



**MEMORANDUM  
OFFICE OF THE CITY AUDITOR**

DATE: October 13, 2015  
TO: Distribution List  
FROM: Cathy Criswell, CPA, CIA, City Auditor *Cathy Criswell*  
SUBJECT: Phase I Report – Special Project – MERP Data Analysis

Attached is the final report for Phase I of the subject project. This project was performed at the request of Finance management to analyze underlying Municipal Employees Retirement Plan (MERP) participant data.

Since this project was requested by Finance management, the City Auditor is not distributing copies to the MERP Board. We would recommend that the Personnel Director, acting in the MERP Administrator capacity specified by TRO Title 28, Chapter 10, Section 1003, share the results of this report with the full membership of the MERP Board. The City Auditor's Office would like to thank the Finance and Human Resources teams for their timely assistance and participation with this project. Please let us know if you have questions or comments.

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**Special Project –Municipal Employees Retirement Plan Participant Data,  
Processes & Controls  
October 2015**

**Subject:** Results of Phase I: Participant Data Analysis

**Responsible Officers:** Mike Kier, Finance Director  
Erica Felix-Warwick, Personnel Director

**Auditors:** Mary Ann Vassar, Internal Audit Manager  
Catherine Moore, Assistant Staff Auditor

**AUDIT SCOPE:**

As agreed upon in our September 25, 2015 Engagement Proposal, the scope of Phase I of this project consisted of:

1. Comparison of December 31, 2013 and 2014 pension participant data submitted by agency payroll personnel to INFOR system pension participant data recorded by Human Resources for the following 4 agencies:
  - a) Tulsa City County Library (TCCL)
  - b) Tulsa Port of Catoosa (Port)
  - c) Metropolitan Tulsa Transit Authority (MTTA)
  - d) Tulsa Airport Improvement Trust (TAIT)
2. Identification of any differences between the agency participant data and INFOR participant data for research and resolution by Human Resources team personnel.
3. Assessment of completeness of pension information to be submitted to GRS (Gabriel Roeder, Smith & Co.) compared to the GRS template.

**SCOPE PARAMETERS:**

The analysis we provided identifies participants **not** present in **both** the agency **and** INFOR system files. The above agreed-upon scope does not include assurance on – the following areas:

- The eligibility of pension participants
- The accuracy of agency-submitted or INFOR system contribution/benefit data – such as employee numbers, contributions, hire dates, termination dates, etc.

## AUDIT RESULTS:

1. Comparison of 2013 and 2014 agency-submitted pension data and INFOR system pension data noted multiple differences between the two sources, and
2. Identification of any differences between the agency participant data and INFOR participant data for research and resolution by Human Resources team personnel.

Our **initial round of data analysis** determined the following differences between the agency-furnished and INFOR participant system files:

### PLAN YEAR 2013:

<u>Agency</u>	<u># of participants not in INFOR reports</u>
MTTA	0
TCCL	2 - explained
Port	1 - corrected

(TAIT payroll was processed by COT for this period; therefore pension data was not submitted separately)

### PLAN YEAR 2014:

<u>Agency</u>	<u># of participants not in INFOR reports</u>
TAIT	38
MTTA	9 (5 without names, just employee #s)
TCCL	5
Port	0
	<hr/>
	52

Using this 2014 difference data, Human Resources and IT made corrections and **ran a revised version** of the INFOR participant report. Internal Auditing analysis of the revised INFOR report identified the **following remaining differences**:

<u>Agency</u>	<u># of participants in INFOR not in agency reports</u>
Port	2 - explained
TAIT	1 – needing research

	<u># of participants not in INFOR reports</u>
TAIT	2 – pending corrections to INFOR

The differences to be pursued were resolved through research and through running a **second revised version** of the INFOR participant report. This second report resolved the remaining participant census differences consistent with explanations and data provided by Human Resources personnel.

Contribution amounts for the 468 agency participants were materially accurate in total between agency and INFOR data. Four participants appear to need research to resolve contribution differences between agency and INFOR system amounts.

## AUDIT RESULTS, CONTINUED...

3. Assessment of completeness of pension information to be submitted to GRS (Gabriel Roeder, Smith & Co.) compared to the GRS template.

Data submitted to GRS was compared to two different templates/requests from GRS:

- a. A request letter from GRS dated March 2, 2015, listing the required reports and other various data requests;
- b. An example spreadsheet template GRS provided to Finance as guidance on possible file data structure to assist with the upload and interpretation of participant data for actuarial recording and analysis.

**Comparison of submitted data to the GRS letter requirements** noted that data requested was submitted; in some instances it was provided in separate reports/files, rather than in consolidated reports.

**Comparison of submitted data and reports to the spreadsheet template** also noted that suggested data/data fields appeared to be provided in a number of separate reports.

### CONCLUSION:

Our analysis procedures and review of related explanations and corrections have resulted in INFOR system participant data which is substantially consistent with agency-submitted data. Although the data is now consistent between the two sources, the accuracy and completeness of the underlying participant data can only be attested to by Human Resources and the respective agencies. The corrected 2013 and 2014 INFOR participant data should be submitted by Human Resources to GRS for actuarial corrections/adjustment for the FY2015 financial reporting cycle. Research and resolution of the minor differences in contribution amounts should be conducted. This process should be coordinated with Finance management, due to the significant impact of pension liability and disclosures on the financial statements created by the implementation of GASB Statement 68.

The data requested in GRS' letter has been submitted in varying reports and formats. The spreadsheet template information appears to be provided in a number of separate reports. Results of these comparisons appear to suggest that, although participant data needed by GRS **is provided, re-structure of report format could result in improved actuarial processing and analysis efficiency.** GRS requested cross-check/validation of participant population totals can't be achieved with these types of reports.



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Ron Maxwell, CIA, CFE  
Chief Internal Auditor



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Cathy Criswell, CPA, CIA  
City Auditor