

Assurance Report

2206 Department of Corrections (DOC)

March 16, 2022

James LeBlanc, Secretary
Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During the review of the Department of Corrections, there was one observation noted which relates to three individuals not being enrolled in the correct retirement plan.

BACKGROUND

This was a planned engagement on the fiscal year end 2022 Audit Plan. The fieldwork for this engagement was completed on February 21, 2022. The DOC employs approximately 4,123 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

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

The primary objectives of this engagement were to determine if the DOC:

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

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Procedures used to complete this engagement included:

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

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

OBSERVATION, RECOMMENDATIONS, AND RESPONSES

1. ENROLLMENT IN CORRECT RETIREMENT PLAN DID NOT OCCUR FOR THREE INDIVIDUALS

OBSERVATION

According to the LASERS Employer's Guide to Retirement (Chapter 17: Hazardous Duty Service Plan (HAZ Plan)), when a new employee is hired into a HAZ Plan eligible position and enrolled as a member of LASERS, it is important to determine if the member has any previous service in LASERS. If a new employee with no previous service in LASERS is hired into a LASERS eligible hazardous duty position, then he or she must be enrolled in the HAZ Plan. If the new employee was a previous member of LASERS, but refunded the previous service, then he or she must be enrolled in the HAZ Plan.

During this review, it was noted that the agency did not correctly enroll three individuals with no previous unrefunded service in LASERS into the HAZ Plan, but instead enrolled them in the Regular 4 (RGL4) Plan. The effect of this is that these employees are contributing into a plan that has a lower employee contribution rate of eight percent compared to the nine and a half percent rate of the HAZ Plan. Additionally, the members were also subject to the lower benefit accrual rate of two and a half percent compared to the HAZ Plan accrual rate of three and a third percent.

It should be noted that the agency has already initiated the Administrative Error process with LASERS to correct the retirement plans for these three individuals.

RECOMMENDATION #1

The agency should continue to work with LASERS Member Services staff to correct the enrollment of these three individuals into the HAZ Plan. Target completion date is June 30, 2022.

AGENCY RESPONSE

The agency agrees with this recommendation. The affected employees have been notified of the error and their personnel records have been updated to reflect the correct retirement plan (HAZ Duty Plan) and correct contribution rate (9.5%).

RECOMMENDATION #2 (CLOSED)

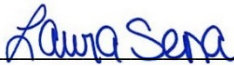
The agency should improve their enrollment process to ensure that individuals are enrolled in the correct retirement plan based on their position eligibility and any prior LASERS service. Procedures should be updated accordingly. Target completion date is June 30, 2022.

AGENCY RESPONSE

The agency agrees with this recommendation. DOC has ensured that Human Resources staff are aware of all job titles that should be enrolled in the HAZ Duty retirement plan. In addition, we have trained staff to review SOLARS for prior enrollment in LASERS and how to determine if the employee has the option to enroll in LASERS regular plan or HAZ Duty. Finally, DOC HDQ-HR staff have been trained and, in most cases, re-trained to review LASERS enrollments for new and rehired employees by auditing the ZP57 Benefits Retirement Participation Report. Auditing the ZP57 report will ensure employees are enrolled in the correct retirement plan and paying the correct retirement rate based on job title and any prior LASERS service.

FOLLOW-UP

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



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