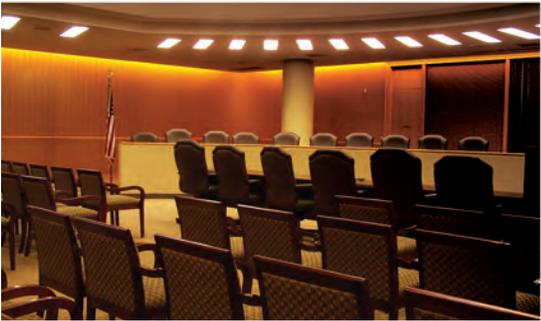


LASERS Benefits Louisiana.

Louisiana State Employees'
Retirement System



Board Book



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NOTICE AND AGENDA
Audit Committee Meeting
Thursday, September 23, 2021
1:00 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 June 24, 2021, meeting of the Audit Committee (**Action Item**)

William Kleinpeter, Chair

2. FYE 2022 Audit Projects Status Update

Ryan Babin, Audit Director

V. NEW BUSINESS

1. External Audit Report for FYE 2021 (**Action Item**)

Bonnie Marcantel, Postlethwaite & Netterville

Don McLean, Postlethwaite & Netterville

Courtney Robertson, Postlethwaite & Netterville

2. Building Fund Audit Report for FYE 2021

Ryan Babin, Audit Director

3. Audit Staff Continuing Education Report for FYE 2021

Ryan Babin, Audit Director

4. Semi-Annual Review of Open Items Report

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
June 24, 2021**

The Audit Committee of the Louisiana State Employees' Retirement System met on Thursday, June 24, 2021 in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. McManus, on behalf of Judge Kleinpeter, Committee Chair, called the meeting to order at 12:33 p.m. Roll was called by Ms. Beth Labello, recording secretary.

Members Present: Ms. Virginia Burton, Ms. Beverly Hodges, Judge William Kleinpeter, Mr. Rick McGimsey (designee of the Commissioner), 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. Dan Bowden, IT Director; Investment Staff: Ms. Laney Sanders, Mr. Jacques Brousseau, Mr. Darren Fournierat, Mr. Reeves Pearce, Ms. Celeste Funderburk and Ms. Jennifer Adams; Mr. Osama Amous, IT Technical Support Specialist; and Ms. Beth Labello, recording secretary

Also Present: Mr. Charles Castille and Mr. Thomas Bickham, Trustees; Ms. Amy Mathews, Designee of the Treasurer; Mr. Travis McIlwain, Division of Administration; Mr. Joey David, House Retirement Committee; Ms. Laura Gail Sullivan and Ms. Lebra Bias, Senate Counsel; and Mr. Don McLean and Ms. Courtney Robertson, Postlethwaite & Netterville

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

Public Comment

Ms. Rougeou introduced Mr. Travis McIlwain who will become LASERS Chief Administrative Officer on June 28, 2021. She also introduced Ms. Lebra Bias, Senate Counsel for Judiciary A.

Regular Business

Ms. McManus, on behalf of Judge Kleinpeter, called for approval of the minutes of the March 20, 2021 Audit Committee Meeting. **Judge Kleinpeter moved, seconded by Ms. Hodges, to approve the minutes. With no objection or discussion, the motion carried.**

Mr. Babin reviewed the fiscal year ending 2021 Audit Projects Status Report. **Ms. Hodges moved, seconded by Ms. Burton, to approve the FYE 2021 audit plan changes as presented. With no objection or discussion, the motion carried.**

New Business

Mr. Don McLean, with Postlethwaite & Netterville (P&N), gave an introductory presentation on the Fiscal Year 2021 External Audit.

Mr. Babin reviewed the Louisiana Compliance Questionnaire. **Ms. McManus moved, seconded by Ms. Burton, to recommend the Board approve the Louisiana Compliance Questionnaire, as presented. With no objection or discussion, the motion carried.**

Mr. Babin reviewed the External Quality Assessment Review Report. The opinion on the report was that LASERS “generally conforms” to the IIA’s Internal Standards for the Professional Practice of Internal Auditing. This is the highest possible rating.

Mr. Babin reviewed the fiscal year 2022 Audit Plan, including an overview of the multi-year plan. **Ms. Hodges moved, seconded by Ms. Burton, to recommend the Board approve the 2022 Audit Plan, as presented. With no objection or discussion, the motion carried.**

Mr. Babin reviewed the customer service evaluation survey results, which consisted of all positive responses.

Mr. Babin reviewed the executive summary of audit reports.

Mr. Babin provided a follow up discussion regarding the P&N cyber incident, which was discussed at the Management Committee meeting in May 2021. P&N plans to send a letter to LASERS confirming that none of the information that was exfiltrated was of a sensitive nature.

Ms. Rougeou announced that she spoke with Jenifer Schaye, General Counsel for the Legislative Auditor, regarding the lack of language in their standard contracts in reference to protection and security of data. Ms. Schaye will be working with Ms. Grant to add language to LASERS external auditor contracts.

Other Business

No other business was discussed.

Adjournment

The meeting adjourned at 1:22 p.m.

FYE 2022 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. Project 1802 - fieldwork being finalized.	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. Project 1904 - Fieldwork being finalized. The initial functionality related to Phase 3/MyLASERS was implemented last fiscal year and the early part of this fiscal year.	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. Project 1908 - Fieldwork being finalized. The initial functionality related to Phase 3/MyLASERS was implemented last fiscal year and the early part of this fiscal year.	N/A	7/9/2018	
04	Investments/Fiscal	Investment manager review	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 is in the process of being re-evaluated.	N/A	1/29/2020	

FYE 2022 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
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. Project 2126 - fieldwork being performed.	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. Project 2124 - fieldwork and summary reporting being finalized.	N/A	4/27/2021	
07	Fiscal/Executive/IT	Property Control Review	Project 2119 - fieldwork being performed. This project has been temporarily placed on hold until the completion of the external audit in late September.	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. Project 2120 - fieldwork being performed.	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	Fieldwork being performed.	N/A	3/2/2021	
		2122 Baton Rouge Community College	Fieldwork being performed.	N/A	3/29/2021	
		2123 Metropolitan Human Services District	Completed.	N/A	3/29/2021	6/29/2021
		2204 Louisiana State University Health Sciences Center Shreveport	Fieldwork being performed.	N/A	8/16/2021	

FYE 2022 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
		2205 Department of Revenue & Taxation	Fieldwork being performed.	N/A	8/19/2021	
		2206 Department of Corrections	Fieldwork being performed.	N/A	8/19/2021	
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	7/1/2021	
			This project consists of the development of new automated testing for employer agencies.	Jul-Jun	7/1/2021	
11	Audit Services	Fraud Investigations		Jul-Jun	7/1/2021	
12	Investments/Fiscal	NEPC	Investment Consultant. Project 2203 - fieldwork being performed.	Jul - Sep	7/20/2021	
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 and Other Related Initiatives	Audit Services plans to have involvement in LASERS IT security and other IT related initiatives during FYE 2022. Individual projects will be created and resources assigned for each initiative/change where audit is involved.	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		7

FYE 2022 Audit Plan

#	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"> - Testing of the actuarial data files submitted to the System Actuary for completion of the GASB 68 audit report. - Review of the GASB 68 audit report. <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> <p>Project 2207 - fieldwork being performed.</p>	Sep	9/9/2021	
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

#	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	<p>Continuous Auditing Queries performed in the following areas:</p> <ul style="list-style-type: none"> - Accounting Processes (SOLARIS) - Accurint Search Activity - Benefits - Death - Disability - Membership - Refunds - Service Purchases - Transfers <p>This is the project for the research of the exceptions identified during this testing.</p>	Jul-Jun	7/1/2021	
			<p>This project consists of the development of new continuous auditing tests.</p>	Jul-Jun	7/1/2021	

FYE 2022 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
			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. Project 2201D - fieldwork being performed.	Jul-Sep	7/1/2021	
			Review of IRS Form 1099-R issued by LASERS and Empower. Project 2201E - fieldwork being performed.	Aug-Jan	8/13/2021	
			Review of Required Minimum Distributions issued by LASERS and Empower. Project 2201F - fieldwork being performed.	Aug-Jan	8/23/2021	
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	
		<u>ADMINISTRATIVE WORK</u>				
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	
		<u>UNBUDGETED PROJECTS</u>				
27	Audit Services	These projects will consist of those not planned at the start of the fiscal year.			N/A	
		<u>PERCENTAGE OF HOURS ALLOCATION</u>				
		83.74%	Budgeted Projects			
		2.00%	Follow up Activities			

FYE 2022 Audit Plan

#	Division	Engagement Name	Status/Comments	Planned Start Period	Actual Start Date	Actual Completion Date
		5.51%	Unbudgeted Projects			
		8.75%	Administrative Time			
		<u>PERFORMANCE MEASURES</u>				
		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.			
		<u>STAFFING RESOURCES</u>				
		<u>Name and Position</u>	<u>Certifications</u>	<u>LASERS Audit Experience (Approx.)</u>		
		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		

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**RETIREMENT SYSTEMS' BUILDING
MANAGEMENT PARTNERSHIP**

Financial Statements with Supplementary Information

June 30, 2021

(With Independent Auditors' Report Thereon)

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

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Stephen M. Griffin, CPA
Robert J. Furman, CPA

Jessica S. Benjamin, Director
Racheal D. Alvey, Director

Members

American Institute of
Certified Public Accountants
Society of LA CPA's

Independent Auditors' Report

Retirement Systems' Building Management Partnership
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Retirement Systems' Building Management Partnership (the Partnership), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Partnership as of June 30, 2021, and the respective changes in its net position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2021, on our consideration of the Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Partnership's internal control over financial reporting and compliance.

Griffin & Furman, LLC

August 24, 2021

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Management's Discussion and Analysis

For the Year Ended June 30, 2021

The following is management's discussion and analysis of the financial performance of the Retirement Systems' Building Management Partnership. It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements, including notes to the financial statements.

Financial Highlights

- Net position decreased \$293,210 for the year ended June 30, 2021 to \$3,204,829.
- Revenue over expenses in the current fiscal year decreased by \$84,195 to \$468,526.
- Operating expenses increased \$3,632 from 2020 to \$1,065,157.
- There were \$761,736 in distributions of capital assets to the partners during the current fiscal year.

Overview of the Financial Statements

The explanation of the financial statements is as follows:

Balance Sheet – This statement presents the assets, liabilities, and net position as of June 30, 2021.

Statement of Revenue and Expenses – This statement presents the results of the Partnership's operations during the year ended June 30, 2021. It discloses the net revenues over expenses.

Statement of Changes in Net Position – This statement presents the changes that occurred during the year in the Partnership's net position.

Statement of Cash Flows – This statement reflects the cash inflows and outflows that have a direct impact on the cash account for each year presented.

Notes to Financial Statements – The notes provide additional information that is essential to understand the data presented in the financial statements

Retirement Systems' Building Management Partnership Financial Analysis

The Partnership was created for the purpose of managing and maintaining the immovable property, owned by partners located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Rental revenue is used to pay the Partnership expenses and build up equity to meet unforeseen needs and planned upgrades to the building and grounds. Revenue over expenses for the year ended June 30, 2021 amounted to \$468,526, a decrease of \$84,195 compared to \$552,721 for the year ended June 30, 2020. Expenses were \$1,065,157 for the year ended June 30, 2021 as compared to \$1,061,525 for the year ended June 30, 2020, an increase of \$3,632.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Management's Discussion and Analysis

For the Year Ended June 30, 2021

Condensed Balance Sheets as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Total assets	\$ <u>3,229,977</u>	<u>3,525,131</u>	<u>(295,154)</u>
Current liabilities	25,148	27,092	(1,944)
Net position	<u>3,204,829</u>	<u>3,498,039</u>	<u>(293,210)</u>
Total liabilities and net position	\$ <u>3,229,977</u>	<u>3,525,131</u>	<u>(295,154)</u>

Net position decreased \$293,210 from 2020 to 2021. The decrease in unrestricted net position is primarily due to large capitalizable projects incurred in the current year that were recorded as distributions to partners.

Condensed statements of revenues and expenses for the years ended June 30:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating revenues	\$ 1,533,683	1,614,246	(80,563)
Operating expenses	<u>1,065,157</u>	<u>1,061,525</u>	<u>3,632</u>
Revenues over expenses	468,526	552,721	(84,195)
Distributions	<u>(761,736)</u>	<u>(814,481)</u>	<u>52,745</u>
Change in unrestricted net position	\$ <u>(293,210)</u>	<u>(261,760)</u>	<u>(31,450)</u>

Revenue over expenses in the 2021 fiscal year decreased \$84,195 or 15% from 2020.

Capital Improvements

The Partnership does not own any property. The partners own all the immovable and moveable property. Improvements or additions to the property are financed through the Partnership and are treated as distributions to the partners.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Retirement System's Building Management Partnership, 8401 United Plaza Boulevard, Third Floor, Baton Rouge, Louisiana, 70809.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Balance Sheet

June 30, 2021

Assets

Current assets:

Cash and cash equivalents	\$	320,871
Total current assets		<u>320,871</u>

Other assets:

Cash designated for long-term purposes		2,907,566
Prepaid expenses		<u>1,540</u>

\$ 3,229,977

Liabilities and Net Position

Accounts payable	\$	25,148
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Unrestricted net position:

Teachers' Retirement System of Louisiana (50% interest)	\$	1,602,415
Louisiana State Employees' Retirement System (50% interest)		<u>1,602,414</u>

Total unrestricted net position 3,204,829

\$ 3,229,977

See accompanying notes to financial statements.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Statement of Revenues and Expenses

For the Year Ended June 30, 2021

Revenues:			
Rent - related party	\$	1,530,540	
Interest income		3,092	
Other income		<u>51</u>	
Total revenues			1,533,683
Expenses:			
Repairs and maintenance		502,744	
Utilities		322,988	
Payroll expense		127,615	
Management fee		38,796	
Other expenses		<u>73,014</u>	
Total expenses			<u>1,065,157</u>
Revenues over expenses			<u>\$ 468,526</u>

See accompanying notes to financial statements.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Statement of Changes in Net Position

For the Year Ended June 30, 2021

	<u>Teachers' Retirement System of Louisiana</u>	<u>Louisiana State Employees' Retirement System</u>	<u>Total</u>
Balance, June 30, 2020	\$ 1,749,020	1,749,019	3,498,039
Add:			
Revenues over expenses	234,263	234,263	468,526
Deduct:			
Distributions	<u>(380,868)</u>	<u>(380,868)</u>	<u>(761,736)</u>
Balance, June 30, 2021	\$ <u><u>1,602,415</u></u>	<u><u>1,602,414</u></u>	<u><u>3,204,829</u></u>

See accompanying notes to financial statements.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Statement of Cash Flows

For the Year Ended June 30, 2021

Cashflows from operating activities:		
Rents received	\$	1,530,540
Interest received		3,092
Other fees and revenue		51
Cash paid to suppliers		<u>(1,058,221)</u>
Net cash provided by operating activities		475,462
Cashflows from investing activities:		
Transfers from cash designated for long-term purposes		56,270
Cashflows from financing activities:		
Distributions to partners		<u>(761,736)</u>
Net decrease in cash and cash equivalents		(230,004)
Cash - beginning of year		<u>550,875</u>
Cash - end of year	\$	<u><u>320,871</u></u>
Reconciliation of revenues over expenses to net cash provided by operating activities:		
Revenues over expenses	\$	468,526
Adjustments to reconcile operating loss to net cash used by operating activities:		
Changes in assets and liabilities:		
Decrease in prepaid expenses	\$	8,880
Decrease in accounts payable		<u>(1,944)</u>
Total adjustments		<u>6,936</u>
Net cash provided by operating activities	\$	<u><u>475,462</u></u>

See accompanying notes to financial statements.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

(a) Business Operation of Partnership

The Partnership between Teachers' Retirement System of Louisiana and the Louisiana State Employees' Retirement System was formed July 1, 1992.

The Partnership was created for the purpose of managing and maintaining the office building owned by the partners located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Rental income is used to pay the expenses of the Partnership and any excess revenue may be distributed to the partners.

Under *Governmental Accounting Standards Board* Statement No. 61, "The Financial Reporting Entity," the definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Partnership considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or if there is a potential for the organization to provide specific financial burdens to, or to impose specific financial burdens on the Partnership. The Partnership determined there are no organizations that are fiscally dependent on it and there are no component units of the Partnership.

(b) Basis of Accounting

The Partnership has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. The financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when liabilities are incurred and revenues are recorded in the accounting period they are earned and become measurable. The Partnership accrues expenses associated with environmental remediation obligations when such expenses are probable and reasonably estimable. Accruals for estimated expenses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Notes to Financial Statements

June 30, 2021

(2) Unrestricted Designations

Unrestricted designations represent funds that the management and managing partners of the Retirement Systems' Building Management Partnership have designated to provide a reserve for maintenance emergencies and building improvements. Total unrestricted designations, presented as "cash designated for long-term purposes" on the balance sheet, was \$2,907,566 at June 30, 2021.

(3) Cash and Cash Equivalents

Under state law, the Partnership may deposit funds in demand deposit, interest bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Partnership had cash and cash equivalents (book balances), including cash designated for long-term purposes, totaling \$3,228,437 at June 30, 2021.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge or securities. The market value of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent. These securities are held by the pledging financial institution's trust department or agent, in the Partnership's name.

At June 30, 2021, the Partnership had \$3,242,332 in deposits (collected bank balances) of which \$250,000 was covered by Federal Deposit Insurance Corporation. The remainder was collateralized by securities held by the custodial bank in the Partnerships name, in the amount of \$2,992,332.

(4) Related Party Transactions

The partners agree on the amount of rent to be paid annually. The total amount of rent paid for the year ended June 30, 2021 was \$1,530,540. Teachers' Retirement System of Louisiana paid \$830,369 and Louisiana State Employees' Retirement System paid \$700,171 for the year ended June 30, 2021.

(5) Management Fee

The Partnership has a management agreement for \$3,233 per month in effect through June 30, 2021. However, either party may cancel this management agreement for any reason effective thirty days after receipt of written cancellation notice. The total amount of management fees paid for the year ended June 30, 2021 was \$38,796. The Partnership reimburses the manager for all payroll and security guard costs based on approvals of the partners.

(6) Subsequent Events

The Partnership evaluated all subsequent events through the date of the audit report, the date the financial statements were available to be issued. As a result, the Partnership noted no subsequent events that required adjustment to, or disclosure in, these financial statements.



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Jessica S. Benjamin, Director
—
Members
American Institute of
Certified Public Accountants
Society of LA CPA's

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Retirement Systems' Building Management Partnership
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Retirement Systems' Building Management Partnership (the Partnership), as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements and have issued our report thereon dated August 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

August 24, 2021

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Schedule of Findings and Management Corrective Action Plan

June 30, 2021

Summary of Audit Results:

1. Type of Report Issued – Unqualified
2. Internal Control Over Financial Reporting
 - a. Significant Deficiencies – No
 - b. Material Weaknesses - No
3. Compliance and Other Matters – No
4. Management Letter - No

RETIREMENT SYSTEMS' BUILDING MANAGEMENT PARTNERSHIP

Status of Prior Year Findings

June 30, 2021

Not applicable

Continuing Professional Education (CPE) hours for Audit Staff

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
Hollie Cowell				
	<i>2021</i>			
		7/16/2020	Delivering Data-Driven Controls Confidence in a Dynamic World (Protiviti)	1
		7/16/2020	Intentional Leadership: How to be a Powerful and Impactful Leader in Today's Environment (Workiva)	1
		7/23/2020	Scripting Your Way to Automation (Galvanize)	3
		7/27/2020	The Role of Internal Audit in Fraud Prevention (IIA)	1
		8/6/2020	Preparing Your Script for Robots (Galvanize)	1
		9/3/2020	Managing IT Risk in Government (Galvanize)	1
		9/16/2020	Galvanize Intermediate Analytics	10
		10/30/2020	Ethics Course for Louisiana CPAs in Non-Public Practice (LCPA)	3
		11/5/2020	Not For Profit Tax Update (P&N)	1
		11/9/2020	Internal Audit's Role in Ethics, Governance, and Culture Webinar (CPE.io)	1
		11/9/2020	How Analytics Should be Used in Control Testing (AuditNet)	1
		11/12/2020	Enhanced Fraud Detection with Data Analytics (AuditNet)	1
		2/11/2021	The Accelerated Evolution of Internal Audit (AuditBoard)	1
		2/18/2021	5 Ways to Optimize Your Audit Efforts for More Strategic Focus (AuditBoard)	1
		2/23/2021	Internal Audit in the Wake of a Crisis (BDO)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		2/24/2021	Internal Auditors Bridge the Gap from Traditional To “Agile” Approach with Technology (MetricStream)	1
		3/9/2021	The 5 Second Rule: Achieve Breakthrough Performance in Your Career & Life (Workiva)	1
		3/10/2021	Hacking Multifactor Authentication: An IT Pro's Lessons Learned After Testing 150 MFA Products (KnowBe4)	1
		3/10/2021	Driving Impact and Influence Through Data-Driven Auditing and Automation (IIA)	1
		3/11/2021	Internal Audit: Helping Organizations Manage Risk (Brown Smith Wallace)	1
		3/16/2021	The State of Internal Audit Competency: Opportunities for Internal Audit Practitioners (IIA)	1
		3/24/2021	Agility in IA: Getting the Right Things Done (Wolters Kluwer)	1
		3/25/2021	Data Analytics: The Magic Tool of Fraud Detection (Wolters Kluwer)	1
		4/15/2021	IT Audit's Perspectives on the Top Technology Risks for 2021 (AuditBoard)	1
		5/26/2021	Emotional Intelligence (Brown Smith Wallace)	1
		5/26/2021	Top Risks Organizations Face in 2021 (Brown Smith Wallace)	1
		5/26/2021	How to Address Cyber Vulnerabilities for Your Business (Brown Smith Wallace)	1
		6/15/2021	Risk-Scoring Journal Entries Using Data Analytics (AuditNet)	1
		6/15/2021	Exploring Agile Auditing (IIA)	1
		6/16/2021	Take Control of Your Internal Controls (Galvanize)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		6/22/2021	Internal Audit and IT Audit's Role in Digital Transformation (BDO)	1
		Total Hours for Fiscal Year		44
Laura Sena	<i>2021</i>			
		7/15/2020	Data Analytic Innovations for a Remote Auditing Environment (cRisk Academy)	1
		7/15/2020	Data Analytic Innovations for a Remote Auditing Environment (cRisk Academy)	1
		7/16/2020	CyberSecurity Update (AuditNet)	1
		7/21/2020	The Role of Internal Audit in Fraud Prevention (IIA)	1
		8/6/2020	Detecting Outliers with Data Analytics (AuditNet)	1
		8/11/2020	Using Advanced Analytics to Move into Continuous Monitoring (Protiviti)	1
		8/18/2020	Advancing Audits Using Data Analytics (IIA)	1
		9/15/2020	Cracking The Decency Code, The Leader's Path to Integrity and Trust (IIA)	1
		9/17/2020	Ethics Course for Louisiana CPAs in Non-Public Practice (LCPA)	3
		10/19/2020	Governance Over AI and Robotics (IIA)	1
		2/11/2021	The Accelerated Evolution of Internal Audit (AuditBoard)	1
		2/11/2021	How Can Internal Audit React to the Advanced Persistent Threat of Supply Chain Attacks (Galvanize)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		2/18/2021	5 Ways to Optimize Your Audit Efforts for More Strategic Focus (AuditBoard)	1
		2/23/2021	Internal Audit in the Wake of a Crisis (BDO)	1
		3/3/2021	How One Government Internal Audit Shop Increased Their Capacity 4x with Automated Analytics (Galvanize)	1
		3/4/2021	Why You Need a Holistic Approach to Your GRC Activities (AuditBoard)	1
		3/11/2021	Internal Audit: Helping Organizations Manage Risk (Brown Smith Wallace)	1
		3/16/2021	The State of Internal Audit Competency: Opportunities for Internal Audit Practitioners (IIA)	1
		3/17/2021	15 Must-Have KRIs for Robust IT risk Management (Galvanize)	1
		3/17/2021	15 Must-Have KRIs for Robust IT risk Management (Galvanize)	1
		3/25/2021	Internal Auditors in an Era of Disruption (AuditBoard)	1
		4/8/2021	Internal Audit's Digital Transformation Imperative: Advances Amid Crisis (AuditBoard)	1
		4/13/2021	Our Path Forward in Advancing the Profession (IIA)	1
		4/14/2021	Houston IIA 2021 Annual Conference	12
		4/22/2021	The Evolution of Cyber Risk (AuditBoard)	1
		4/22/2021	Harmonized Control Framework (AuditBoard)	1
		5/26/2021	How to Address Cyber Vulnerabilities for Your Business (Brown Smith Wallace)	1
		5/26/2021	Emotional Intelligence (Brown Smith Wallace)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		6/15/2021	Exploring Agile Auditing (IIA)	1
		6/22/2021	Internal Audit and IT Audit's Role in Digital Transformation (BDO)	1
Total Hours for Fiscal Year				43

Nicole Xue

2021

		9/16/2020	How to make your life easier with automated ITGC testing (Galvanize)	1
		9/16/2020	Internal Audit's Role in assessing Cyber Resiliency (Grant Thornton)	1
		10/8/2020	Audit + Beyond Event (AuditBoard)	10
		10/15/2020	Death of the Tick Mark: How Internal Audit Can Become Better Than Normal (Galvanize)	1
		11/5/2020	Scenario-Based Cybersecurity Assessments for Internal Audit (Grant Thornton)	1
		11/19/2020	Using Advanced Analytics to Move into Continuous Monitoring (Audit & Beyond)	1
		12/14/2020	Internal Audit's Role in Business Continuity Planning (Grant Thornton)	1
		12/15/2020	OnRisk 2021: A Guide to Understanding, Aligning, and Optimizing Risk (IIA)	1
		2/11/2021	How Can Internal Audit React to the Advanced Persistent Threat of Supply Chain Attacks (Galvanize)	1
		2/18/2021	5 Ways to Optimize Your Audit Efforts for More Strategic Focus (AuditBoard)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		3/3/2021	How One Government Internal Audit Shop Increased Their Capacity 4x with Automated Analytics (Galvanize)	1
		3/11/2021	Internal Audit: Helping Organizations Manage Risk (Brown Smith Wallace)	1
		3/11/2021	Importing PDFs, Reports via ODBC in Analytics (Galvanize)	1.5
		3/17/2021	15 Must-Have KRIs for Robust IT risk Management (Galvanize)	1
		3/17/2021	FCPA Enforcement Actions - Lessons Learned (Grant Thornton)	1
		3/18/2021	Stay on Top of Risks: Rediscover Internal Audit with Agility (Metric Stream)	1
		3/18/2021	Analyzing Datetime Fields in Analytics (Galvanize)	3.5
		4/1/2021	Internal Audit's Role in Establishing An Effective Cloud Security Program (Grant Thorton)	1
		4/8/2021	Automating User Access Reviews: How to Optimize and Mature your Identity Governance Program (Galvanize)	1
		4/12/2021	ACL Robotics - Scripting Your Way to Automation	3
		4/12/2021	ACL Robotics - Preparing Your Script for Robots	1
		4/14/2021	How to Apply the Best Takeaways from IIA GAM 2021 (Galvanize)	1
		4/21/2021	Best Practices for Project Assurance: Pre/Post-Implementation System Reviews (Grant Thornton)	1
		5/26/2021	How to Address Cyber Vulnerabilities for Your Business (Brown Smith Wallace)	1
		6/15/2021	Long Term Trends and Opportunities in Private Market Investing (Pension & Investments)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		6/15/2021	Private Placement Debt (Pension & Investments)	0.5
		6/15/2021	Lessons From a Direct Investor Anyone Can Use (Pension & Investments)	1
		6/16/2021	What Role Should Private Assets Play in an Institutional Portfolio and the Question of Benchmarking (Pension & Investments)	1
		6/17/2021	ESG in Private Markets (Pension & Investments)	1
		6/17/2021	Cybersecurity and Identity Intelligence (Pension & Investments)	0.5
Total Hours for Fiscal Year				43

Reece Babin

2021

		7/2/2020	Best Practices for When to Deploy Cloud-Delivered Network Security (ISACA)	1
		7/2/2020	Introduction to the Risk IT Framework (ISACA)	1
		7/2/2020	Mitigating the Security Risks of a Remote Workforce During a Crisis (ISACA)	1
		7/2/2020	Create a Vendor Risk Management Program (ISACA)	1
		7/6/2020	Using Security Automation to Better Adapt in Challenging Times (ISACA)	1
		7/6/2020	The Human Factor: Malicious Insiders vs. Negligent End Users (ISACA)	1
		7/6/2020	Learn to Think Like a Hacker to Stop Attacks Faster (ISACA)	1
		7/7/2020	The Role of the CISO and the Digital Security Landscape (ISACA)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		7/7/2020	Protecting Privacy: Analytics and the Data Life Cycle (ISACA)	1
		7/8/2020	Fix a Critical Hole in Your Security Posture (ISACA)	1
		7/16/2020	Insider Risk: Managing the Delicate Balance of Trust and Privacy (ISACA)	1
		8/4/2020	Cloud IAM is the New Perimeter, Learn How to Govern It or Lose Control (ISACA)	1
		9/16/2020	How to make your life easier with automated ITGC testing (Galvanize)	1
		1/6/2021	Data Security Trends Impacting IT Auditing (ISACA)	1
		1/7/2021	Developing Efficiencies in Cloud Security (ISACA)	1
		1/11/2021	Data Protection in the Cloud (ISACA)	1
		1/13/2021	Beyond the Alerts – What to Focus on When You Detect Alerts (ISACA)	1
		1/14/2021	The Year Ahead: Making Cybersecurity (More) Predictable (ISACA)	1
		1/22/2021	Transforming the CISO (ISACA)	1
		1/22/2021	Why the Call for Zero Trust? (ISACA)	1
		1/26/2021	Risk Management in Action: 4 Key Pillars for Achievable Resilience (ISACA)	1
		2/11/2021	The Accelerated Evolution of Internal Audit (AuditBoard)	1
		2/18/2021	The 4 Pillars of Active Directory Security (ISACA)	1
		2/23/2021	Five Easy Steps to a Smoother Cybersecurity Audit Experience (ISACA)	1
		2/25/2021	Data Protection for Cloud-first Organizations (ISACA)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		3/11/2021	Get Ahead of Your Audits (ISACA)	1
		3/11/2021	Reporting Cybersecurity Risk to the Board of Directors (ISACA)	1
		3/12/2021	Mastering Cybersecurity Asset Management - Once and For All (ISACA)	1
		3/12/2021	All Roads Lead to Risk (ISACA)	1
		3/15/2021	Exploring Privacy Trends, Challenges & Predictions (ISACA)	1
		3/16/2021	COVID-19: ISACA's CRISC Certification & IT Risk Certificate (ISACA)	1
		3/16/2021	How to Protect Against Adversarial Machine Learning (ISACA)	1
		3/16/2021	Security & Privacy Compliance in Work from Home Situations (ISACA)	1
		3/17/2021	15 Must-Have KRIs for Robust IT risk Management (Galvanize)	1
		3/18/2021	Improving Operational Maturity using an Automation First Approach (ISACA)	1
		3/18/2021	Key Components of a World-Class Cybersecurity Management Program (ISACA)	1
		3/18/2021	Stay on Top of Risks: Rediscover Internal Audit with Agility (MetricStream)	1
		3/30/2021	Test Beyond the Tech (ISACA)	1
		4/1/2021	2021 Cyber Threats, Trends & Mitigation (ISACA)	1
		4/8/2021	Internal Audit's Digital Transformation Imperative: Advances Amid Crisis (AuditBoard)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		4/13/2021	Enabling Cybersecurity Accountability for the Enterprise (ISACA)	1
		Total Hours for Fiscal Year		41
Ryan Babin	<i>2021</i>			
		7/14/2020	CPTP Conflict Management	0.5
		7/15/2020	Data Analytic Innovations for a Remote Auditing Environment (cRisk Academy)	1
		7/16/2020	CyberSecurity Update (AuditNet)	2
		7/22/2020	What No One Tells You About Third-Party Risk Management: How To Embrace the Unknowns (Galvanize)	1
		7/27/2020	The Role of Internal Audit in Fraud Prevention (IIA)	1
		8/6/2020	Detecting Outliers with Data Analytics (AuditNet)	1
		8/13/2020	Auditing Organizational Culture (IIA)	1
		8/13/2020	How to Adopt a Disciplined Approach to Identifying and Managing IT Risk (Galvanize)	1
		9/18/2020	Galvanize Intermediate Analytics	10
		10/16/2020	Ethics Course for Louisiana CPAs in Non-Public Practice (LCPA)	3
		1/13/2021	IT Audit's Perspectives on the Top Technology Risks for 2021 (Protiviti)	1
		2/11/2021	The Accelerated Evolution of Internal Audit (AuditBoard)	1
		2/11/2021	How Can Internal Audit React to the Advanced Persistent Threat of Supply Chain Attacks (Galvanize)	1

<i>Auditor</i>	<i>Fiscal Year End</i>	<i>Date</i>	<i>Description</i>	<i>CPE Hours</i>
		2/18/2021	5 Ways to Optimize Your Audit Efforts for More Strategic Focus (Audit Board)	1
		3/11/2021	Internal Audit: Helping Organizations Manage Risk (Brown Smith Wallace)	1
		3/16/2021	The State of Internal Audit Competency: Opportunities for Internal Audit Practitioners (IIA)	1
		3/24/2021	Agility in IA: Getting the Right Things Done (Wolters Kluwer)	1
		4/14/2021	Houston IIA 2021 Annual Conference	12
		5/17/2021	Disruptive Innovation Disrupting Internal Audit (IIA)	1
Total Hours for Fiscal Year				41.5



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**Engagement #
and Title**

Item # Observation

Recommendation/Audit Comments

2107 Orleans Parish Criminal District Court	01A 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: <ul style="list-style-type: none">•File Transfer Protocol (FTP)•Employer Self-Service (ESS) <p>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.</p> <p>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.</p>	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. 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. <p>August 2021 Update (Audit Services): The agency has not submitted the necessary information to correct the records for the affected individuals. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.</p>
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New items will appear on this report after we present the reports at our quarterly Audit Committee meeting. Items will be marked closed when evidence is presented and verified. This report will be presented semi-annually to the Audit Committee.

**Engagement #
and Title**

Item # Observation

Recommendation/Audit Comments

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.

2107 Orleans Parish
Criminal
District Court

01B

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

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. 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.

August 2021 Update (Audit Services):
The agency has not completed the updates noted in the recommendation. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.

New items will appear on this report after we present the reports at our quarterly Audit Committee meeting. Items will be marked closed when evidence is presented and verified. This report will be presented semi-annually to the Audit Committee.

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

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**Engagement #
and Title**

Item # Observation

Recommendation/Audit Comments

affected individuals.

2107 Orleans Parish
Criminal
District Court

02A

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.

2107 Orleans Parish
Criminal

02B

Due to reporting issues, agencies may need to submit payments for members for previous months.

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. 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.

August 2021 Update (Audit Services):

The agency has not submitted the necessary information to correct the records for the affected individuals. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.

The agency should have a mechanism in place to ensure lump sum retroactive adjustments are properly and consistently

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and Title**

Item # Observation

Recommendation/Audit Comments

District Court

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.

processed in ESS. Procedures should be updated to ensure this is performed. Target completion date is June 30, 2021. 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.

August 2021 Update (Audit Services):
The agency has not completed the updates noted in the recommendation. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.

2107 Orleans Parish
Criminal
District Court

03A

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

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. The agency agrees with this recommendation. Fiscal has provided training and guidelines for the restart of contributions upon return

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**Engagement #
and Title**

Item # Observation

Recommendation/Audit Comments

		<p>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.</p> <p>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.</p> <p>It should be noted that the agency is now using calendar alerts to remind them of approaching DROP end dates.</p>	<p>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.</p> <p>August 2021 Update (Audit Services): The agency has not remitted the necessary information to LASERS for the affected individuals. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.</p>
2107	Orleans Parish Criminal District Court	03B 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	<p>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. 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.</p> <p>August 2021 Update (Audit Services): The agency has not completed the updates noted in the</p>

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***Engagement #
and Title***

Item # Observation

Recommendation/Audit Comments

member decides to continue working after DROP, contributions to LASERS should resume immediately after DROP termination.

recommendation. A follow-up on this recommendation will be performed by Audit Services by December 31, 2021.

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.

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and Title**

Item # Priority Observation

Recommendation/Audit Comments

1604 IT Security Management Review	03 2 - Medium	<p>According to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-92, a log is a record of the events occurring within an organization's systems and networks. Logs are composed of log entries; each entry contains information related to a specific event that has occurred within a system or network. Many logs within an organization contain records related to computer security. These computer security logs are generated by many sources, including security software, such as antivirus software, firewalls, and intrusion detection and prevention systems; operating systems on servers, workstations, and networking equipment; and applications.</p> <p>The number, volume, and variety of computer security logs have increased greatly, which has created the need for computer security log management-the process for generating, transmitting, storing, analyzing, and disposing of computer security log data. Log management is essential to ensuring that computer security records are stored in sufficient detail for an appropriate period of time. Routine log analysis is beneficial for identifying security incidents, policy violations, fraudulent activity, and operational problems. Logs are also useful when performing auditing and forensic analysis, supporting internal</p>	<p>IT should evaluate the current environment and establish policies and procedures to create an effective log management program.</p> <p>The corrective action plan for this item is noted below.</p> <p>Immediate Remediation Action Plan (COMPLETED) If there are reasons to believe that a security anomaly has occurred, the Adaptive Security Appliance (ASA) and anti-malware logs will be reviewed and anomalies will be addressed by the IT Security Administrator. Currently, this will remain a manual process. In addition, Malware reports will be generated weekly to identify ongoing security risks and will be followed up on by the IT Security Administrator.</p> <p>Further Remediation Planned IT plans to perform the following additional corrective action to address this item:</p> <ul style="list-style-type: none"> •A review will be done of the NIST infrastructure logging recommendations and a standard IT policy for governance of logging along with applicable supporting procedures will be developed that will address, at a minimum, the following: <ul style="list-style-type: none"> o What is monitored with logging software. o What is monitored without logging software. o Validation of process. o Notification structure for failure to follow policy. •An evaluation and recommendation will be made of available software to effectively aggregate and manage logging based on current best practices. <p>August 2017 Update (IT): At this time, LASERS IT has reviewed QRadar, Splunk, and Microsoft Azure services (OMS). All solutions have pros and</p>
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**Engagement #
and Title**

Item # Priority

Observation

Recommendation/Audit Comments

investigations, establishing baselines, and identifying operational trends and long-term problems.

A fundamental problem with log management that occurs in many organizations is effectively balancing a limited quantity of log management resources with a continuous supply of log data. Log generation and storage can be complicated by several factors, including a high number of log sources; inconsistent log content, formats, and timestamps among sources; and increasingly large volumes of log data. Log management also involves protecting the confidentiality, integrity, and availability of logs. Another problem with log management is ensuring that security, system, and network administrators regularly perform effective analysis of log data.

Additionally, NIST recommends that organizations should:
Establish policies and procedures for log management.
Prioritize log management appropriately throughout the organization.
Create and maintain a log management infrastructure.
Provide proper support for all staff with log management responsibilities.
Establish standard log management operational processes.

According to IT, the monitoring of logs only

cons either expensive to purchase or expensive to implement/maintain. Further review and testing is needed to determine the best value for LASERS. Request change of target date to June 30, 2018.

September 2018 Update (IT):
LASERS IT has implemented a log management solution with vendor support to assist with refining the alerting process. After this refining process is complete, a process for how the system is managed will be developed if needed. Request change of target date to March 31, 2019.

April 2019 Update (IT):
The draft is not complete at this time. Please extend the timeline to June 30, 2019.

September 2019 Update (IT):
QRadar has been implemented and systems are continuing to be added for analysis. At present, too many false messages are presented to investigate regularly. LASERS has contracted with an external provider to assist with the continued setup and tuning of QRadar this fiscal year. Definition for what devices/systems are monitored and which rules apply will be documented in the software configuration. An update will be provided by December 31, 2019.

February 2020 Update (IT):
QRadar monitoring is continuing to be refined. Currently the stats are as follows:

Daily received messages: 20 million
Potential offenses needing research: 10-15/day

The goal of the implementation of log tracking has been to a) implement a solution and b) analyze everything that produces logs. The implementation of a policy and procedures is

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Observation

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occurs if an issue arises that requires a review of the logs to help identify how the problem occurred. For IT to continuously monitor LASERS logs for potential security weaknesses and other issues, IT would have to currently perform this manually.

secondary. The challenge has been to analyze every potential offense with current staff resources. Work is continuing with our partner to remove false positives from the daily offenses, but this is a slow process.

- Security: authentication, thread analysis, thread blocking,
- Application Services: application, database, email, file share, file transfer, web,
- Infrastructure: firewall, hypervisor, wireless points,

An update will be provided by December 31, 2020.

December 2020 Update (IT):
Refinement of the QRadar monitoring system is continuing. Recent updates have narrowed the alerts almost to a manageable regular reviewable amount (< 10 / Day). When reached, a process will be put in place to define the review process. An update to be provided by March 30, 2021.

June 2021 Update (IT):
The refinement is an ongoing process. Any formal review process is pending the completion of the Incident Response (IR) process. Further updates pending the IR process completion. An update will be provided March 31, 2022.

1604 IT Security Management Review 13 2 - Medium

A LASERS employee can access their email on their mobile device in two ways. One way is to utilize the LASERS webmail website which requires them to log into their account the same way they would if they were at home using their computer. This can be tedious for users who frequently check their email. To solve this problem, LASERS IT implemented the AirWatch software that securely makes their LASERS email readily available on their mobile device. To utilize AirWatch, the user must

IT should develop and implement a review and monitoring process to ensure all users and devices connected to LASERS via AirWatch are in compliance with the IT controls and requirements.

Immediate Remediation Action Plan (COMPLETED)
All AirWatch controls of requiring a passcode have been corrected. Email controls and the control to disallow "jailbroken" phones to connect to LASERS email has been verified. There were no exceptions noted. The term "jailbroken" refers to a process of removing software restrictions placed on the device by either the manufacturer or carrier/seller. Default restrictions

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be approved and also consent to allowing IT to utilize AirWatch to set controls on their device.

According to IT procedure, the AirWatch application is configured to require a device to have a passcode in order to connect to their LASERS email. This is an important control because without a passcode, if a device is lost or stolen, someone outside of LASERS would have instant access to LASERS information. To ensure security rules are enforced, IT uses the AirWatch management console to establish and monitor the security access and device controls for all approved users.

During this review, it was identified that the device passcode requirement was not enforced for 20 of the 26 devices enrolled in AirWatch. The lack of passcode enforcement does not mean that these devices did not in fact have a passcode, but simply the IT control to require a passcode was not enabled for all devices. It should be noted that during this review IT updated the AirWatch control to now require all devices to have a passcode.

are placed on devices by manufacturer and carriers to secure the core code and file system of the device against malicious activity. Breaking these default restrictions is called "Jail Breaking" a device and can allow malicious and unsecure code or apps to run on the device.

Further Remediation Planned

IT plans to perform the following additional corrective action to address this item:

- A standard IT policy for governance of mobile devices on the LASERS network along with applicable supporting procedures will be developed that will address, at a minimum, the following:
 - o When mobile devices are allowed on the LASERS network.
 - o Required safeguards for LASERS data on mobile devices.
 - o Allowable exceptions.
 - o Exception process including documentation and approval process.
 - o Validation of process.
 - o Notification structure for failure to follow policy.
- A standard procedure for management of mobile devices will be developed to include, at a minimum, the following:
 - o Pre-upgrade assessment of impact to LASERS environment.
 - o Post-upgrade functionality regression testing which includes a post-upgrade report delivered to the IT Tech Support manager.
 - o Notification to the IT Security Administrator of any changes made to the mobile device management system to ensure that all security policies with the system remain in effect.

September 2017 Update (IT):

The immediate problem with AirWatch was resolved. The development of the process is pending. Please adjust the completion date to June 2018 to account for any issues with product implementation.

September 2018 Update (IT):

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***Engagement #
and Title***

Item # Priority Observation

Recommendation/Audit Comments

Currently being reviewed. Request change of target date to March 31, 2019.

April 2019 Update (IT):

The IT process is currently in review and should be internally finalized within the month. Please update the completion to June 30, 2019.

September 2019 Update (IT):

The process is in draft. A review of the process is planned in the 4th quarter of 2019. An update will be provided by December 31, 2019.

January 2020 Update (IT):

The process is in draft but staff have not had the opportunity to complete the work necessary to finalize this process. An update to be provided by June 30, 2020.

August 2020 Update (IT):

LASERS IT has reassessed this item. The current system AirWatch is configured to enforce all current controls. However, with the move to Microsoft 365 email, the integrated solution, Microsoft InTune, provides more granular controls for managing many of the Microsoft 365 products. LASERS IT is currently configuring and planning a pilot of this new system to potentially replace AirWatch. At this time, the start and duration of the pilot is unknown as the project is in early testing. Any documentation for the controls will be managed in the Microsoft 365 system, similar to group policies. For the AirWatch solution, this item can be considered closed. Further updates on the InTune solution will be provided by June 30, 2021.

June 2021 Update (IT):

LASERS is currently migrating to Microsoft InTune. Once all migration is complete, a new review can be discussed to verify all necessary controls are in place. An update will be provided

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**Engagement #
and Title**

Item # Priority

Observation

Recommendation/Audit Comments

1604 IT Security
Management
Review

14 2 -
Medium

The roles and responsibilities of overseeing LASERS IT security is currently divided between multiple employees at LASERS. This separation of duties is inherently riskier than having a centralized person to oversee the various security roles and processes. A decentralized security oversight increases the risk that the application of security policies and procedures will be inconsistent, thus increasing the difficulty of ensuring the security and protection of LASERS systems and information.

The security oversight could be centralized to one individual who would oversee the team and ensure that all policies are standardized, implemented, and adhered to; however, they may not necessarily perform all of the task they are overseeing. This person would have a holistic view of the IT security risks facing LASERS and be able to identify technologies and implement processes to help minimize those risks. This person would have an understanding of how this change would affect the overall IT security environment which is governed by the LASERS IT policy.

March 31, 2022.

IT should evaluate the current security oversight management function and determine which IT staff manages each role, their responsibilities, and their authority. An analysis of this would help determine the necessary changes needed to increase the effectiveness of the IT security management oversight function

IT plans to review the existing management structure and various IT security roles and responsibilities and changes will be recommended, as needed, to increase the overall effectiveness of IT security management and oversight.

August 2017 Update (IT):

At this time, all focus has been directed toward writing and maintaining policies for governance of IT (with a focus on security). After these activities are complete and the open items closed out, this item will be addressed. Depending on the length of time to address the remaining topics, this date is only an estimate. Request change of target date to June 30, 2018.

September 2018 Update (IT):

Further review of this item is being considered and a recommended next course of action will be made by the end of calendar year 2018.

February 2019 Update (IT):

The annual process review did not take place in December, as planned, due to operational and Optimus Phase 3 project requirements. We are currently evaluating the needs of IT and what the division can effectively accomplish on a regular basis. More analysis is needed with potential IT structure changes and/or request for positions to fill this need. Requesting a change of date to June 30, 2019.

August 2019 Update (IT):

The role of the security administrator has been moved to report

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to the IT Deputy Director. With this change, a change in scope will occur. Previously the focus has been centered on networking products. The focus now is the holistic security of LASERS. But this change will take time to implement as staff are limited and the current security administrator has too many responsibilities for an organization this size. Step one is to pull the role out of day-to-day network support activities. This is targeted at the end of the year (December 31, 2019). Next the role will be integrated with security dealing with all application services starting with the changes for MyLASERS. Further out the role will be integrated in the other key application systems (Solaris, JDE, and Optimus). The current goals for this fiscal year are as follows: Multi-Factor Authentication (MFA) for all external systems (if available), draft an Incident Response Plan (IRP), develop a regular security debriefing, and define processes for a limited Service Organization Control (SOC) review. These changes will take the remainder of this fiscal year. Please set the target for December 31, 2019, for another update.

January 2020 Update (IT):

The process is continuing with the security administrator taking on a more holistic approach to IT. The first step in this will be a this role taking on the project manager duties for the CBI review of MyLASERS. Other than this, there has been no formal definition of process surrounding the duties of security oversight at this time. This process will continue to evolve as this role evolves. An update to be provided by June 30, 2020.

September 2020 Update (IT):

The process is continuing with the security administrator taking on a more holistic approach to IT. This will be an ongoing process that takes years to implement and is never actually complete. About a year ago the security administrator reporting structure was moved to the IT Deputy director which provides the role the holistic view/authority over all of IT for security

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related topics. With this change in reporting, the role has now taken on some direct involvement in applications (which accounts for two thirds of IT). Unfortunately with this change, many duties of the security role are unable to be completed due to the need for additional staffing resources. With the retirement of an IT staff member, that position has been reallocated for a junior security role. IT is in the process of filling that position. It is unknown at this time if the reduction in one area to fill this new security need will have a negative impact on IT services, but security was deemed a critical need.

December 2020 Update (IT):

IT has hired a junior security administrator to assist our current security administrator. The current plans are for the new role to come up to speed on the LASERS environment. Early next year (2021) the duties of each security role will be evaluated and potentially reworked.

June 2021 Update (IT):

The latest is the Deputy IT Director has taken direct ownership of the security team and focused on coming up to speed with security best practices. The current activities are focused on the development of the Incident Response (IR) plan which has elements of security oversight. For example, a daily situation report is being considered for the cyber security team instead of relying on the opinion / knowledge of one individual. Some of these concepts are being identified in the IR plan. This oversight will be an ongoing process to define the team / individual / agency processes. Also of note, a review of the IT security policy is schedule next after the IR plan. An update will be provided March 31, 2022.

New items will appear on this report after we present the reports at our quarterly Audit Committee meeting. Items will be marked closed when evidence is presented and verified. This report will be presented semi-annually to the Audit Committee.



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

INTERNAL REVIEWS

2118 Benefit Calculation Review

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

- In response to “Were you satisfied with the independence and objectivity displayed by the internal auditor(s) during this engagement?”
 - “Absolutely! I appreciate the feedback and the opportunity to see the areas that can be improved. The perspective of an auditor is very valuable in moving the process forward. Thank you!”
- In response to “Was there a value-added benefit to your division as a result of this engagement?”
 - “Improving our process in the areas that we found issues.”
- In response to “Was there anything about the engagement you especially liked?”
 - “Finding a solution for the issue and the opportunity to make changes that will improve the process going forward.”
- In response to “What could be done in the future to improve our processes?”
 - “I think the auditor did a really good job communicating and allowing time for research and making recommendations. I would not change anything at this point.”

EXTERNAL REVIEWS

2123 Metropolitan Human Services District

The survey had no responses.

BOARD OF TRUSTEES:

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Charles Castille
Commissioner Jay Dardenne
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Lori Pierce
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Shannon Templet

Cindy Rougeou, Executive Director



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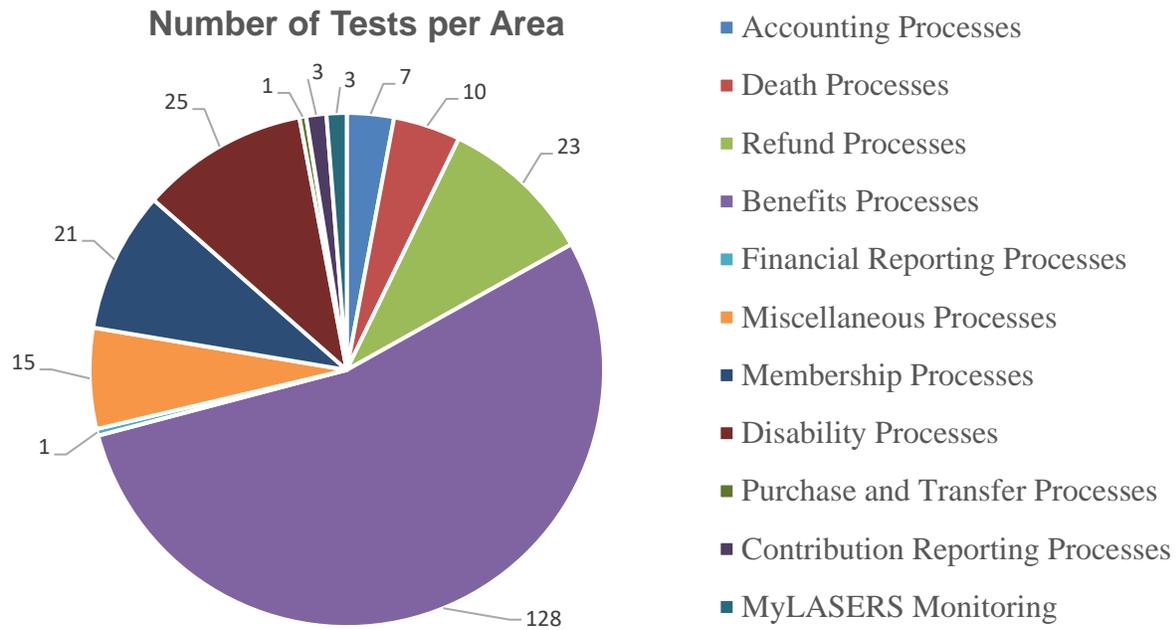




EXECUTIVE SUMMARY OF AUDIT REPORTS

2101 Continuous Auditing

The continuous auditing project approach primarily consists of using automated testing techniques to review and analyze various processes at LASERS on a continual basis throughout the fiscal year. A couple of benefits to this approach are that it allows for confirmation that controls in place continue to function as intended and for a more timely identification of possible issues. The automated testing is performed at different intervals (i.e., daily, monthly, quarterly, annually) depending on the type of test, the area being tested, and the potential impact of the risk to LASERS. Issues identified are reviewed for validity and then provided to LASERS staff for verification and correction, when necessary. The following graphic is a breakdown of the 237 tests performed by the area tested and the number of tests in each area.



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 Shannon Temple

Cindy Rougeou, Executive Director

In addition, 27 new testing scripts were developed this fiscal year in the areas of benefits, death, disability, membership, miscellaneous, and refund processes. Along with these processes, testing scripts were created to monitor myLASERS logs.

AUTOMATED QUERIES OF VARIOUS PROCESSES FOR FISCAL YEAR END 2021

The automated queries performed during FYE 2021 identified the following:

- Approximately \$40,344.10 of overpayments due to various reasons of which \$27,743.77 has been collected as of the fiscal year end.
- Approximately 15,930 records contained issues which required follow-up corrective action. A large majority of these results were due to a new script created that identified payee accounts that remained open even though it should have been closed because there are no further payments due from their account.

The following graphic is a breakdown of corrections by the area tested and the number of corrections for each area.

Number of Data Corrections per Area		
Process Area	Issues Identified	Percentage of Total Issues Identified
Benefits Processes	15767	98.98%
Membership Processes	125	0.78%
Refund Processes	16	0.10%
Disability Processes	14	0.09%
Death Processes	6	0.04%
Accounting Processes	1	0.01%
Miscellaneous Processes	1	0.01%
Grand Total	15930	100.00%

2002 Employer Agency Queries

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. This report provides a progress update of the queries performed on employer agencies. The fieldwork for this engagement was completed on June 4, 2021.

Audit Services uses the available data for employer agencies, which consists of employee and leave information, for the purpose of developing and performing continuous auditing tests.

This project expands the coverage of Audit Services throughout the contributing agencies. Ongoing proactive reviews of these files are completed through Audit Command Language (ACL) scripts that are scheduled to run on a regular basis.

The results generated from testing have been evaluated by Audit Service and then submitted to either LASERS or agency personnel for verification and correction, as necessary. Some examples of the types of anomalies include, but are not limited to, the following:

- Membership:
 - Individuals that are not enrolled and/or do not start contributing to LASERS on the date of hire.
 - Membership related information not properly reported to LASERS.
 - Membership related information in LaGov HCM System does not match SOLARIS.
- Rehired Retiree:
 - Rehired retirees that are not properly reported to LASERS, which may result in excess earnings or benefit overpayments (depending on rehire option selected).
 - Rehired retiree related information in LaGov HCM System does not match SOLARIS.
- Incorrect retiree leave balances reported to LASERS, which can result in monthly benefit or lump sum leave payment errors.

Since these types of errors are typically found in a timelier manner than a traditional audit, the impact to LASERS and the individuals are mitigated. As noted in the engagement objectives, the focus is to ensure compliance with select statutory provisions. A total of 30 agency related issues were identified and the table below is a breakdown of the number and type of issues by agency. Furthermore, a total of 38 non-agency issues were identified which mostly related to data corrections.

Agency Number and Name	Number of Membership Related Issues	Number of Rehire Retiree Related Issues	Number of Retiree Leave Related Issues	Total Number of Issues
022 Division of Administration Office of Human Resources		1		1
082 Nicholls State University	1			1
085 Louisiana Tech University	2			2
088 Southeastern Louisiana University		1		1
096 Louisiana Department of Health - Office of Behavioral Health			1	1
226 South Louisiana Community College			1	1
230 Southeast Louisiana Flood Protection Authority East	1	1		2
236 Delgado College			1	1
257 Red River and Bayou Bouef Levee District	1			1
320 Department of Children and Family Services	1	3		4
350 Department of Natural Resources			1	1
370 Louisiana State Board of Chiropractic Examiners	1			1

Agency Number and Name	Number of Membership Related Issues	Number of Rehire Retiree Related Issues	Number of Retiree Leave Related Issues	Total Number of Issues
521 LSU Health Sciences Center - New Orleans	1		3	4
522 University of New Orleans		2		2
526 Louisiana State Board of Nursing		1		1
529 Department of Public Safety		3		3
550 Department of Veterans Affairs		1		1
650 Orleans Levee District - Flood Division	1			1
654 Tensas Basin Levee District		1		1
Totals	9	14	7	30

2118 Benefit Calculation Review

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on May 10, 2021.

LASERS Member Services Division calculates retirement benefits in according with Title 11 of the Louisiana Revised Statutes. Preliminary retirement benefit calculations are performed when a retirement application is received by using membership data that is posted to member records. Final retirement benefit calculations are performed once all agency contributions for the member have been received and posted to the member's records.

The formula used to determine the maximum monthly base retirement benefit is: service credit times final average compensation times retirement plan accrual rate. If any component of this formula is incorrect, the monthly benefit amount will be in error. Member Services conducts an in-depth review of the member's record when performing the preliminary calculation, final calculation, and the final approval phases of the retirement calculation process. Additionally, the same individual does not perform a successive step in the retirement calculation process. For example, the individual that performs the preliminary calculation is not able to perform the final calculation.

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

1. Three instances of benefit calculation errors identified.
2. One error identified during a quality assurance (QA) review not corrected.
3. A benefit recalculation in SOLARIS derives an incorrect maximum reserve factor in certain instances.

OBSERVATION #1

A sample of benefit calculations finalized in 2020 were randomly selected for independent recalculation by Audit Services. Exception results from analytic queries were also reviewed and independent recalculations were performed, where necessary. Lastly, calculations that required a recalculation as identified during the post-final

calculation check performed by the Member Services quality assurance specialist were reviewed by Audit Services.

Of the 152 calculations tested by Audit Services, there were three benefit calculation errors identified. Detailed observations are outlined in the table below.

	OBSERVATION	STATUS
1A	The monthly benefit amount for one disability retiree was understated due to a discrepancy in the service credit. SOLARIS did not accurately calculate the service credit due to a duplicate base salary for February 2020. This resulted in a benefit underpayment of \$5.47 per month.	Member Services has taken the necessary action to correct this record. A recalculation was performed changing the retiree's monthly benefit amount. The underpayment of \$28.63 from previous months has also been issued.
1B	The initial retroactive benefit payment made to one retiree was in error. This resulted in a one-time benefit underpayment of \$29.20.	Member Services has taken the necessary action to correct the record. A payment of \$29.20 was issued to the retiree.
1C	The monthly benefit amount for one retiree was understated due to a discrepancy in the final average compensation (FAC) calculation. This resulted in a benefit underpayment of \$26.84 per month.	Member Services has taken the necessary action to correct this record. A recalculation was performed changing the member's monthly benefit prospectively. The underpayment of \$167.97 from previous months has also been issued.

RECOMMENDATION

Member Services should evaluate the benefit calculation process based on the issues noted in the observation and determine which areas should be strengthened to minimize calculation errors.

DIVISION RESPONSE

Member Services agrees with this recommendation. Processing staff will continue to review final earnings including the impact to service credit and will notify the Service Credit staff to correct when anomalies are found. TFS request 57967 will add a warning message to estimates and benefit calculations when FAC capping occurs. The priority for this item has been set as medium with a target completion date of December 31, 2021.

OBSERVATION #2

Member Services has developed a QA review process for retirement calculations which include a random 10 percent review of benefit calculations finalized each month, a random 10 percent review of all work completed by Member Services analysts, and a 100 percent review of all specialty plan calculations and calculations that were completed using a workaround.

According to Member Services, if an error is found by the QA specialist during their review, then they provide details of the error to Member Services management for correction. The error should be corrected within 10 days, if possible. Furthermore, the applicable Member Services supervisor is responsible for verifying that any

corrections related to their section (i.e., retirement, DROP, disability) are completed. During the project, it was observed that one error identified by the QA specialist in March 2020 was not corrected as of March 2021. The monthly benefit amount for the member in DROP accrual was understated due to a service credit miscalculation. This resulted in an underpayment of \$10.59 per month. Member Services has taken the necessary action to correct this record. A recalculation was performed changing the member's monthly benefit amount prospectively. The underpayment of \$174.03 from previous months has also been issued.

RECOMMENDATION (CLOSED)

Member Services should evaluate the quality assurance review process based on the issues noted in the observation and make the appropriate changes to ensure that errors identified by the QA specialist are corrected in a timely and accurate manner.

DIVISION RESPONSE

Member Services agrees with this recommendation. Supervisors are responsible for making sure QA items are corrected within 10 days. During weekly supervisor meetings, the Manager will address any outstanding items to ensure they get corrected prior to the deadline. Effective June 2021, QA follow-up has been added to weekly meetings to ensure timely completion. The corrective action has already been taken for this observation.

OBSERVATION #3

During this project, Audit Services identified an issue in SOLARIS where an incorrect maximum reserve factor is being derived on a benefit recalculation when the retirement date changes from the final calculation.

As an example, the maximum reserve factor is used when calculating the amount of the monthly benefit reduction when a retiree selects the Initial Benefit Option (IBO).

According to Member Services, when a recalculation is performed, SOLARIS uses the retirement date from the original final calculation as the recalculation effective date. The recalculation effective date is used to derive the maximum reserve factor. However, in the instance where the retirement date changes on the recalculation, the new retirement date should be utilized to derive the maximum reserve factor since it is based on the age at retirement. This issue could cause an error in the monthly benefit amount if the difference in the retirement date results in a change to the derived age at retirement and the calculation uses the maximum reserve factor.

Member Services has submitted TFS request 57201 to address this issue.

RECOMMENDATION #1

Member Services should work with IT to perform a query that identifies any calculations that were impacted by this issue in SOLARIS. Any calculations identified should be reviewed and corrected accordingly.

DIVISION RESPONSE

Member Services agrees with this recommendation. TFS request 57908 will generate a query to identify any other possible members with errors in the recalculation of their benefit. Staff will make corrections as needed. The priority of this item has been set as medium with a target completion date of December 31, 2021.

RECOMMENDATION #2

Member Services should work with IT to prioritize and resolve TFS request 57201.

DIVISION RESPONSE

Member Services agrees with the recommendation and is currently working with IT to resolve TFS request 57201. Member Services' staff is aware of the issue and will verify recalculations manually until the TFS request is resolved. The priority of this item has been set as medium with a target completion date of December 31, 2021.

2123 Metropolitan Human Services District (External Review)

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.

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.

OBSERVATION #1

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.

OBSERVATION #2

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.

2125 Department of Culture, Recreation, and Tourism and Lieutenant Governor's Office (External Review)

This was a planned engagement on the fiscal year end (FYE) 2021 Audit Plan. The fieldwork for this engagement was completed on June 18, 2021. The Department of Culture, Recreation, and Tourism (CRT) and the Lieutenant Governor's Office employs approximately 515 LASERS members. No reportable issues were identified during this review.

2188 Summary of Fraud Tips

The LASERS fraud policy contains details regarding the reporting and investigation of potential fraud affecting LASERS. The Audit Services Division has been designated as the primary point of contact for handling these matters at LASERS. After a tip has been received, a case file is established and the details are discussed with LASERS Executive Counsel. Based on the details of the case, appropriate action is taken. During this fiscal year, five new tips were received via the LASERS fraud hotline or other sources and the summary details of the individual cases are outlined below. Also, updates are provided for all cases that were open as of the start of this fiscal year.

CASES OPENED IN FYE 2021

#2101: (CLOSED)

A call was received on the fraud hotline from the spouse of a current LASERS member. Additionally, an electronic fraud reporting form submission was received from this same individual indicating that they had signed a Spousal Consent form under self-described duress. This individual claimed to not realize the implications of signing this form until after it was done and that they were not present when the form was notarized. Legal determined that the Spousal Consent form will stand unless there is court documentation provided to LASERS deeming it invalid. Since no additional inquiry or information has been received on this matter, no further action will be taken and this case was closed.

#2102: (CLOSED)

An electronic fraud reporting form submission was received from an individual who noted that their retirement was stolen from the bank account that the funds were sent to. It was determined through further discussion with the refunded member that their funds were deposited into the bank account provided to LASERS and then subsequently transferred out of that account to another account. Since the funds were properly deposited into the requested account, per the member, there is no indication of fraud affecting LASERS. Therefore, no further action will be taken and this case was closed.

#2103 and 2105: (OPEN)

LASERS received notification from JP Morgan Chase Bank regarding multiple unsuccessful attempts to cash fraudulently forged checks. Despite these attempts, no funds were lost by LASERS in these instances because of controls used by our bank to determine the validity of a check before issuing payment and they were identified as fraudulent. Audit Services provided the details for each of these cases to the Attorney General's office for investigation. They have opened two cases and are in the process of performing an investigation. The investigation remains open.

#2104: (CLOSED)

An electronic fraud reporting form submission was received from an individual who noted that "finger hut has billed me and insurance and mortgages on homes also automotive financing". It was determined that their claim did not pertain to LASERS; therefore, this item was closed.

UPDATES ON OPEN CASES FROM PRIOR FISCAL YEARS

#1801: (OPEN)

Fiscal contacted Audit Services regarding possible fraud relating to benefit payments issued to a beneficiary after the retiree's death. LASERS was contacted by the beneficiary inquiring as to when they will receive their benefit and it was discovered that the payments were being issued to someone other than the valid beneficiary. It appears that the beneficiary's sister (member's daughter that was not the valid beneficiary) submitted paperwork to LASERS posing as their sister, the valid beneficiary. After this was discovered, LASERS obtained the paperwork from the valid beneficiary and begin remitting payments to them. Audit Services provided the details of this case to the Attorney General's Office for investigation. The case is still under investigation; therefore, this item will remain open.

Update

The individual in question has been arrested and posted bail. A motion for continuance has been granted and awaiting further details from the investigator. This case will remain open.

#1805: (OPEN)

Fiscal contacted Audit Services regarding possible fraud relating to an emergency refund payment. LASERS bank contacted Fiscal because there was an attempt to process the check twice. Audit Services provided the details of this case to the Attorney General's Office for investigation. It was determined that the member attempted to deposit the check via their mobile device; however, when they did not see this post to their account immediately, they proceeded to cash the check. The business where they cashed the check requested reimbursement from our bank and, per statute, we were required to comply. The member was contacted to repay the overpaid funds and Fiscal is in the process of pursuing collection. The investigator at the Attorney General's Office concluded that this was not a fraudulent situation; therefore, the case was closed with their office. However, since there is an outstanding overpayment, this case will remain open on our end.

Update

This individual has not repaid the funds; therefore, LASERS turned the collection process over to the AG's Collections. Since this individual has not made any payments to the AG's Collections, suit has been filed against the debtor and the tax-offset file sent to the Louisiana Department of Revenue. This case will remain open.

#1807: (OPEN)

Fiscal contacted Audit Services regarding possible fraud relating to benefit payments issued to a beneficiary after death. Fiscal attempted to reclaim the payments that were paid to a beneficiary after death, but were denied for the benefits paid via EFT. Audit Services provided the details of this case to the Attorney General's Office for investigation. The case is still under investigation; therefore, this item will remain open.

Update

Fiscal was able to reclaim fourteen of the seventeen overpayments. The investigator at the Attorney General's Office concluded that this was not a fraudulent situation; therefore, the case was closed with their office. However, since there is an outstanding overpayment, LASERS turned the collection process over to the AG's Collections office. This case will remain open.

#1808: (OPEN)

Fiscal contacted Audit Services regarding possible fraud relating to benefit payments issued to a retiree after death. The retiree's niece confirmed that they had a joint bank account with their aunt and has used the monthly retirement benefits deposited in the account since their aunt's death. Audit Services provided the details of this case to the Attorney General's Office for investigation. The case is still under investigation; therefore, this item will remain open.

Update

This case was sent to the Attorney General's office who opened a case, but closed it with the understanding that the relative would set up a repayment plan. A repayment plan was setup with LASERS via a signed promissory note in September 2018. This individual is still making some repayments; therefore, this case will remain open.

#1902: (OPEN)

Fiscal notified Audit Services of a situation where an individual continued to receive benefit payments for a retiree that had been deceased for several years. This item was sent to the Attorney General's office. According

to the investigator assigned to this case, a suspect has been identified and subpoenas have been issued. The investigation remains open.

Update

According to the Attorney General investigator, five arrest warrants have been issued for the associated individuals. However, they currently reside in Texas; therefore, the investigator is coordinating with Texas law enforcement on this case. This case will remain open.

#2001: (OPEN)

Fiscal notified Audit Services of two situations where an individual continued to receive benefit payments for a retiree that had been deceased for several years. This case was sent to the Attorney General's office for investigation. The investigation is ongoing; therefore, this case will remain open.

Update

According to the AG investigator, their investigation is ongoing. This case will remain open.

#2010: (OPEN)

Fiscal notified Audit Services of a fraudulently submitted Authorization for Direct Deposit form for a LASERS retiree. LASERS received the form via fax from an unknown recipient. The retiree contacted LASERS after receiving a letter from LASERS regarding the change of their direct deposit information to inform us that they did not initiate this request. After being notified of this, the retiree's direct deposit information was corrected. No funds were paid into the fraudulent account. This case was sent to the Attorney General's office for investigation. The investigation is ongoing; therefore, this case will remain open. Please also refer to the Case 2013 summary for additional controls involving changes to direct deposit information.

Update

According to the AG investigator, their investigation is ongoing. This case will remain open.

#2013: (OPEN)

Fiscal notified Audit Services of an incident where the following occurred for a LASERS retiree:

- An unauthorized address change.
- Submission of a fraudulent Authorization for Direct Deposit form.

It was determined that someone (bad actor) used the Member Self-Service (MSS) portal to change a retiree's home address in our system by creating a new account in the portal. This person had the information required (i.e., social security number, date of birth, and zip code) to create such an account successfully. A few days after this address change, the bad actor faxed an Authorization for Direct Deposit form to LASERS requesting a bank account change for this retiree. The direct deposit account information was changed in our system which resulted in the next month's benefit being transferred to the fraudulent bank account. The fraudulent bank account was closed shortly thereafter which resulted in the inability to process the following month's payment. LASERS then contacted the retiree and it was confirmed that they did not authorize these changes.

Fiscal corrected the retiree's bank account information and re-issued them the two monthly benefit payments not received. In addition to this, LASERS has taken the following action related to this incident:

- The retiree's MSS account has been temporarily disabled (locked no access). Furthermore, the ability to change an address in our system via MSS has been temporarily disabled for all members. This

functionality will not be allowed until the appropriate controls have been put in place to prevent this type of incident from occurring in the future (see planned future changes below for additional information).

- The Louisiana Attorney General was contacted and LASERS has provided them with all requested information. The Attorney General investigator has subpoenaed the bank where the fraudulent account was created and their investigation to identify the bad actor is currently still active.
- Our IT security vendor has provided assistance with the analysis of this incident.
- Other LASERS accounts that appeared to show recent similar activity have been investigated (where the address was changed and later the bank account was changed) and there was no evidence identified that a similar incident had occurred for any other individuals.
- Fiscal has contacted the bank where the fraudulent account was created and requested that the funds be returned to us. There has been no response received to date.
- Member Services has made the following changes to their address change related processes:
 - Manually sending a confirmation letter to the old and new address when a member changes their address on record via paper form and instructs the member to contact us if they did not initiate the change.
 - Heightened scrutiny and comparison of signatures as part of validating the request.
 - Explicit contact with benefit recipients, in certain situations, to verify the validity of the address change request. For example, if a benefit recipient receives a paper check and submits an address change form, Member Services reviews the form for completeness. If anything doesn't match or appears incorrect, then Member Services calls the benefit recipient to verify validity.
- Fiscal has made the following changes to their direct deposit related processes in order to verify the requested change is valid:
 - The Authorization for Direct Deposit form has been changed to include an area where the member must include their old routing and account number.
 - Explicit contact with benefit recipients, in certain situations, to verify the validity of the direct deposit request.
 - Heightened scrutiny and comparison of signatures as part of validating the request.
 - Implemented a service offered through our bank that compares the direct deposit and related information in our system to a database of accounts to determine if the information we provide matches what they show in their database. The purpose of utilizing this service is for us to more quickly be notified if an account is closed/invalid or if the account owner in the database does not match our payee thereby reducing the risk of fraudulent direct deposit information being set up in our system. The information in the database is limited to those financial institutions that participate in this service which currently consists mostly of large banks. Credit Unions, Savings & Loans, and small banks are not covered.

The following future changes are planned for completion within the next few months and designed to further ensure that the risk of this incident from occurring in the future is adequately mitigated:

- A critical mitigation will be the implementation of more modern security enhancements of the myLASERS (formerly MSS) website which is scheduled to be implemented before the end of calendar year 2020. A key security control within myLASERS that will mitigate this risk is the use of Multi-Factor Authentication (MFA). MFA improves security by requiring something you “Know” (ID & Password) and requiring something you “Have” (secret code sent to your phone via text message or voice call). By having these two factors, it increases the difficulty of an attacker to access your account as they not only need your ID/Password but must also have access to your phone, for example. MFA will be utilized at both account setup and login.

- Automate the process of sending letters to the previous address on file for all address change requests processed for benefit recipients.
- Automate notifications in myLASERS to notify members that an address change or direct deposit request was received and upon completion of the change.

This case will remain open until all items noted above have been closed.

Update

Regarding the LASERS related changes that were in progress, the updates are as follows:

- A critical mitigation will be the implementation of more modern security enhancements of the myLASERS (formerly MSS) website which is scheduled to be implemented before the end of calendar year 2020. A key security control within myLASERS that will mitigate this risk is the use of Multi-Factor Authentication (MFA). MFA improves security by requiring something you “Know” (ID & Password) and requiring something you “Have” (secret code sent to your phone via text message or voice call). By having these two factors, it increases the difficulty of an attacker to access your account as they not only need your ID/Password but must also have access to your phone, for example. MFA will be utilized at both account setup and login.

Update:

The MFA security control has been implemented in myLASERS. This item is now closed.

- Automate the process of sending letters to the previous address on file for all address change requests processed for benefit recipients.

Update:

The ability for benefit recipients to update their address in myLASERS is still disabled. The process to send a letter to the current and previous address for all address changes made in SOLARIS is in place. This item remains open.

- Automate notifications in myLASERS to notify members that an address change or direct deposit request was received and upon completion of the change.

Update:

The notifications in myLASERS for these two items are in the process of being implemented. This item remains open.

According to the AG investigator, their investigation is ongoing. This case will remain open until all items have been closed.



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NOTICE AND AGENDA
Management Committee Meeting
Thursday, September 23, 2021
1:30 p.m.

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 August 26, 2021 Management Committee Meeting (**Action Item**)

Shannon Templet, Management Committee Chair

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

V. NEW BUSINESS

1. August 2021 Performance Update
Bobby Beale, CFA, CAIA - Chief Investment Officer
2. Member Satisfaction Survey Results
Tricia Gibbons, Retirement Benefits Administrator
3. Presentation of Actuarial Report for June 30, 2021 (**Educational & Action Item**)
Shelley Johnson, Foster & Foster
4. Review of Draft Operating Budget for FY 2022-23
Travis McIlwain, Chief Administrative Officer

5. Chief Administrative Officer's Comments
 - a. Monthly Operating Budget Report
 - b. Benefits Payee Report
Travis McIlwain, Chief Administrative Officer

6. Chief of Staff's Comments
Trey Boudreaux, Chief of Staff

7. Executive Director's Comments
Cindy Rougeou, Executive Director

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

 - b. Director's Evaluation of Unclassified Staff
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
August 26, 2021**

The Management Committee of the Louisiana State Employees' Retirement System met on Thursday, August 26, 2021, in the fourth floor Board Room of the Retirement Systems Building, located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Shannon Templet, Committee Chair, called the meeting to order at 2:45 p.m. Roll was called by Beth Labello, recording secretary.

Members Present: Mr. Thomas Bickham, Ms. Virginia Burton, Mr. Charles Castille, Representative Lance Harris, 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, Senator Barrow Peacock, Ms. Lori Pierce, and Ms. Shannon Templet

Staff Present: Ms. Cindy Rougeou, Executive Director; Mr. Travis McIlwain, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Ms. Tonja Normand; Public Information Director; Mr. Dan Bowden, IT Director; Mr. Ryan Babin, Audit Director; Ms. Megan Jones, Retirement Benefits Supervisor; Mr. Logan Davis, IT Technical Support Analyst; Ms. Amanda Celestine, Executive Management Officer; and Ms. Beth Labello, Recording Secretary

Also Present: Ms. Shelley Johnson, Foster & Foster; Mr. Joey David, House Retirement Committee; and Ms. Lebra Bias, Senate Counsel

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

PUBLIC COMMENT

Ms. Templet called for public comment. There were no public comments.

REGULAR BUSINESS

Ms. Templet called for approval of the minutes of the July 22, 2021 Management Committee meeting. **Mr. McGimsey moved, seconded by Mr. Bickham, to approve the minutes. With no objection or discussion, the motion carried.**

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

NEW BUSINESS

Mr. Fillastre reviewed the Disability Excess Earnings Report. **Ms. McManus moved, seconded by Judge Kleinpeter, to approve the disability excess earnings report, as presented. With no objection or discussion, the motion carried.**

Mr. McIlwain reviewed the proposed 2022 Board meeting schedule. He noted that a few of the meeting dates do not fall on the 4th week of the month due to scheduling conflicts. **Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board approve the 2022 Board meeting schedule. With no objection or discussion, the motion carried.**

Mr. McIlwain reviewed the Chief Administrative Officer's comments.

On behalf of Mr. Boudreaux, Mr. McIlwain reviewed the Chief of Staff's comments.

Ms. Rougeou reviewed the Executive Director's comments. She presented a picture of the LASERS softball team.

Mr. Bickham moved, seconded by Ms. Hodges, to go into Executive Session for the purposing of reviewing the August 2021 Disability Retirement Report, reviewing the Executive Director's Performance Evaluation, and reviewing the Executive Director's Goals for FY 2021-22. With no objection or discussion, the motion carried.

Ms. McManus moved, seconded by Mr. Bickham, to return to Regular Session. With no objection or discussion, the motion carried.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board approve the August 2021 Retirement Disability Approval. With no objection or discussion, the motion carried.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board accept the annual performance evaluation of the Executive Director. With no objection or discussion, the motion carried.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board accept the Executive Director's goals for FY 2021-22. With no objection or discussion, the motion carried.

OTHER BUSINESS

There was no other business to discuss.

ADJOURNMENT

The meeting adjourned at 3:40 p.m.

First Half of 2021

(January - June)

Member Services Statistics

Comment Cards for In-House Counseling

(for visitors with and without scheduled appointments)

Overall Satisfaction	Poor	Fair	Average	Good	Excellent	Total	% Excellent Received
Quality of Service	0	0	1	14	168	183	92%

Sample of 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.”*
- *“LASERS is a class act. You sincerely do your best to prepare us for retirement.”*
- *“Adrian [Ackermann] clearly answered all my questions, did not rush through the session, and offered follow up assistance if I have any additional questions before I retire.”*
- *“Derek [Harris] was pleasant and professional. He took his time to answer our questions. Awesome experience.”*



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September 2021 Management Committee Meeting Chief Administrative Officer's Comments

Fiscal Division

- Fiscal staff worked with Postlethwaite & Netterville in completing the audit of LASERS financials for fiscal year ended 2021.
- Fiscal staff has begun preparation for the fiscal year 2021 CAFR and PAFR. These reports are scheduled to be presented to the Board at the October Board Meeting.
- Fiscal staff has begun preparing the Fiscal Year 2022/2023 Operating Budget. A draft of the Operating Budget will be distributed to the Management Committee at the September meeting with final approval at the October meeting.



Fiscal Division

OPERATING BUDGET REPORT

August 31, 2021

(Unaudited)

Category	2020-2021 Actual	2021-2022 Budget	Monthly Expenses	2021-2022 YTD Actual	Remaining Balance	2021-22 % of Budget	2020-21 % of Actual
Personnel	\$ 15,602,703	\$ 16,761,300	\$ 1,233,439	\$ 2,240,510	\$ 14,520,790	13%	14%
Travel Expenses	3,052	169,100	246	492	168,608	0%	0%
Operating Services	2,938,747	3,342,600	328,457	1,622,813	1,719,787	49%	47%
Professional Services	388,556	509,000	58,876	79,284	429,716	16%	12%
Acquisitions	206,811	247,000	2,541	2,541	244,459	1%	17%
TOTAL	19,139,869	21,029,000	1,623,559	3,945,640	17,083,360	19%	19%
Investment Fees	27,095,881	33,000,000	2,670,446	5,600,530	27,399,470	17%	13%
GRAND TOTAL	\$ 46,235,750	\$ 54,029,000	\$ 4,294,005	\$ 9,546,170	\$ 44,482,830	18%	15%

CAPITAL OUTLAY BUDGET REPORT

August 31, 2021

(Unaudited)

Category	2021-2022 Budget	Monthly Expenses	2021-2022 YTD Actual	Remaining Balance	% of Budget Used
Operating Services	\$ 60,000	\$ 22,440	22,440	\$ 37,560	37%
Professional Services	1,092,028	\$ 103,800	103,800	988,228	10%
Acquisitions	-	\$ -	-	-	0%
GRAND TOTAL	\$ 1,152,028	\$ 126,240	\$ 126,240	\$ 1,025,788	11%



**Board of Trustees
Benefit Payees Added During Period
8/1/2021 to 8/31/2021**

Regular

Under Age 55 at Retirement	26
Age 55-59 at Retirement	33
Age 60+ at Retirement	114
Total	173
Minimum Benefit	\$171
Maximum Benefit	\$16,657
Minimum Age	44
Maximum Age	73
Minimum Years Service	5
Maximum Years Service	40
Average Age	61
Average Service	24
Average Gross Benefit	\$2,895

Disability

Total	1
Minimum Benefit	\$6,804
Maximum Benefit	\$6,804
Minimum Age	58
Maximum Age	58
Minimum Years Service	10
Maximum Years Service	10
Average Age	58
Average Service	10
Average Gross Benefit	\$6,804

Survivor

Total	5
Minimum Benefit	\$300
Maximum Benefit	\$3,834
Minimum Age	39
Maximum Age	69
Minimum Years Service	7
Maximum Years Service	17
Average Age	48
Average Service	13
Average Gross Benefit	\$2,215

Beneficiary

Total	33
Minimum Benefit	\$448
Maximum Benefit	\$15,909
Minimum Age	42
Maximum Age	72
Minimum Years Service	10
Maximum Years Service	43
Average Age	58
Average Service	25
Average Gross Benefit	\$1,980

Drop Accruals

Total	48
Average Age	55
Average Service	26
Average Gross Benefit	\$3,586



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September 2021 Management Committee Meeting Chief of Staff's Comments

Information Technology

- MyLASERS is currently on release 5b. The next version will include some new online internet submittal forms.
- The Employer Self Service (ESS) major project is ongoing. IT is currently working on implementing the advanced security features similar to MyLASERS.
- IT has submitted a recommendation regarding the phone system upgrade.
- The JD Edwards Tools Upgrade Project is finished with final testing complete. The new version will be moved to production soon. This was a technical upgrade.
- Covid protocols are still in place and the IT staff are rotating in and out of the office to reduce the risk of exposure.
- There were no unusual or notable data security issues for August 2021.
- IT issued the August Cyber Security video to all staff. This one was about Phishing and included tips on how not to be a victim of a phishing attack.
- IT issued the Cyber Security newsletter on the topic of Vishing.
- The IT Service Desk reports an on-time delivery of IT services of 95.75% of SLA for August 2021.
- IT has submitted a quote for replacing the speakers in the Board Room. The current speakers have been in place since 1987.
- IT is currently recruiting for an IT Applications Programmer.
- IT successfully implemented disaster protocols in preparation for Hurricane Ida. The only major problem was the failure of the generator, which required IT to shut down the computer network for one day.
- Top search terms for the LASERS website this month are DROP, CONTRIBUTION RATES & CALCULATOR.

Member Services Division

- In preparation for Hurricane Ida, Customer Service and IT issued cell phones to staff should the need have arisen to open the call center remotely. Members with scheduled appointments were contacted in advance of the storm to reschedule, or were contacted upon return to the office and rescheduled. A PREP seminar was rescheduled, and staff worked with members who needed an alternate date to attend.
- LASERS Education Department (LED) and Customer Service department worked with PID to develop a presentation for LASERS Open Forum scheduled on 10/5/2021. PID shared past survey results and commonly requested topics from Human Resources personnel, who were included in the presentation. Common agency administrative errors, and how to avoid them, were specifically added as a guide to assist Human Resources in decreasing the number of errors when processing various retirement tasks. A new myLASERS presentation will also be included this year to provide information on the new platform, creating and managing the

account, and new features that will assist their employees with understanding and interacting with LASERS.

- Recent comments from members:
 - *“Susan [Goodrich] was extremely nice and professional and very patiently answered all of my questions. She was truly a joy to work with.”*
 - *“Danielle [Henning] is very professional. Could not have asked for better service. All questions were answered.”*
 - *“Derek [Harris] was very knowledgeable and answered all questions in a timely manner.”*

September 2021 Management Committee Meeting Executive Director's Comments

LAPERS Virtual Conference

- The virtual conference content is available to you on the LAPERS website, in the "Trustee Education" section of the website.
- Registered attendees should have received an email with a link to site and the password to access all of the videos.
- If you have any questions regarding the virtual conference, ask Amanda.

WEP/GPO

- State Representative Mike Johnson has invited a representative from the retirement systems to attend a lunch on September 23rd to discuss the Federal Offsets. Since that date conflicts with our Board meeting date, I have asked Morgan Robertson to attend on LASERS behalf.
- Rep. Johnson is tentatively putting together a trip to Washington D.C. for additional talks with members our Congressional Delegation. That trip would also conflict with LASERS November 18th Board meeting.

Louisiana Legislative Auditor

- On September 16th, we are scheduled to meet with Kenneth Herbold and other members of the LLA staff. Shelly Johnson and Katherine Whitney will also be in attendance.

Agency Open Forum

- LASERS agency open forum will be held October 5th at 9:30. It will be a virtual meeting for HR and payroll officers.

Public Information Division

- 2021 Board of Trustees Election – Ballots were mailed on September 17. Voting will kick off tomorrow, September 24, and ends October 22.
- LASERS 75th Anniversary Celebration – Continuing to promote through social media, print and digital publications, and our website. The video is scheduled for completion in mid-October.

- LAPERS Virtual Conference – PID worked with the LAPERS Planning Committee and IT to update the LAPERS website to host the virtual conference. This included uploading the video presentations to Vimeo and preparing the digital print materials.
- RSEA Virtual Statewide Conference – PID will prepare a LASERS video update for the virtual conference in October.
- Empower Retirement – LASERS will partner with Empower to promote National Retirement Security Month in October. PID is working with the Empower Team on messaging and design.
- COVID-19 – We are continuing to monitor the Governor’s media briefings and Division of Administration website for updates during the fourth surge of the pandemic.
- September Link Employee Newsletter is available on the Board Portal of the website.
- Rachel Harvey, Public Information Officer 3, attended the American Advertising Federation Leadership Conference in Atlanta this month. She serves on the Board of Directors for the Baton Rouge Chapter of the AAF and heads the Community Outreach & Multicultural Initiatives Committee.
- Current PID Stats:
 - Website Pageviews: 58,679
 - Website Users: 15,883
 - Facebook Followers: 2,243
 - Twitter Followers: 690
 - YouTube Subscribers: 621
 - Paperless Beam Subs: 4,953
 - MINT Email Subscribers: 4,870
 - Member Connection Subs: 67,232

NOTICE AND AGENDA
Board Meeting
Thursday, September 23, 2021
Immediately following Management Committee

The Board of Trustees will meet in the fourth floor Board Room of the Retirement Systems Building, immediately following the Management Committee Meeting.

I. CALL TO ORDER

II. ROLL CALL

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

IV. REGULAR BUSINESS

1. Approval of the August 26, 2021 Board Meeting Minutes (**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 Management Committee (**Action Item**)
Shannon Templet, Management Committee Chair
4. Acknowledgement of Receipt of Administrative Errors Report/Documentation (**Action Item**)
Tina Grant, Executive Counsel

V. NEW BUSINESS

1. LASERS New Employee(s)
Cindy Rougeou, Executive Director

VI. OTHER BUSINESS

VII. ADJOURNMENT

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



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**Louisiana State Employees' Retirement System
Regular Board Meeting
August 26, 2021**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, August 26, 2021, in the fourth floor Board Room of the Retirement Systems building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Beverly Hodges, Board Chair, called the meeting to order at 3:40 p.m. Roll call was conducted by Beth Labello, recording secretary.

Members Present: Mr. Thomas Bickham, Ms. Virginia Burton, Mr. Charles Castille, Representative Lance Harris, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Amy Mathews (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Senator Barrow Peacock, Ms. Lori Pierce, and Ms. Shannon Templet

Members Absent: Ms. Janice Lansing

Staff Present: Ms. Cindy Rougeou, Executive Director; Mr. Travis McIlwain, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Ms. Tonja Normand; Public Information Director; Mr. Logan Davis, IT Technical Support Analyst; Ms. Amanda Celestine, Executive Management Officer; and Ms. Beth Labello, Recording Secretary

Also Present: Ms. Shelley Johnson, Foster & Foster; Mr. Joey David, House Retirement Committee; Ms. Lebra Bias, Senate Counsel; and Mr. Roland Babin and Mr. Chris Lissard, DOTD

A quorum was declared present and the meeting opened for business. Ms. Hodges called for Public Comment. There were no public comments.

REGULAR BUSINESS

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

Ms. McManus, on behalf of Ms. Lansing, reported the Investment Committee met on Thursday, August 26, 2021, and had the following item to report:

Ms. McManus moved, seconded by Mr. Bickham, to commit \$100 million to the Baring Asia Private Equity Fund VIII. With no objection, and an abstention by Senator Peacock and Representative Harris, the motion passed.

Ms. Templet reported the Management Committee met on Thursday, August 26, 2021, and had the following items to report:

Ms. Templet moved, seconded by Judge Kleinpeter, to approve Disability Excess Earnings Report, as presented. With no objection or discussion, the motion passed.

Ms. Templet moved, seconded by McManus, to approve the 2022 Board meeting schedule, as presented. With no objection or discussion, the motion passed.

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

Ms. Templet moved, seconded by Ms. McManus, to approve the Executive Director's annual performance evaluation. With no objection or discussion, the motion passed.

Ms. Templet moved, seconded by Ms. McManus, to approve the Executive Director's FY 2021-22 goals. With no objection or discussion, the motion passed.

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

NEW BUSINESS

Ms. Rougeou introduced Mr. Roland J. Babin as LASERS longest-serving active member. She presented him with a plaque and applauded him on his service of sixty-six years to the state of Louisiana.

ADJOURNMENT

With no other business to discuss the meeting adjourned at 3:47 p.m.



Cindy Rougeou, Executive Director

Administrative Error Report

September 23, 2021

Member's Name:	Angela Greenhouse
Agency:	Department of Corrections
Reason for Administrative Error:	Incorrect Retirement Application Submitted Allowed Member to Retire with IBO

Member's Name:	Chetia Thibodeaux
Agency:	Department of Children & Family Services
Reason for Administrative Error:	Application for Retirement Submitted Late Allowed DROP Start Date of 8/16/2021

LASERS

Louisiana State Employees'
Retirement System

Date: August 25, 2021
To: Cindy Rougeou
Tina V. Grant
From: Tricia Gibbons
Subject: Administrative Error – Incorrect Application for Retirement Submitted

Member Information:

Name: Angela Greenhouse SSN: xxx-xx-0531

This request for administrative error is for an employee with the Department of Corrections (00053). On 11/24/2020, we received Form 6-01, Application for Retirement. The preliminary calculation was completed on 3/10/2021. On 6/10/2021, we received Form 6-01A, Application for Retirement with Initial Benefit Option (IBO), and an administrative error letter from the agency.

The agency has requested that the member be allowed to retire with an IBO since the incorrect application was submitted due to agency error.

I recommend that this request be approved.

Recommendation of Executive Counsel - Tina V. Grant

Tina Vicari Grant

Tina Vicari Grant (Aug 26, 2021 08:59 CDT)

Recommendation of Executive Director - Cindy Rougeou

Cindy Rougeou

Cindy Rougeou (Aug 26, 2021 10:16 CDT)

LASERS Benefits Louisiana.

Department of Public Safety & Corrections
State of Louisiana

JOHN BEL EDWARDS
 June 6, 2021



JAMES M. LE BLANC
 SECRETARY

Ms. Cindy Rougeou
 Louisiana State Employees' Retirement System
 P.O. Box 44213
 Baton Rouge, LA 70804

Dear Ms. Rougeou:

RE: Administrative Error Request
 Angela Greenhouse
 XXX-XX-0531

Ms. Angela Greenhouse retired from Raymond Laborde Correctional Center (RLCC) on January 4, 2021. Ms. Greenhouse contacted LASERS in April 2021 inquiring about the amount on her retirement check as her check amount was more than the amount that she was initially quoted. A LASERS representative informed her that the amount was a reflection of her application for regular retirement and not retirement with IBO. Ms. Greenhouse contacted the Human Resources Office at RLCC and upon review of her file, it was determined that Ms. Greenhouse completed the wrong application, which was sent to LASERS. It was verified that an administrative error had occurred and Ms. Greenhouse was given the regular retirement application and not the Application for Retirement with IBO.

The RLCC Human Resources Office and its institution deeply regret this error and ask you to please accept the new Application for Retirement with IBO for Mrs. Coody.

If you should have any questions regarding this matter, please do not hesitate to contact our Headquarters Human Resources Office at 225-342-2214

Sincerely,

Teresa Davis

Teresa Davis
 Deputy Human Resources Director

LASERS

Louisiana State Employees'
Retirement System

Date: September 10, 2021
To: Cindy Rougeou
Tina V. Grant
From: Tricia Gibbons
Subject: Administrative Error – Application for DROP Submitted Late

Member Information:

Name: Chetia Thibodeaux SSN: xxx-xx-1456

This request for administrative error is for an employee with the Department of Children and Family Services (00320). We received a DROP Application on 8/19/2021 listing a DROP start date of 8/16/2021. Due to agency error, the DROP Application was not submitted to LASERS timely.

The agency requests that the member be allowed to enter DROP using a start date of 8/16/2021.

I recommend that this request be approved.

Recommendation of Executive Counsel – Tina V. Grant

Tina Vicari Grant

Tina Vicari Grant (Sep 10, 2021 11:46 CDT)

Recommendation of Executive Director - Cindy Rougeou

Cindy Rougeou

Cindy Rougeou (Sep 10, 2021 14:24 CDT)

LASERS Benefits Louisiana.



Human Resources
Division of Management
and Finance
627 North 4th Street
Baton Rouge, LA 70802

(O) 225.342.4310
(F) 225.342.9833
www.dcfsl.a.gov

John Bel Edwards, Governor
Marketa Garner Walters, Secretary

September 9, 2021

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

RE: Administrative Error Letter for
Chetia Thibodeaux xxx-xx-1456
DROP Start Date - 8/16/2021

Dear LASERS:

Ms. Thibodeaux's paperwork was received on 8/13/2021. Due to an administrative error, Ms. Thibodeaux's DROP paperwork was not processed and submitted in a timely manner.

Should you have any questions or need any additional information, please contact me at (225) 342-6555 or Melissa.duncan.dcfsl.a.gov.

Sincerely,

Melissa Duncan
Human Resources Analyst C
Department of Children and Family Services





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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

*Designee – Commissioner - D of A

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 – Treasurer Schroder



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