



Assurance Report

2123 Metropolitan Human Services District (MHSD)

June 29, 2021

Dr. Rochelle Head-Dunham, MHSD Executive Director
Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

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

1. Incorrect amount of unused leave certified for one retiree.
2. Agency contribution reports and payments not submitted to LASERS in a timely manner.

BACKGROUND

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on June 28, 2021. MHSD employs approximately 107 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

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

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

- Accurately reports payroll, earnings, and contributions information to LASERS.
- Accurately and timely enrolls eligible individuals into LASERS.
- Performs retirement and post retirement processing in an accurate and timely manner.

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Cindy Rougeou, Executive Director

LASERS Benefits Louisiana.

Procedures used to complete this engagement included:

- Interviewing LASERS and MHSD staff.
- Reviewing relevant personnel and payroll records.
- Reviewing records from the State of Louisiana Retirement Information System (SOLARIS).
- Reviewing data obtained from LaGov Human Capital Management (HCM).
- Analyzing LASERS member records using Audit Command Language (ACL).
- Conducting other inquiries considered necessary to achieve engagement objectives.

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

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. INCORRECT AMOUNT OF UNUSED LEAVE CERTIFIED FOR ONE RETIREE

OBSERVATION

During this review, it was determined that an incorrect amount of unused leave was certified for one retiree which caused an error in the payment issued to the member upon retirement. For this individual, the unused leave amount was understated approximately 300 hours. According to the agency, leave balances are certified after the final payroll has been processed and termination pay has been reduced from the leave balance. Before the certification is sent to LASERS, Human Resources at the agency reviews ADP, the agency's payroll system, to verify the remaining leave balance. It should be noted that during this review the agency has provided the corrected leave form to LASERS for this retiree.

RECOMMENDATION #1 (CLOSED)

The agency should work with LASERS staff, as necessary, to properly resolve the retiree cited in this observation. Target completion date is August 31, 2021.

AGENCY RESPONSE

The agency agrees with this recommendation. A corrected Leave Certification Form was submitted to LASERS on June 29, 2021.

RECOMMENDATION #2 (CLOSED)

The agency should review their procedures and process currently in place and make any necessary updates to ensure the unused leave balances are certified to LASERS in an accurate and timely manner. Target completion date is September 30, 2021.

AGENCY RESPONSE

The agency agrees with this recommendation. The Human Resources Division will ensure that all transactions submitted to LASERS are verified by the Human Resources Director and initialed, before being submitted. MHSD will also attach the payroll report the balances were captured from to the LASERS documentation.

2. AGENCY CONTRIBUTION REPORTS AND PAYMENTS NOT SUBMITTED TO LASERS IN A TIMELY MANNER

OBSERVATION

During this review, it was determined that the agency did not submit their monthly agency contribution reports and payments to LASERS in a timely manner for nine of the twenty-three months from July 2019 through May 2021.

According to R.S. 11:281B(1), all payments of employers' contributions and employees' contributions, including any payments due from the state of Louisiana which are paid after becoming delinquent, shall include interest to be paid to the retirement system at the rate of legal interest computed from the date the payment became delinquent. Additionally, LASERS Liaison Memorandum 07-09 states, it is LASERS policy to collect interest on agency employer and employee contributions when an Agency Retirement Report and/or the contributions due are delinquent.

These delinquencies resulted in over \$840 of interest to be assessed. In addition to the interest due from these delinquencies, this delay also impacts the timeliness of information available to LASERS members employed by the agency, as well as other administrative inefficiencies within LASERS processes.

RECOMMENDATION

The agency should make the necessary changes to ensure that monthly contribution reports and payments are submitted timely to LASERS. The target completion date is September 30, 2021.

AGENCY RESPONSE

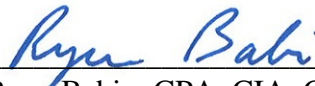
The agency agrees with this recommendation. The Fiscal Division will ensure all payments are remitted timely. To accomplish this, we will begin processing LASERS remittances during the first week of the month. Once remittance amount is known, we will process the payment.

FOLLOW-UP

A follow-up to this engagement will not be scheduled at this time. Audit Services will maintain this information on a tracking report. These items will be tracked until they are closed.



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Auditor



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