No [ ]

38. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [ ] No [ ]

#### Clerks of Court

39. We have complied with R.S. 13:751-917 and applicable sections of R.S. 11:1501-1562.

Yes [ ] No [ ]

#### Libraries

40. We have complied with the regulations of the Louisiana State Library.

Yes [ ] No [ ]

#### Municipalities

41. Minutes are taken at all meetings of the governing authority (R.S. 42:7.1).  
Yes [ ] No [ ]
42. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal (R.S. 43:141-146 and A.G. 86-528).  
Yes [ ] No [ ]
43. All official action taken by the municipality is conducted at public meetings (R.S. 42:11 to 42:28).  
Yes [ ] No [ ]

#### Airports

44. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by R.S. 2:802.  
Yes [ ] No [ ]
45. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (R.S. 2:810).  
Yes [ ] No [ ]
46. All project funds have been expended on the project and for no other purpose (R.S. 2:810).  
Yes [ ] No [ ]
47. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 2:811).  
Yes [ ] No [ ]

#### Ports

48. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by R.S. 34:3452.  
Yes [ ] No [ ]
49. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (R.S. 34:3460).  
Yes [ ] No [ ]
50. All project funds have been expended on the project and for no other purpose (R.S. 34:3460).  
Yes [ ] No [ ]
51. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (R.S. 34:3460).  
Yes [ ] No [ ]
52. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 34:3461).  
Yes [ ] No [ ]

#### Sewerage Districts

53. We have complied with the statutory requirements of R.S. 33:3881-4159.10.  
Yes [ ] No [ ]

#### Waterworks Districts

54. We have complied with the statutory requirements of R.S. 33:3811-3837.  
Yes [ ] No [ ]

#### Utility Districts

55. We have complied with the statutory requirements of R.S. 33:4161-4546.21.  
Yes [ ] No [ ]

Drainage and Irrigation Districts

56. We have complied with the statutory requirements of R.S. 38:1601-1707 (Drainage Districts); R.S. 38:1751-1921 (Gravity Drainage Districts); R.S. 38:1991-2048 (Levee and Drainage Districts); or R.S. 38:2101-2123 (Irrigation Districts), as appropriate.

Yes [ ] No [ ]

Fire Protection Districts

57. We have complied with the statutory requirements of R.S. 40:1491-1509.

Yes [ ] No [ ]

Other Special Districts

58. We have complied with those specific statutory requirements of state law applicable to our district.


Yes [ ] No [ ]

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you and the Legislative Auditor any known noncompliance that may occur subsequent to the issuance of your report.

  
Cindy Rougeou, Executive Director

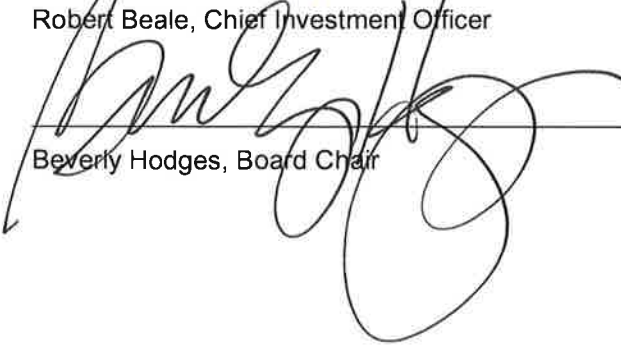
Date 5-1-21

  
Arthur P. Fillastre, Chief Financial Officer

Date 6/1/2021

  
Robert Beale, Chief Investment Officer

Date 6-1-21

  
Beverly Hodges, Board Chair

Date 6-1-21

## Attachment 1

<b>Name</b>	<b>Address/Email</b>	<b>Phone</b>	<b>Current Term</b>
Beverly Hodges, <i>Board Chair</i>	Email: <a href="mailto:Scrappinbev@aim.com">Scrappinbev@aim.com</a>	225.505.3330	Expires 12/31/2021
Barbara McManus, <i>Vice Chair</i>	Email: <a href="mailto:barbaramcmanus02@gmail.com">barbaramcmanus02@gmail.com</a>	337.433.8910	Expires 12/31/2021
Thomas Bickham	Email: <a href="mailto:Thomas.Bickham@la.gov">Thomas.Bickham@la.gov</a>	225.342.6739	Expires 12/31/2023
Virginia Burton	Email: <a href="mailto:virginia.burton@cox.net">virginia.burton@cox.net</a>	225.753.5527	Expires 12/31/2023
Charles F. Castille	Email: <a href="mailto:charlesfcastille@gmail.com">charlesfcastille@gmail.com</a>	225.937.7363	Expires 12/31/2023
Judge William Kleinpeter	Email: <a href="mailto:william@wkleinpeter.com">william@wkleinpeter.com</a>	225.346.4702	Expires 12/31/2023
Janice Lansing	Email: <a href="mailto:Janice.Lansing@la.gov">Janice.Lansing@la.gov</a>	225.342.4698	Expires 12/31/2021
Lori Pierce	Email: <a href="mailto:loriandjimdunphy@gmail.com">loriandjimdunphy@gmail.com</a>	225.344.4758	Expires 12/31/2021
Shannon Templet	Email: <a href="mailto:sstemplet0310@gmail.com">sstemplet0310@gmail.com</a>	225.342.2455	Expires 12/31/2023
Commissioner Jay Dardenne, <i>Division of Administration</i>	Contact: Barbara Goodson Email: <a href="mailto:Barbara.Goodson@la.gov">Barbara.Goodson@la.gov</a>	225.342.7101	Ex Officio Member
Representative Lance Harris, <i>Chairman of the House Retirement Committee</i>	Email: <a href="mailto:harris1@legis.la.gov">harris1@legis.la.gov</a>	318.767.6095	Ex Officio Member
Senator Barrow Peacock, <i>Chairman of the Senate Retirement Committee</i>	Email: <a href="mailto:peacockb@legis.la.gov">peacockb@legis.la.gov</a>	318.741.7180	Ex Officio Member
State Treasurer John Schroder	Contact: Amy Mathews Email: <a href="mailto:amathews@treasury.la.gov">amathews@treasury.la.gov</a>	225.342.1598	Ex Officio Member

<b>Other Officials</b>			
Cindy Rougeou	P. O. Box 44213 Baton Rouge, LA 70804	225.922.0604	Executive Director
Trey Boudreaux	P. O. Box 44213 Baton Rouge, LA 70804	225.922.0600	Chief of Staff
Arthur P. Fillastre	P. O. Box 44213 Baton Rouge, LA 70804	225.922.0600	Chief Financial Officer
Robert Beale	P. O. Box 44213 Baton Rouge, LA 70804	225.922.0600	Chief Investment Officer
Tina Grant	P. O. Box 44213 Baton Rouge, LA 70804	225.922.0600	Executive Counsel





## **External Quality Assessment**

**April 30, 2021**

**Performed by:**

**Andrea Guntz, CPA, CIA, CISA  
Audit Director  
Teachers' Retirement System of Louisiana**

**Patrick Bateman, CPA, CIA  
Audit Director  
Louisiana Department of Public Safety**

## PURPOSE AND OBJECTIVES

As requested by the Internal Audit Director (Director), we conducted a quality assessment of the Louisiana State Employees' Retirement System (LASERS) Audit Services Division (ASD). The objectives of the quality assessment (QA) were to:

- Assess the ASD's conformity to International Standards for the Professional Practice of Internal Auditing (Standards) and Code of Ethics issued by the Institute of Internal Auditors (IIA),
- Evaluate the ASD's effectiveness in carrying out its mission (as set forth in its charter and expressed in the expectations of the LASERS' management),
- Identify opportunities to enhance the ASD's management, work processes, and value to LASERS,
- Identify noteworthy accomplishments.

## SCOPE AND METHODOLOGY

To assist us in accomplishing our objectives, the Director compiled and prepared extensive information in advance of the QA such as audit charter, written procedures, board meeting minutes, staff credentials, ASD's self-assessment report, a sample of engagement workpapers and reports, and selected guides from the QA manual with detailed explanations related to internal audit governance, staff, management, and process. To complete the QA, we analyzed the information provided, conducted interviews with ASD staff, the Audit Committee Chair, and the Executive Director, and reviewed a sample of engagements from the previous five-year period.

## RESULTS

**It is our opinion that the LASERS ASD “generally conforms” to the IIA’s International Standards for the Professional Practice of Internal Auditing.** “Generally conforms” is the highest of three possible ratings and means that practices are in place to ensure the independence, objectivity and proficiency of the ASD. The Appendix has a detailed list of conformance to the Standards.

**We found that the ASD has implemented a number of successful practices including the following:**

- An internal audit charter that defines the purpose, authority, and responsibility of Internal Audit,
- Procedures that require compliance with Internal Auditing Standards and the Code of Ethics,
- An effective quality assurance program, which includes:
  - Continuing professional education requirements,
  - Regular communication with staff,
  - Documented work-paper review,
  - Periodic self-assessment, and
  - External assessment by qualified reviewers
- Annual and engagement level risk assessments for audit planning,
- Use of continuous auditing techniques, and
- Follow up procedures that ensure issue resolution.

**The LASERS ASD staff is exceptionally qualified.** Staff credentials include two Masters of Business Administration degrees and nine professional certifications including:

- Three Certified Public Accountants,
- Three Certified Information Systems Auditors, and
- Three Certified Internal Auditors.

## Appendix A – Assessment Detail & Rating Definitions

### Rating Definitions

**GC – “Generally Conforms”** means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the *Code of Ethics* in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the *Code of Ethics* and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the *Code of Ethics* and has not applied them effectively or has not achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

**PC – “Partially Conforms”** means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the *Code of Ethics*, or a section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the *Code of Ethics* and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

**DNC – “Does Not Conform”** means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the *Code of Ethics*, or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

		GC	PC	DNC
<b>OVERALL ASSESSMENT</b>		✓		
Attribute Standards (1000 through 1300)		GC	PC	DNC
<b>1000</b>	<b>Purpose, Authority, and Responsibility</b>	✓		
<b>1010</b>	Recognizing Mandatory Guidance in the Internal Audit Charter	✓		
<b>1100</b>	<b>Independence and Objectivity</b>	✓		
<b>1110</b>	Organizational Independence	✓		
<b>1111</b>	Direct Interaction with the Board	✓		
<b>1112</b>	Chief Audit Executive Roles Beyond Internal Auditing	✓		
<b>1120</b>	Individual Objectivity	✓		
<b>1130</b>	Impairment to Independence or Objectivity	✓		
<b>1200</b>	<b>Proficiency and Due Professional Care</b>	✓		
<b>1210</b>	Proficiency	✓		
<b>1220</b>	Due Professional Care	✓		
<b>1230</b>	Continuing Professional Development	✓		
<b>1300</b>	<b>Quality Assurance and Improvement Program</b>	✓		
<b>1310</b>	Requirements of the Quality Assurance and Improvement Program	✓		
<b>1311</b>	Internal Assessments	✓		

1312	External Assessments	✓		
1320	Reporting on the Quality Assurance and Improvement Program	✓		
1321	Use of “Conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	✓		
1322	Disclosure of Nonconformance	✓		
<b>Performance Standards (2000 through 2600)</b>		<b>GC</b>	<b>PC</b>	<b>DNC</b>
2000	<b>Managing the Internal Audit Activity</b>	✓		
2010	Planning	✓		
2020	Communication and Approval	✓		
2030	Resource Management	✓		
2040	Policies and Procedures	✓		
2050	Coordination and Reliance	✓		
2060	Reporting to Senior Management and the Board	✓		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	✓		
2100	<b>Nature of Work</b>	✓		
2110	Governance	✓		
2120	Risk Management	✓		
2130	Control	✓		
2200	<b>Engagement Planning</b>	✓		
2201	Planning Considerations	✓		
2210	Engagement Objectives	✓		
2220	Engagement Scope	✓		
2230	Engagement Resource Allocation	✓		
2240	Engagement Work Program	✓		
2300	<b>Performing the Engagement</b>	✓		
2310	Identifying Information	✓		
2320	Analysis and Evaluation	✓		
2330	Documenting Information	✓		
2340	Engagement Supervision	✓		
2400	<b>Communicating Results</b>	✓		
2410	Criteria for Communicating	✓		
2420	Quality of Communications	✓		
2421	Errors and Omissions	✓		
2430	Use of “Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	✓		
2431	Engagement Disclosure of Nonconformance	✓		
2440	Disseminating Results	✓		
2450	Overall Opinions	✓		
2500	<b>Monitoring Progress</b>	✓		
2600	<b>Communicating the Acceptance of Risks</b>	✓		
	<b>Code of Ethics</b>	✓		

## FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
01	Fiscal/IT	JD Edwards User Security Review	This will be a joint project between Audit, Fiscal, and IT. Due to the specialized nature of this project, a third party company may be utilized to co-source an audit of the security. In addition, an evaluation of automated tools available to manage and audit security will be performed. <b>Project 1802 - fieldwork being finalized.</b>	N/A	2/26/2018	
02	Member Services/Fiscal/IT	Optimus Project Implementation (Phase 3)	This is Phase 3 of the Imaging replacement project. Audit's involvement in this project will vary; however, some possible review areas include: Functionality upgrades/enhancements, evaluation of possible online storage of Optimus data and disaster recovery related changes, and electronic forms. <b>Project 1904 - Fieldwork being performed. The initial functionality related to Phase 3/MyLASERS was implemented this fiscal year and the remaining functionality is currently scheduled for completion by the end of FYE 2021.</b>	N/A	7/6/2018	
03	Member Services/Fiscal/IT	Online Self-Service Security (Optimus Project Implementation (Phase 3) related)	This project relates to Phase 3 of the Imaging replacement project. Audit's involvement in this project will be focused on the online self-service security. <b>Project 1908 - Fieldwork being performed. The initial functionality related to self-service security was implemented this fiscal year and the remaining functionality is currently scheduled for completion by the end of FYE 2021.</b>	N/A	7/9/2018	

## FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
04	Investments/Fiscal	Investment manager review	<b>2021 Apollo Global Management - fieldwork being performed. Due to the COVID-19 pandemic, the site visit portion of this review has been delayed to 2021. The performance of the site visit or alternative will be re-evaluated in FYE 2022.</b>	N/A	1/29/2020	
05	Member Services/Fiscal/IT	Employer Self-Service Security	LASERS has a project planned to upgrade the security framework and features with the online portal used by employer agencies. Audit Services will be involved in this project. <b>Project 2126 - fieldwork being performed.</b>	N/A	5/17/2021	
06	IT	IT Security Management Review	The area of focus for this review is Active Directory. IT and Audit plan to partner with a third party firm to complete the technical aspects of this project. The process components of this area will be reviewed by audit. <b>Project 2124 - fieldwork being performed.</b>	N/A	4/27/2021	
07	Fiscal/Executive/IT	Property Control Review	<b>Project 2119 - fieldwork being performed.</b>	Jan-Mar	2/5/2021	
08	Executive/IT	Incident Response Plan Review	LASERS will be performing various testing scenarios/exercises to assist with further developing and improving the Incident Response Plan. Audit Services will be involved in these testing scenarios/exercises. <b>Project 2120 - fieldwork being performed.</b>	Jul-Sep	2/8/2021	
09	Member Services/Fiscal	Employer Agency Reviews	Testing of employer agencies is conducted throughout the fiscal year. As one employer agency review is completed another is started.	Jul-Jun	N/A	N/A
		2121 19th Judicial District Court	<b>Fieldwork being performed.</b>	N/A	3/2/2021	
		2123 Metropolitan Human Services District	<b>Fieldwork being performed.</b>	N/A	3/29/2021	

### FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
		2125 Department of Culture, Recreation, & Tourism and Lt. Governor's Office	<b>Fieldwork being performed.</b>	N/A	4/30/2021	
10	Member Services/Fiscal	Employer Agency Queries	This project consists of a monthly evaluation of automated testing on employer agencies related to proper enrollment of members and rehired retirees and leave reporting for retirees.	Jul-Jun		
			This project consists of the development of new automated testing for employer agencies.	Jul-Jun		
11	Audit Services	Fraud Investigations		Jul-Jun		
12	Investments/Fiscal	NEPC	Investment Consultant.	Jul - Sep		
13	Member Services/Fiscal/IT	myLASERS (FYE 2022)	This project will consist of review and testing of certain security and functionality changes to the myLASERS online portal.	Jul-Jun		
14	IT	IT Security Related Initiatives	Audit Services plans to have involvement in LASERS IT security related initiatives during FYE 2022. Individual projects will be created and resources assigned for each initiative started.	Jul-Jun		
15	Investments/Fiscal	Service Organization Control (SOC) Report Review for Investment Vendors	This is an annual project where Investments and Audit Services perform a review of the SOC reports for LASERS external investment managers and custodian bank, BNY Mellon. SOC for Service Organizations reports are designed to help service organizations that provide services to other entities, build trust and confidence in the service performed and controls related to the services through a report by an independent CPA.	Jul-Sep		

### FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
16	Member Services/Fiscal/IT	GASB 68 Actuarial File Review	<p>This project includes the following:</p> <ul style="list-style-type: none"> <li>- Testing of the actuarial data files submitted to the System Actuary for completion of the GASB 68 audit report.</li> <li>- Review of the GASB 68 audit report.</li> </ul> <p>This will cover the most recent previous fiscal year.</p>	Aug-Oct		
17	Fiscal	External Financial Statement Audit Report and Funding Actuarial Valuation Report Review	<p>This is an annual project that consists of a review of the external financial statement audit report and the funding actuarial valuation report. A cross comparison to the funding actuarial valuation report is also performed as part of this project.</p>	Sep		
18	Audit Services	Audit Charter and Policy Compliance Review	<p>This project will consist of the annual assessment of compliance and completion of the items outlined in the Audit Committee Charter, Audit Services Division Charter, and the Audit Resolution Policy and Procedures. This project will also consist of reviewing these documents to determine if any updates are needed which is formally required every three years.</p>	Oct-Dec		
19	Fiscal/IT	Employer Self-Service (ESS)	<p>This is phase of the ESS project where functionality enhancements will be performed.</p>	Oct-Dec		
20	Executive/IT	Business Continuity/Disaster Recovery	<p>At a minimum, this project will consist of evaluating the quarterly disaster recovery testing exercise and related processes.</p>	Jan-Mar		



## FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
21	Member Services/Fiscal/IT	SOLARIS User Security Update and Review	This will be a consulting and assurance type project. Member Services will be initiating a project to evaluate and update the user security roles in SOLARIS. Audit will provide feedback and recommendations in this area as the suggested updates are being developed and implemented. This project will also include an evaluation of all non-Member Service user security roles in SOLARIS to ensure proper configuration.	Jan-Mar		
22	Member Services	Benefit Calculation Review		Jan-Mar		
23	Investments/Fiscal	Investment manager review		Jan-Mar		
24	All Divisions	Continuous Auditing of Various Processes	Continuous Auditing Queries performed in the following areas: <ul style="list-style-type: none"> <li>- Accounting Processes (SOLARIS)</li> <li>- Accurint Search Activity</li> <li>- Benefits</li> <li>- Death</li> <li>- Disability</li> <li>- Membership</li> <li>- Refunds</li> <li>- Service Purchases</li> <li>- Transfers</li> </ul>			
			This is the project for the research of the exceptions identified during this testing.	Jul-Jun		
			This project consists of the development of new continuous auditing tests.	Jul-Jun		
			This project includes the testing of the actuarial data files submitted to the System Actuary for completion of the funding actuarial valuation. This will cover the most recent previous fiscal year.	Jul-Sep		

## FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
			Review of IRS Form 1099-R issued by LASERS and Empower	Oct-Jan		
			Review of Required Minimum Distributions issued by LASERS and Empower.	Oct-Jan		
25	Audit Services	Audit Services Follow Up Activities	This project consists of follow up on open items from previous projects conducted by the audit division.	Jul-Jun	N/A	
		<b><u>ADMINISTRATIVE WORK</u></b>				
26	Audit Services	Administrative work--including audit committee preparation, preparing audit division budget, updates of the charter, updates of the audit services division procedure manual, audit plan development, staff performance evaluations, travel, etc.			N/A	
		<b><u>UNBUDGETED PROJECTS</u></b>				
27	Audit Services	These projects will consist of those not planned at the start of the fiscal year.			N/A	
		<b><u>PERCENTAGE OF HOURS ALLOCATION</u></b>				
		83.23%	Budgeted Projects			
		2.00%	Follow up Activities			
		6.02%	Unbudgeted Projects			
		8.75%	Administrative Time			
		<b><u>PERFORMANCE MEASURES</u></b>				
		Audit Committee Satisfaction Survey	Feedback will be used to identify improvements.			

### FYE 2022 Audit Plan (Draft)

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
		External Quality Assessment (Peer) Review	Performed once every five years and should receive a "generally complies" rating which is the highest offered.			
		Training hours per auditor	Each auditor must obtain 40 hrs of continuing education each fiscal year.			
		<b><u>STAFFING RESOURCES</u></b>				
		<b><u>Name and Position</u></b>	<b><u>Certifications</u></b>	<b><u>LASERS Audit Experience (Approx.)</u></b>		
		Ryan Babin, Audit Director	Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA)	18 years		
		Hollie Cowell, Staff Auditor	CPA, CIA, CISA	11 years		
		Reece Babin, Staff Auditor	CISA	4 years		
		Nicole Xue, Staff Auditor		3 years		
		Laura Sena, Staff Auditor	CPA, CIA	1 ½ years		

## Multi-Year Audit Plan

Audit / Project	Division(s)	2023	2024	2025	2026	2027	Comments
Investment Manager Review	Investments/Fiscal	X	X	X	X	X	At least one review performed each fiscal year.
Actuarial File Testing (Funding and GASB 68)	Member Services/Fiscal	X	X	X	X	X	Annual project.
Form 1099-R	Fiscal/IT	X	X	X	X	X	Annual project.
Required Minimum Distributions (DROP/IBO Accounts)	Fiscal/IT	X	X	X	X	X	Annual project.
External Financial Statement Audit Report and Actuarial Funding Valuation Report Review	Fiscal	X	X	X	X	X	Annual project.
Benefit Calculation Review	Member Services	X	X	X	X	X	Annual project.
Audit Charter and Policy Compliance Review	Audit Services	X	X	X	X	X	Annual project.
Employer Agency Compliance Reviews	Member Services/Fiscal	X	X	X	X	X	Several projects performed annually.
Fraud Investigations	Audit Services	X	X	X	X	X	Annual project.
SOC Report Review for Investment Vendors	Investments/Fiscal	X	X	X	X	X	Annual project.
Investment Accounting Operational Review	Fiscal	X	X				This project will cover areas not reviewed during Project 1619 Investment Accounting Review.
Excess Benefit Arrangement (IRC 415(b))	Fiscal	X					
Service Purchases, Repay Refunds, and Transfers (In and Out)	Member Services	X					
Annuitant Verifications (International and Over Age 95)	Member Services	X					At least once every 3-5 years. Last review performed in FYE 2018.
Actuarial File Layout Update Project	Executive/Member Services/Fiscal/IT	X					
DROP/IBO processes	Member Services/Fiscal	X					
Records Retention	Executive	X					

### Multi-Year Audit Plan

<u>Audit / Project</u>	<u>Division(s)</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Comments</u>
Refunds	Fiscal	X					
Survivor Non-Calculation Processing	Member Services	X					
Travel Expenditure and Compliance Review	Fiscal	X					
Internal Portfolio Review	Investments/Fiscal	X					At least once every 3-5 years. Last completed during FYE 2019.
Experience Study	Member Services/Fiscal/IT		X				This project will consist of testing the experience study data files before being submitted to the System Actuary.
Customer Service	Member Services		X				This will be a follow-up engagement to Project 1508 to ensure a review of the items that were not covered during this project are assessed.
Agency Governance Review	Executive		X				At least once every five years.
Review of Audit Committee Charter, Audit Services Division Charter, and Audit Resolution Policy & Procedures	Audit Services			X			Performed every three years. Last review completed during FYE 2019.
Internal Quality Assurance Review	Audit Services			X			A full internal quality assurance review is completed in the fiscal year prior to an external quality assurance review. The next external quality assurance review is scheduled for FYE 2021 and then again in FYE 2026.
Custodian Bank	Investments/Fiscal			X			At least once every five years. Last review completed in FYE 2020.
External Quality Assurance Review	Audit Services				X		At least once every five years. Next review planned for FYE 2026.
Ethics Program Review	Executive				X		At least once every five years. Next review planned for FYE 2026.
Business Continuity Plan	Executive					X	At least once every five years. Review planned for FYE 2022.
Investment Consultant	Investments					X	At least once every five years. Review planned for FYE 2022.



**THIS PAGE LEFT BLANK INTENTIONALLY.**





**To: LASERS Audit Committee**  
**From: Ryan Babin**  
**Subject: Customer Service Evaluation Summary**

---

## **EXTERNAL REVIEWS**

### **2104 Louisiana State University**

The survey was completed by two individuals and consisted of all positive responses. Additional comments included:

- In response to “Please provide feedback relating to: improving our audit process and/or customer relationships, specifics regarding the audit that you liked or disliked, etc.”
  - “The auditor's engagement during this process was exceptional to say the least. Even though we were unable to meet in person, and were working hybrid schedules due to the pandemic, Ryan and Laura were able to coordinate efforts and submitting information to complete our engagement. I look forward to working with Ryan and Laura in the future.”

### **2107 Orleans Parish Criminal District Court**

The survey had no responses.

#### **BOARD OF TRUSTEES:**

Beverly Hodges, Board Chair  
Barbara McManus, Vice Chair  
Thomas Bickham  
Virginia Burton

Charles Castille  
Commissioner Jay Dardenne  
Rep. Lance Harris  
Judge William Kleinpeter

Janice Lansing  
Sen. Barrow Peacock  
Lori Pierce  
Hon. John Schroder  
Shannon Templet

Cindy Rougeou, Executive Director



**THIS PAGE LEFT BLANK INTENTIONALLY.**







## EXECUTIVE SUMMARY OF AUDIT REPORTS

### **2101E IRS Form 1099-R Testing**

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on February 8, 2021.

The Internal Revenue Service (IRS) requires that 1099-R forms be reported annually for benefit and refund recipients. The Fiscal Division processes these forms for all benefit recipients of LASERS and submits an electronic data file to the IRS.

This project included a review of the 1099-R forms issued by LASERS for the 2020 tax year. Forms issued by Empower Retirement were not tested. The overall process to generate the 1099-R data and forms is adequate. The 1099-R forms were mailed to benefit recipients prior to the January 31<sup>st</sup> deadline. Four discrepancies were identified and resolved with no further action required. The associated details are as follows:

- One 1099-R form contained an incorrect taxable amount. Fiscal updated the correct amount and issued a corrected 1099R-form.
- Three 1099-R forms contained an incorrect distribution code. Fiscal updated the distribution on one of the forms prior to issuance. Corrected 1099-R forms were issued for the other two individuals.

### **2101F Required Minimum Distribution (RMD) Testing**

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on March 16, 2021.

The Fiscal Division processes RMDs for retirees and beneficiaries of retirees who participated in Deferred Retirement Option Plan (DROP) or took an Initial Benefit Option (IBO), prior to the establishment of the Self Directed Plan (SDP).

The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 increased the RMD age from 70 ½ to 72 for individuals that turned 70 ½ during calendar year 2020. Additionally, the Coronavirus Aid,

#### **BOARD OF TRUSTEES:**

Beverly Hodges, Board Chair  
Barbara McManus, Vice Chair  
Thomas Bickham  
Virginia Burton

Charles Castille  
Commissioner Jay Dardenne  
Rep. Lance Harris  
Judge William Kleinpeter

Janice Lansing  
Sen. Barrow Peacock  
Lori Pierce  
Hon. John Schroder  
Shannon Templet

Cindy Rougeou, Executive Director

Relief, and Economic Security (CARES) Act allowed for 2020 RMDs to be waived. The Fiscal Division incorporated these changes into their process.

This project included a review of the RMDs processed by LASERS for 2020. The process to generate RMDs is adequate. Eight discrepancies were identified and resolved with no further action required. The associated details are as follows:

- Two instances where individuals were not included in the RMD process due to an incorrect status code.
- Four instances where recent retirees were not included in the RMD process due to their retirement being finalized after the RMD process began.
- Unrelated to the RMD process, but identified during RMD research, there were two instances where DROP interest was posted twice. Fiscal has updated their procedures to help identify and correct occurrences of duplicate DROP interest in the future.

### **2104 Louisiana State University (LSU) (External Review)**

This was a planned engagement on the fiscal year end 2021 Audit Plan. The fieldwork for this engagement was completed on April 6, 2021. LSU employs approximately 1,547 LASERS members. No reportable issues were identified during this review.

### **2107 Orleans Parish Criminal District Court (External Review)**

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on March 3, 2021. Orleans Parish Criminal District Court employs approximately 111 LASERS members.

During the review of the Orleans Parish Criminal District Court, the following observations were noted and detailed below:

1. The agency's contribution reporting process should be improved.
2. Retroactive payments not correctly allocated for five individuals.
3. The end of DROP participation process should be improved.

#### **OBSERVATION #1**

According to the LASERS Employer's Guide to Retirement (Chapter 3: Contribution Reporting), the monthly retirement report should include earned compensation of all employees who were paid during the period reported, the monthly base pay of the employee, and individual employee and employer contributions. Contributions are reported through two electronic systems:

- File Transfer Protocol (FTP)
- Employer Self-Service (ESS)

The agency submits their monthly retirement report through ESS. When reporting for the current month in ESS, the previous month's report is used as a starting template and changes are made to this report, as deemed necessary by the agency, to create the current month's report. This approach simplifies the reporting process for the agency since only changes have to be entered instead of a completely new report each month.

The monthly report submission by the agency begins with the HR Director manually generating the agency's payroll system register, which contains the pay details for all employees, including any approved retroactive payments, terminations, and new hires. This information is used to review and manually update the monthly reporting template in ESS. Once this is complete, a separate staff member reviews and approves the reconciliation of the payroll register to the ESS report prior to the final submission of the report to LASERS.

Due to the inherent manual nature of this process, the risk of agency contribution reporting errors is higher. During this review, five individuals were identified with errors in the monthly reports submitted to LASERS. Further details of these errors are as follows:

- One individual should have been included on each monthly contribution report since January 2019, but has not been.
- The agency mistakenly created a duplicate entry on the November 2019 and April 2020 monthly reports for one individual.
- The agency did not report the correct earnings to LASERS for three individuals. The earnings from the agency's payroll system did not match the amount reported to LASERS.

These type of errors could cause service credit and final average compensation to be incorrect for the affected individuals.

#### **RECOMMENDATION #1**

The agency should work with LASERS Fiscal staff and submit the necessary breakdown and adjustments to correct the earnings and contributions for the five individuals cited in the observation above. Furthermore, the agency should perform a review of the monthly reports submitted to LASERS as compared to their computer system and determine if other errors exist. If additional errors are identified, then the agency should work with LASERS Fiscal staff to make corrections accordingly. Target completion date is June 30, 2021.

#### **AGENCY RESPONSE**

The agency agrees with this recommendation. Staff will make active use of the ESS Contribution Reporting Guide and work with Fiscal team to ensure monthly reports are accurate going forward. Additionally, we will document the end to end process (internal process and procedure manual) for consistency in processing the contributions report. As training becomes available through LASERS, staff will be required to participate to ensure processes are up to date. All corrections will be submitted by June 30, 2021.

#### **RECOMMENDATION #2**

The agency should improve their current agency contribution reporting process to ensure the correct information (i.e., base salary, earnings, and contributions) is reported to LASERS for all eligible employees. Procedures should be updated to ensure this is performed. Target completion date is June 30, 2021.

#### **AGENCY RESPONSE**

The agency agrees with this recommendation. We will document the end to end process (internal process and procedure manual) for consistency in processing. As training becomes available through LASERS, staff will be required to participate to ensure processes are up to date.

## **OBSERVATION #2**

Due to reporting issues, agencies may need to submit payments for members for previous months. Retroactive payments occur when a lump sum of contributions for a single member is reported within 12 months of determining the reporting issue. In cases where a lump sum is reported, agencies should correctly calculate the member's employee and employer contributions due based on the rate in effect for the retroactive months.

According to the LASERS ESS Contribution Reporting Guide (section "Processing Pay Adjustments), the "Pay Adjustment" feature in ESS is a method that allows agencies to report and correctly allocate retroactive payments made to members. Note: Retroactive adjustments beyond one year are considered an administrative error and LASERS should be contacted for further direction on processing.

The monthly ESS report is prepared by a staff member using the payroll register which contains retroactive payment information. Another employee reviews and approves the reconciliation between the payroll register to the ESS report prior to its submission.

During this review, it was determined that the agency did not correctly allocate retroactive payments for five individuals. This type of error could cause service credit and final average compensation to be incorrect for the affected individuals.

## **RECOMMENDATION #1**

The agency should work with LASERS Fiscal staff and submit the necessary breakdown and adjustments to correctly allocate the retroactive payments for the five individuals cited in the observation above. Furthermore, the agency should perform a review of the monthly reports submitted to LASERS as compared to their computer system and determine if other errors exist. If additional errors are identified, then work with LASERS Fiscal staff to make corrections accordingly. Target completion date is June 30, 2021.

### **AGENCY RESPONSE**

The agency agrees with this recommendation. The Fiscal Team has provided training on submitting retroactive payments. The process in the User Guide will be followed going forward. We will work with Fiscal to have all corrections submitted by June 30, 2021.

## **RECOMMENDATION #2**

The agency should have a mechanism in place to ensure lump sum retroactive adjustments are properly and consistently processed in ESS. Procedures should be updated to ensure this is performed. Target completion date is June 30, 2021.

### **AGENCY RESPONSE**

The agency agrees with this recommendation. Retroactive payments will be processed and separated to cover months included in the retro. We will document the end to end process (internal process and procedure manual) for consistency in processing. As training becomes available through LASERS, staff will be required to participate to ensure processes are up to date.

## **OBSERVATION #3**

According to the LASERS Employer's Guide to Retirement (Chapter 12: Deferred Retirement Option Plan), the member and the agency will receive an End of DROP notification letter in the mail approximately two months

prior to a member's DROP end date. It is the member's responsibility to contact the agency's Human Resources representative and let them know that they intended to either terminate employment after DROP or continue working after DROP. However, it is also best practice for the agency's Human Resources to track member's approaching DROP end date so that they can work collaboratively with the member to ensure all necessary forms are filed timely. If a member decides to continue working after DROP, contributions to LASERS should resume immediately after DROP termination.

During this review, it was noted that the agency did not correctly resume contributions for four individuals exiting DROP until several months had elapsed. The effect of this is that these employees service credit and, potentially their post-DROP final average compensation, is impacted.

It should be noted that the agency is now using calendar alerts to remind them of approaching DROP end dates.

### **RECOMMENDATION #1**

The agency should remit employee and employer contributions to LASERS for these four individuals from the date DROP participation ended to the period when the agency resumed contributions. Target completion date is June 30, 2021.

### **AGENCY RESPONSE**

The agency agrees with this recommendation. Fiscal has provided training and guidelines for the restart of contributions upon return from DROP. Ongoing we will set a calendar tickler/reminder to alert staff of the restart date of LASERS contributions. Additionally, we will document the end to end process (internal process and procedure manual) for consistency in processing. As training becomes available through LASERS, staff will be required to participate to ensure processes are up to date. We will work with Fiscal to have all corrections submitted by June 30, 2021.

### **RECOMMENDATION #2**

The agency should have a reliable mechanism in place to ensure that retirement contributions resume for employees continuing employment after DROP participation ends. Procedures should be updated to ensure this is performed. Target completion date is June 30, 2021.

### **AGENCY RESPONSE**

The agency agrees with this recommendation. We will document the end to end process (internal process and procedure manual) for consistency in processing, including a calendar tickler/reminder to alert staff of the restart date of LASERS contributions. As training becomes available through LASERS, staff will be required to participate to ensure processes are up to date.

## **2113 Service Organization Control (SOC) Report Review for Investment Vendors**

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on April 16, 2021.

LASERS Investments and Audit Services Divisions perform an annual review of the SOC reports for LASERS external investment managers and custodian bank, BNY Mellon. According to the American Institute of Certified Public Accountants (AICPA), "SOC for Service Organizations reports are designed to help service

organizations that provide services to other entities, build trust and confidence in the service performed and controls related to the services through a report by an independent CPA”. For our purposes, the service organization is the external investment manager or BNY Mellon and the entity/user entity is LASERS. The SOC 1 report includes controls at a service organization relevant to user entities’ internal control over financial reporting.

LASERS requested a SOC 1 report from each external investment manager and BNY Mellon for review. Of the 52 LASERS external investment managers, 18 had a SOC 1 audit performed. BNY Mellon also had a SOC 1 audit performed. All the SOC reports received contained an unqualified opinion with no material or unresolved exceptions. An unqualified opinion is the highest level of opinion that can be issued. Additionally, LASERS reviewed the SOC 1 report section where the controls necessary for user entities was outlined and confirmed, per LASERS staff, that these were present at LASERS.

For the remaining 34 investment managers that did not have a SOC 1 audit performed, 19 provided their third-party administrator SOC 1 reports and confirmed that the complementary user entity controls outlined in the SOC 1 report have been established and functioning properly at their organization.

LASERS also sent a due diligence questionnaire to all 52 investment managers and responses were received from everyone with one exception, Sterling Partners. According to Investments, Sterling is no longer raising funds and has basically moved to minimal operations. LASERS commitment amount to their one fund is \$35 million with a contract expiration date of September 30, 2023. The fund has provided annual audited financials and our consultant will continue to monitor the firm. NEPC’s last review was in December of 2020. The due diligence questionnaire responses were reviewed by Investments and Audit Services and no outstanding issues or concerns remain.

**NOTICE AND AGENDA**  
**Investment Committee Meeting**  
**Thursday, June 24, 2021**  
**1:00 p.m.**

The Investment Committee will meet in the fourth floor Board Room of the Retirement Systems Building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

**Please silence your cell phone before meeting begins**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC COMMENT**

**IV. REGULAR BUSINESS**

1. Approval of the minutes of the May 27, 2021, meeting of the Investment Committee  
**(Action Item)**  
*Janice Lansing, Chair*

**V. NEW BUSINESS**

1. BNY Mellon Custodian Review **(Educational)**  
*Maurice Campbell – Relationship Executive*  
*Christopher Carroll – Vice President, Service Director*  
*Ray Kronz – Vice President, Relationship Manager*
2. Annual Optional Retirement Plan/Self-Directed DROP Review **(Educational)**  
*Dan Beaton, Senior Consultant, NEPC LLC*  
*Laney Sanders, CFA, CAIA – Assistant Chief Investment Officer*
3. May 2021 Performance Review  
*Bobby Beale, CFA, CAIA – Chief Investment Officer*

**VI. OTHER BUSINESS**

**VII. ADJOURNMENT**

**There are no managers on the blackout list**

**NOTE:** If special accommodations are needed please contact this office prior to meeting.



**THIS PAGE LEFT BLANK INTENTIONALLY.**





**Louisiana State Employees' Retirement System  
Investment Committee Meeting**

**May 27, 2021**

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, May 27, 2021, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Janice Lansing, Committee Chair, called the meeting to order at 12:33 p.m. Jennifer Adams, recording secretary, conducted roll call.

\*\*\*\*\*

**ROLL CALL**

Members present: Mr. Thomas Bickham; Ms. Virginia Burton; Mr. Charles Castille; Ms. Beverly Hodges; Judge Will Kleinpeter, Ms. Janice Lansing; Ms. Amy Mathews – Designee of the Treasurer, Mr. Rick McGimsey – Designee, Commissioner of Administration; Ms. Barbara McManus; Ms. Lori Pierce and Ms. Shannon Templet.

Members absent: Mr. John Schroder; Representative Lance Harris and Senator Barrow Peacock

Staff present: Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief of Staff; Ms. Tina Vicari Grant, Executive Counsel; Ms. Beth Labello; Investment Staff: Mr. Bobby Beale, Chief Investment Officer; Ms. Laney Sanders; Mr. Reeves Pearce; Mr. Jacques Brousseau and Ms. Jennifer Adams

Also present: Morgan Robertson, Attorney; Dan Bowden; Jonathan Lyle; Amanda Celestine; Shelley Johnson and Steve Stark

A quorum was declared present and the meeting opened for business. The Chair called for Public Comment. No one appeared before the Committee for public comment.

## **REGULAR BUSINESS**

The committee considered the minutes of the April 22, 2021 Investment Committee meeting. An error in the April 22, 2021, minutes was addressed. Judge Kleinpeter stated under the Private Markets Presentations and Recommendations, 'million' was omitted from the commitment to KKR North America Fund XIII. **Judge Kleinpeter moved, seconded by Mr. Bickham, to approve the revised minutes of the April 22, 2021, Investment Committee meeting. With no further discussion, and no objections, the motion carried.**

## **NEW BUSINESS**

### **Private Equity Presentation and Recommendations**

Apax Digital gave a video presentation via Zoom to the Committee. Afterward, Ms. Sanders and Ms. Melissa Mendenhall reviewed NEPC's recommendation memo. Ms. Sanders and Ms. Mendenhall also gave a brief discussion regarding a commitment to GoldenTree. **Ms. Hodges moved, seconded by Ms. Templet, to commit \$75 million to the Apax Digital Fund II. Ms. Templet moved, seconded by Ms. McManus, to commit \$100 million to the GoldenTree Distressed Fund IV. With no further discussion, and no objections, the motion carried.**

### **LSV Domestic Small Cap Value Portfolio Review**

Mr. Owens and Mr. Swaminathan gave a presentation to the Committee. Mr. Beale and Mr. Barnes reviewed NEPC's Small Cap Value Equity Manager Review, and suggested an extension to the LSV contract. **Ms. Templet moved, seconded by Ms. Hodges, to extend the LSV Domestic Small Cap Value contract through the end of January 2022. With no further discussion, and no objections, the motion carried.**

### **Performance Review**

Mr. Beale reviewed Total Plan performance. He stated that the Total Plan return for April 30, 2021 was 3.0%, making the Total Plan FYTD return 30.0%.

## **OTHER BUSINESS**

No other business was brought before the committee and the meeting adjourned at 2:18 p.m.

\*\*\*\*\*

# LASERS INVESTMENT COMMITTEE

## PROPOSED 2021 AGENDA ITEMS

---

### JANUARY 20 & 21

- Trustee Workshop
- Monthly/YE 2020 Performance Review
- Trustee Education
  - Actuarial Science
  - Laws, Rules and Regulations
  - Investment
- Management Committee/Regular Board Meeting

### FEBRUARY 25

- 4<sup>th</sup> Quarter 2020 Performance Review

### MARCH 25

- Performance Review
- DoubleLine and GoldenTree Global Multi-Sector Contract Discussion/Recommendation**

### APRIL 22 (*Legislative Session convenes 4/12*)

- KKR & Insight Discussion & Recommendation**
- Monthly Performance Review

### MAY 27

- 1st Quarter 2021 Performance Review
- Apax Digital II Private Equity Discussion and Recommendation**
- LSV Domestic Small Cap Value Equity Contract Discussion and Recommendation**

### JUNE 24 (*Legislative Session adjourns 6/10*)

- Monthly Performance Review
- Annual Custodian Review**
- DROP/ORP Review

### JULY 22

- Monthly Performance Review

### AUGUST 26

- Monthly Performance Review
- Baring Asia Private Equity Discussion and Recommendation**

### SEPTEMBER 23

- Monthly Performance Review

### OCTOBER 21

- Monthly Performance Review

### NOVEMBER 18

- Monthly Performance Review
- Internal Funds Portfolio Review
- Annual Trading Report
- Annual Proxy Report

### DECEMBER 9

- Monthly Performance Review
- Investment Division Annual Report

\*All agenda items are subject to change

**BOLD items require a quorum**



**THIS PAGE LEFT BLANK INTENTIONALLY.**



**NOTICE AND AGENDA**  
**Management Committee Meeting**  
**Thursday, June 24, 2021**  
***Immediately following Investment Committee***

The Management Committee will meet in the fourth floor Board Room of the Retirement Systems Building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

**Please silence your cell phone before meeting begins.**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC COMMENT** (allowed upon request before action items)

**IV. REGULAR BUSINESS**

1. Approval of the Minutes of the May 27, 2021 Management Committee Meeting (**Action Item**)

*Shannon Templet, Management Committee Chair*

2. Executive Counsel's Report  
*Tina Grant, Executive Counsel*

**3. Executive Session**

- a. Review of the June 2021 Disability Retirement Report (**Action Item**)  
*Megan Jones, Retirement Benefits Supervisor*

**V. NEW BUSINESS**

1. 2021 Legislative Session Final Report  
*Tina Grant, Executive Counsel*  
*Cindy Rougeou, Executive Director*
2. Addressing Recruitment and Retention in State Government (**Educational**)  
*Byron P. Decoteau, Jr., MSHLD, PHR., SHRM-CP, Director, Louisiana State Civil Service*  
*Sherri Gregoire, General Counsel, Louisiana State Civil Service*

3. Chief of Staff's Comments
  - a. Trustee Education Report
  - b. Monthly Operating Budget Report
  - c. Monthly Pension Administrative Report  
*Trey Boudreaux, Chief of Staff*

4. Executive Director's Comments  
*Cindy Rougeou, Executive Director*

**VI. OTHER BUSINESS**

**VII. ADJOURNMENT**

**NOTE:** If special accommodations are needed, please contact this office prior to meeting.

**Louisiana State Employees' Retirement System  
Management Committee Meeting  
May 27, 2021**

The Management Committee of the Louisiana State Employees' Retirement System met on Thursday, May 27, 2021 in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Shannon Templet, Committee Chair, called the meeting to order at 3:02 p.m. Roll was called by Ms. Beth Labello, recording secretary.

\*\*\*\*\*

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Mr. Charles Castille, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Janice Lansing, Ms. Amy Mathews (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Ms. Lori Pierce, and Ms. Shannon Templet

Members absent: Senator Ed Price and Representative Lance Harris

Staff present: Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief of Staff; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Ryan Babin, Audit Director; Mr. Dan Bowden, IT Director; Mr. Steve Stark, Deputy General Counsel; Ms. Morgan Robertson, Attorney; Mr. Artie Fillastre, Chief Financial Officer; Ms. Tonja Normand, Public Information Director; Mr. Mark Diaz, Public Information Officer; Ms. Megan Jones, Retirement Benefit Supervisor; Mr. Jonathan Lyle, IT Technical Support Specialist; Ms. Amanda Celestine, Executive Management Officer; and Ms. Beth Labello, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster

\*\*\*\*\*

A quorum was announced present and the meeting opened for business.

**Public Comment**

Ms. Templet called for public comment. No public comments were made.

### **Regular Business**

Ms. Templet called for approval of the April 22, 2021 Management Committee minutes. **Ms. McManus moved, seconded by Judge Kleinpeter, to approve the minutes. With no objection or discussion, the motion carried.**

Ms. Templet announced there were no disability denials this month.

**Ms. McManus moved, seconded by Judge Kleinpeter, to approve the May 2021 Disability Report. With no objection or discussion, the motion carried.**

In the Executive Counsel's report, Ms. Grant stated there was nothing new to report.

### **New Business**

Ms. Jones reviewed the list of alternate physicians to be added to the State Medical Disability Board.

**Ms. McManus moved, seconded by Mr. Bickham, to recommend that the Board approve the list of physicians submitted as alternate physicians to the State Medical Disability Board. With no objection or discussion, the motion carried.**

Ms. Johnson presented actuarial science education entitled, "LASERS 2021 General Actuarial Update".

Mr. Boudreaux reviewed the Chief of Staff's comments.

Ms. Rougeou reviewed the Executive Director's comments. She briefly reviewed the Trustee's educational requirements that need to be met for this training period.

Ms. Rougeou explained a P&N cyber incident. LASERS IT staff reviewed the incident and determined that the affected files did not contain any personal information of any of LASERS members, and no further action is required. However, LASERS will be implementing changes in the process of providing information to external vendors, which includes: redacting personal information within files sent, sending files through LASERS secured file transfer system, adding data security language to third party contracts, and implementing data governance policies & processes.

Ms. Rougeou announced that the unclassified executive vacancy has been filled by Mr. Travis McIlwain, who will start at LASERS on June 28, 2021 as the Chief Administrative Officer.

### **Other Business**

There was no further business to discuss.

### **Adjournment**

The meeting adjourned at 3:57 p.m.



**Final Bill List as of 6/15/21**  
**2021 Regular Session of the Louisiana Legislature**

**IMPACTS LASERS**

<b>Bill #</b>	<b>Author</b>	<b>Description</b>	<b>Position</b>	<b>Status</b>
<b>HB 19</b>	Mack	Provides relative to the selection of certain optional survivor benefits for members of the Louisiana State Employees' Retirement System.	Neutral	<b>Act 137</b> Effective 8/1/21
<b>HB 516</b>	Zeringue	Makes supplemental appropriations of \$8.4 million for IUAL.	No Position	<b>Act 120</b> Effective 6/7/21
<b>SB 22</b>	Peacock	Provides relative to retirement eligibility for certain new members of LASERS, TRSL & LSERS.	Oppose	<b>Failed</b>
<b>SB 24</b>	Price	Provides relative to a Cost of Living Adjustment (COLA) and for related matters.	Support	<b>Act 37</b> Effective 6/1/21

**OF INTEREST TO LASERS**

<b>Bill #</b>	<b>Author</b>	<b>Description</b>	<b>Position</b>	<b>Status</b>
<b>HCR 7</b>	M. Johnson	Memorializes Congress to take actions necessary to review and eliminate or reduce the GPO and the WEP.	Support	<b>Passed</b>
<b>HR 23</b>	Harris	Commends the Louisiana State Employees' Retirement System on the occasion of its 75th anniversary.	No Position	<b>Passed</b>
<b>SR 15</b>	Price	Commends the Louisiana State Employees' Retirement System on the occasion of its 75th anniversary.	No Position	<b>Passed</b>
<b>SB 190</b>	Smith	Transfers the operation and maintenance of stationary weight enforcement scale locations from DPS&C to DOTD.	No Position	<b>Passed</b>



**THIS PAGE LEFT BLANK INTENTIONALLY.**



## June 2021 Management Committee Meeting Chief of Staff's Comments

### **Fiscal Division**

- Fiscal is continuing to work with Disability Retirees on submitting their annual Disability Earned Income Statements and supporting documentation, which are due by July 1st to avoid having their August benefit suspended. As of June 8th, 168 had not returned their Earned Income Statements and supporting documentation.
- Postlethwaite & Netterville will begin their audit of LASERS financial statements on June 14th with interim fieldwork. Final fieldwork is scheduled to begin August 2nd.
- The following E-forms are available on myLASERS for members to submit for processing:
  - Authorization for Direct Deposit Form
  - DROP Withdrawal Form
  - Refund of Accumulated Contributions Form

### **Information Technology**

- MyLASERS release 5 is in production and release 6 is being developed now. Release 6 will have new features.
- The Optimus technical upgrade project is complete and in production.
- The Kofax technical upgrade is ongoing and the Statement of Work is complete.
- Act 37 (SB24) Cola work has begun.
- The Employer Self-Service Project is making good progress. All 12 of the initial 12 security flaws have been fixed. We will now move to the next phase of the project.
- The Audit of LASERS technical Active Directory system is complete. We have 17 findings that are being remediated now.
- Final negotiations are underway with software vendors to secure a new three licensing contract to use Microsoft products.
- The project to replace the old legacy Help Desk software with Zendesk is underway. Currently Help Desk staff is in training.
- IT is preparing for the full annual external penetration test scheduled for June.
- There are no unusual or notable data security issues for May 2021.
- The IT Service Desk reports an on-time delivery of IT services of 98.06% of SLA for May 2021.
- Top search terms for the LASERS website this month are DROP, AIR TIME & 300 HOURS PAID LEAVE.

### **Member Services Division**

- The LASERS Education Department (LED) resumed the CPTP Module 4: LASERS Agency Training workshop for human resources personnel via the Microsoft Teams virtual platform. There were 18 attendees in the June 3<sup>rd</sup> workshop. This is the first CPTP course to be held

since February 2020. This agency training is a vital part of the Human Resource training provided to agencies across the state. Feedback received thus far has been very positive.

- Member Services responded to a public records request for the Delaware Office of Pensions regarding procedural information on vital documents requested at the time of retirement, specifically when an applicant's name at birth has changed by the time of retirement.
- Recent member comments:
  - *"Danielle [Henning] was fantastic, thorough and very pleasant...I did not have a clue about retirement and she made it very easy to understand. Danielle is an asset to LASERS."*
  - *"I appreciate Derek [Harris]. He was very professional, listened, and completely answered all my questions."*

**Louisiana State Employees' Retirement System**  
**2020-2021 Trustee Training Report\***  
**Total Education Hours as of 6/16/21**

	Investments (8 Hours Required)	Actuarial Science (4 Hours Required)	Fiduciary Duty and Ethics (2 Hours Required)	Laws, Rules and Regulations (2 Hours Required)	TOTAL
Trustee	# of Hours	# of Hours	# of Hours	# of Hours	
Bickham, Thomas	11.5	3.25	2.5	1.5	18.75
Broussard, John <sup>2</sup>	13	8	2	2	25
Burton, Virginia	15.5	5.25	2.5	2.5	25.75
Castille, Charles	14.25	3.25	2.5	1.5	21.5
Goodson, Barbara <sup>1</sup>	0	0	0	0	0
Harris, Lance	1	0	0	0	1
Hodges, Beverly	11.5	3.25	2.5	1.5	18.75
Kleinpeter, William	10	4.25	2.5	1.5	18.25
Lansing, Janice	8.5	4.25	2.5	1.5	16.75
Mack, James <sup>2</sup>	0	0	0	0	0
Mathews, Amy <sup>2</sup>	12.5	5.25	2.5	3	23.25
McGimsey, Rick <sup>1</sup>	9.5	3.25	2.5	1.5	16.75
McManus, Barbara	16.75	3.25	2.5	1.5	24
Peacock, Barrow	9	2	2	0.5	13.5
Pierce, Lori	21.75	3.25	2.5	1.5	29
Qualls, Philip <sup>2</sup>	0	0	0	0	0
Schroder, John	0	0	0	0	0
Templet, Shannon	10.5	4.25	2.5	1.5	18.75

<sup>1</sup> Designee of the Commissioner of Administration

\* Reporting Period is September 1 to August 31

<sup>2</sup> Designee of the Treasurer



**THIS PAGE LEFT BLANK INTENTIONALLY.**





## Fiscal Division

### OPERATING BUDGET REPORT

May 31, 2021

(Unaudited)

Category	2019-2020 Actual	2020-2021 Budget	Monthly Expenses	2020-2021 YTD Actual	Remaining Balance	2020-21 % of Budget	2019-20 % of Actual
Personnel	\$ 15,575,610	\$ 16,426,300	\$ 1,778,534	\$ 14,169,178	\$ 2,257,122	86%	89%
Travel Expenses	83,172	181,000	197	2,560	178,440	1%	48%
Operating Services	2,989,077	3,178,800	101,719	2,738,011	440,789	86%	80%
Professional Services	500,733	577,000	22,638	317,701	259,299	55%	63%
Acquisitions	279,215	247,000	113,137	196,480	50,520	80%	49%
<b>TOTAL</b>	<b>19,427,807</b>	<b>20,610,100</b>	<b>2,016,225</b>	<b>17,423,930</b>	<b>3,186,170</b>	<b>85%</b>	<b>86%</b>
Investment Fees	25,608,912	36,000,000	2,798,719	25,909,113	10,090,887	72%	65%
<b>GRAND TOTAL</b>	<b>\$ 45,036,719</b>	<b>\$ 56,610,100</b>	<b>\$ 4,814,944</b>	<b>\$ 43,333,043</b>	<b>\$ 13,277,057</b>	<b>77%</b>	<b>73%</b>

### CAPITAL OUTLAY BUDGET REPORT

May 31, 2021

(Unaudited)

Category	Total Project Budget	2014-2020 LTD Actual	2020-2021 YTD Actual	Total Project Expenses	Remaining Balance	% of Budget Used
Operating Services	\$ 469,278	\$ 142,278	\$ 228,083	\$ 370,361	\$ 98,917	79%
Professional Services	4,869,120	4,201,452	173,415	4,374,867	494,253	90%
Acquisitions	697,304	669,944	24,038	693,982	3,322	100%
<b>GRAND TOTAL</b>	<b>\$ 6,035,702</b>	<b>\$ 5,013,674</b>	<b>\$ 425,536</b>	<b>\$ 5,439,210</b>	<b>\$ 596,492</b>	<b>90%</b>



**Board of Trustees**  
**Benefit Payees Added During Period**  
**5/1/2021 to 5/31/2021**

**Regular**

Under Age 55 at Retirement	10
Age 55-59 at Retirement	25
Age 60+ at Retirement	66
Total	101
Minimum Benefit	\$255
Maximum Benefit	\$12,582
Minimum Age	45
Maximum Age	83
Minimum Years Service	5
Maximum Years Service	41
Average Age	62
Average Service	24
Average Gross Benefit	\$2,944

**Disability**

Total	0
Minimum Benefit	\$0
Maximum Benefit	\$0
Minimum Age	0
Maximum Age	0
Minimum Years Service	0
Maximum Years Service	0
Average Age	0
Average Service	0
Average Gross Benefit	\$0

**Survivor**

Total	1
Minimum Benefit	\$1,954
Maximum Benefit	\$1,954
Minimum Age	60
Maximum Age	60
Minimum Years Service	17
Maximum Years Service	17
Average Age	60
Average Service	17
Average Gross Benefit	\$1,954

**Beneficiary**

Total	35
Minimum Benefit	\$217
Maximum Benefit	\$5,983
Minimum Age	40
Maximum Age	79
Minimum Years Service	10
Maximum Years Service	39
Average Age	59
Average Service	25
Average Gross Benefit	\$1,681

**Drop Accruals**

Total	42
Average Age	57
Average Service	25
Average Gross Benefit	\$2,889



## June 2021 Management Committee Meeting Executive Director's Comments

### JLCB

- Our budget was approved at the June 4<sup>th</sup>, Joint Legislative Committee on the Budget meeting.

### Unclassified Evaluations

- The unclassified evaluations will be presented to the Board in July.

### NASRA

- The NASRA conference will be held virtually August 9<sup>th</sup> – 11<sup>th</sup>.
- Please let Beth know if you would like to sign-up.
- We hope to once again show the sessions on the big screen in our CTV room if you would like to watch there.

### LAPERS

- LAPERS will be September 12<sup>th</sup> – 14<sup>th</sup>, at the New Orleans Marriott. Please let Beth know if you would like to attend.

### Independence Day Holiday

- Our office will be closed on Monday, July 5<sup>th</sup>, in observance of Independence Day.

### PID Update

- 2021 Board of Trustees Election - Nominations close July 13<sup>th</sup>. Three positions are open for active members and 1 for a retired member.
- To date, we have received the following candidate nominations:
  - Active Member: Byron Decoteau, Amy Mathews
  - Retired Member: Barbara McManus
- LASERS 75<sup>th</sup> Anniversary Celebration – Promoting through social media, print and digital publications, and our website. We are currently working on the anniversary video.
- 2021 Regular Legislative Session – the LASERS website reflects the outcome of retirement legislation and a final recap was sent out via Member Connection.

- myLASERS – PID is continuing promotion of the new features through email, social media, and tutorial videos.
- June Link Employee Newsletter is available on the Board Portal of the website.
- Current PID Stats:
  - Website Pageviews: 63,408
  - Website Users: 19,609
  - Facebook Followers: 2,222
  - Twitter Followers: 686
  - YouTube Subscribers: 615
  - Paperless Beam Subs: 4,880
  - MINT Email Subscribers: 4,868
  - Member Connection Subs: 66,420

**NOTICE AND AGENDA**  
**Board Meeting**  
**Thursday, June 24, 2021**  
***Immediately following Management Committee***

The Board of Trustees will meet in the fourth floor Board Room of the Retirement Systems Building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC COMMENT** (allowed upon request before action items)

**IV. REGULAR BUSINESS**

1. Approval of the Minutes of the May 27, 2012<sup>1</sup> Board Meeting (**Action Item**)  
*Beverly Hodges, Board Chair*
2. Report and Recommendations of the Audit Committee (**Action Item**)  
*Judge William Kleinpeter, Audit Committee Chair*
3. Report and Recommendations of the Investment Committee (**Action Item**)  
*Janice Lansing, Investment Committee Chair*
4. Report and Recommendations of the Management Committee (**Action Item**)  
*Shannon Templet, Management Committee Chair*
5. Acknowledgement of Receipt of Administrative Errors Report/Documentation (**Action Item**)  
*Tina Grant, Executive Counsel*

**V. NEW BUSINESS**

1. LASERS New Employee  
*Cindy Rougeou, Executive Director*

**VI. OTHER BUSINESS**

**VII. ADJOURNMENT**

**NOTE:** If special accommodations are needed, please contact this office prior to meeting.



**THIS PAGE LEFT BLANK INTENTIONALLY.**



**Louisiana State Employees' Retirement System  
Regular Board Meeting  
May 27, 2021**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, May 27, 2021, in the fourth floor Board Room of the Retirement Systems Building, located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Beverly Hodges, Chair, called the meeting to order at 3:59 p.m. Roll call was conducted by Ms. Beth Labello, recording secretary.

\*\*\*\*\*

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Mr. Charles Castille, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Janice Lansing, Ms. Amy Mathews (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Ms. Lori Pierce, and Ms. Shannon Templet

Members absent: Senator Ed Price and Representative Lance Harris

Staff present: Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief of Staff; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Ryan Babin, Audit Director; Mr. Dan Bowden, IT Director; Mr. Steve Stark, Deputy General Counsel; Ms. Morgan Robertson, Attorney; Mr. Artie Fillastre, Chief Financial Officer; Ms. Tonja Normand, Public Information Director; Mr. Mark Diaz, Public Information Officer; Ms. Megan Jones, Retirement Benefit Supervisor; Mr. Jonathan Lyle, IT Technical Support Specialist; Ms. Amanda Celestine, Executive Management Officer; and Ms. Beth Labello, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster

\*\*\*\*\*

A quorum was declared present and the meeting opened for business. Ms. Hodges called for public comment. No public comments were made.

**Regular Business**

Ms. Hodges called for approval of the minutes of the April 22, 2021 Board Meeting. **Ms. Templet moved, seconded by Ms. McManus, to approve the minutes. With no objection or discussion, the motion passed.**

Ms. Lansing reported the Investment Committee met on Thursday, May 27, 2021 and had the following items to report:

**Ms. Lansing moved, seconded by Judge Kleinpeter, to commit \$75 million to the Apax Digital Fund II, and to commit \$100 million to the GoldenTree Distressed Fund IV. With no objection or discussion, the motion passed.**

**Ms. Lansing moved, seconded by Judge Kleinpeter, to extend the LSV Domestic Small Cap Value contract through the end of January 2022. With no objection or discussion, the motion passed.**

Mr. Castille reported the Legislative Committee met on Thursday, May 27, 2021 and had the following item to report:

**Mr. Castille moved, seconded by Judge Kleinpeter, to support House Concurrent Resolution 7 by Rep. Johnson. With no objection or discussion, the motion passed.**

Ms. Templet reported the Management Committee met on Thursday, May 27, 2021 and had the following items to report:

**Ms. Templet moved, seconded by Ms. McManus, to approve the May 2021 Retirement Disability Report. With no objection or discussion, the motion passed.**

**Ms. Templet moved, seconded by Ms. McManus, to approve the list of physicians submitted as alternate physicians to the State Medical Disability Board. With no objection or discussion, the motion passed.**


**Ms. McManus moved, seconded by Ms. Lansing, to acknowledge receipt of the administrative errors report and documentation. With no objection or discussion, the motion carried.**

#### **New Business**

There was no new business to discuss.

#### **Adjournment**

With no other business to discuss, the meeting adjourned at 4:03 p.m.



---

Cindy Rougeou, Executive Director



## 2021 Committee Assignments

**Beverly Hodges, Board Chair**

**Management Committee**

Shannon Templet, Chair  
Thomas Bickham  
Virginia Burton  
Charles Castille  
\*Barbara Goodson/Richard McGimsey  
Representative Lance Harris  
Beverly Hodges  
William Kleinpeter  
Janice Lansing  
\*\*Amy Mathews/John Broussard  
James Mack/Philip Qualls  
Barbara McManus  
Lori Pierce  
Senator Ed Price/Barrow Peacock

**Investment Committee**

Janice Lansing, Chair  
Thomas Bickham  
Virginia Burton  
Charles Castille  
\*Barbara Goodson/Richard McGimsey  
Representative Lance Harris  
Beverly Hodges  
William Kleinpeter  
\*\*Amy Mathews/John Broussard  
James Mack/Philip Qualls  
Barbara McManus  
Lori Pierce  
Senator Ed Price/Barrow Peacock  
Shannon Templet

**Barbara McManus, Vice Chair**

**Legislative Committee**

Charles Castille, Chair  
Thomas Bickham  
Virginia Burton  
\*Barbara Goodson/Richard McGimsey  
Representative Lance Harris  
Beverly Hodges  
William Kleinpeter  
Janice Lansing  
\*\*Amy Mathews/John Broussard  
James Mack/Philip Qualls  
Barbara McManus  
Lori Pierce  
Senator Ed Price/Barrow Peacock  
Shannon Templet

**Audit Committee**

William Kleinpeter, Chair  
Virginia Burton  
Beverly Hodges  
Rick McGimsey  
Barbara McManus  
Lori Pierce

\*Designee – Commissioner - D of A

\*\*Designee – Treasurer Schroder



**THIS PAGE LEFT BLANK INTENTIONALLY.**

