

Assurance Report

2313 Louisiana House of Representatives

January 25, 2023

Rep. Clay Schexnayder, Speaker of the House
Cindy Rougeou, LASERS Executive Director
The LASERS Audit Committee

EXECUTIVE SUMMARY

During this review, there was one observation noted which relates to the agency not having a process to report breakdowns of lumpsum retroactive earnings and contributions to LASERS.

BACKGROUND

This was a planned engagement on the fiscal year end 2023 Audit Plan. The fieldwork for this engagement was completed on January 19, 2023. The Louisiana House of Representatives employs approximately 160 LASERS members.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement included a review of records for employees of the Louisiana House of Representatives.

The primary objectives of this engagement were to determine if the Louisiana House of Representatives:

- Accurately reports payroll, earnings, and contributions information to LASERS.
- Accurately and timely enrolls eligible individuals into LASERS.

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Cindy Rougeou, *Executive Director*

- Performs retirement and post retirement processing in an accurate and timely manner.

Procedures used to complete this engagement included:

- Interviewing LASERS and Louisiana House of Representatives 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, RECOMMENDATION, AND RESPONSE

1. PROCESS TO REPORT BREAKDOWNS OF LUMP SUM RETROACTIVE EARNINGS AND CONTRIBUTIONS SHOULD BE DEVELOPED

OBSERVATION

According to the LASERS Employer's Guide to Retirement (Chapter 3: Contribution Reporting), a retroactive payment occurs 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. To ensure that contributions are allocated correctly, agencies should submit documentation to LASERS showing a month-by-month breakdown.

During this review, it was noted that the agency does not have a process to report the month-by-month breakdown when lump sum retroactive earnings and contributions are reported to LASERS. Not reporting breakdowns of a lump sum could cause errors when calculating a member's service credit and final average compensation.

RECOMMENDATION

The agency should develop a process to properly report breakdowns of lump sum retroactive earnings and contributions to LASERS. Target completion date is June 30, 2023.

AGENCY RESPONSE

The agency agrees with this recommendation. Effective February 1, 2023, the House of Representatives will report the month-to-month breakdown of all retroactive lump sum payments to LASERS:

- Each pay-period the Accounting Office will notify the Human Resources Office of any retroactive lump sum payment and the dollar amount of the payment.
- The Human Resources Office will breakdown the payment into earnings and contributions by month, in a spreadsheet retro to the effective date of the pay change.
- The Human Resources Office will send a letter to LASERS explaining the retroactive pay situation and attached the corresponding spreadsheet that details the monthly retroactive breakdown of the earnings and contributions.

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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