Cape Coral
FLORIDA

CITY AUDITOR'S OFFICE

TO: Mayor and Council Members

FROM: Margaret L. Krym, City Auditor

DATE: July 9, 2015

SUBJECT: Pension Plan Census Data Consulting Audit Engagement

New reporting requirements (beginning with the FY 2015 CAFR) from the Government Accounting Standards Board (GASB) (numbers 67 and 68) have increased the need for accurate and timely pension census data related to participants in the City's Pension Plans.

The Governing Boards of the City's Pension Plans are responsible for providing assurance that financial and actuarial data provided to the City by their Pension Plan Administrators and Actuaries is accurate and reliable. However, they must place reliance on the pension census data provided to them by the City. This data becomes the primary foundation upon which the Pension Plan Administrators and Actuaries build their actuarial analysis.

Recognizing the significant importance of this data and the interdependency of the parties involved we engaged Clifton Larson Allen LLP to provide an agreed upon procedures (consulting) engagement for the City. The scope of this engagement included:

- Providing an understanding of the status of the City's current activities regarding the reporting of pension census data.
- Assessing the controls governing this pension census data set.
- Evaluating the completeness and accuracy of recently reported pension census data.

The attached document is the report from Clifton Larson Allen LLP.

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CITY OF CAPE CORAL, FLORIDA

PENSION PLAN CENSUS DATA CONSULTING ENGAGEMENT

PENSION PLAN CENSUS DATA CONSULTING ENGAGEMENT
CITY OF CAPE CORAL, FLORIDA
TABLE OF CONTENTS

TRANSMITTAL LETTER 1

SECTION I: PROCESS OVERVIEW 3

SECTION II: RECOMMENDATIONS FOR PROCESS IMPROVEMENTS 10

SUPPORTING DOCUMENTATION

- **EXHIBIT A: FUNCTIONAL FLOWCHARTS OF PENSIO CENSUS DATA TRANSMISSION PROCESSES** 17
- **EXHIBIT B: INTERNAL CONTROL ASSESSMENT TOOL** 20
- **EXHIBIT C: DATA MINING SOFTWARE (IDEA) SCRIPTS** 24

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June 24, 2015

Ms. Margaret L. Krym, City Auditor
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1015 Cultural Park Boulevard
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Dear Ms. Krym:

As requested by the City of Cape Coral (the City), we have completed our pension census data consulting engagement. Specifically, we carried out the following tasks:

- ✓ Obtain a comprehensive understanding of the processes governing the City's responsibilities to transmit complete and accurate employee and retiree census information to the Third-Party Administrator and Actuary of the City of Cape Coral Municipal General Employees' Retirement Plan, the City of Cape Coral Municipal Firefighters' Retirement Plan, and the City of Cape Coral Municipal Police Officers' Retirement Plan.

- ✓ Document the processes as they currently exist through a detailed narrative description, combined with a flowchart that represents a summarized process overview.

- ✓ Review the existing control structure for each process to determine if all significant risks are appropriately mitigated.

- ✓ Offer best practices and other recommendations that the City can incorporate to improve its existing internal control structure and ultimately more timely and accurately deliver the required pension census data to the aforementioned third parties.

Methodology

To complete the tasks listed above, our initial procedures consisted of conducting interviews with key individuals within the City's HR & Benefits, Payroll, and Finance Departments, as well as the third party pension Administrator and Actuary. These interviews enabled us to gain an understanding of the current practices related to pension census data accumulation and transmission, and to identify the key related components.

The next step in our assessment consisted of evaluating the pension census data accumulation and transmission activities by breaking them out into key components. We documented both a detailed narrative and flowcharts to include the steps, activities, and responsible parties for each component. These components include the following:

1. New plan participant set-up
2. Plan participant status changes
3. Data transmission to Administrator and Actuary

The detailed narrative is located within *Section I: Process Overview*. Internal controls identified within each component are highlighted and italicized within this section. The flowcharts can be found at *Exhibit A: Functional Flowcharts of pension census data transmission processes*.

Next, for each identified internal control, we evaluated the design and implementation and made recommendations for improvement, if applicable. A detailed evaluation of internal controls and specific recommended steps for improvement is located within *Section II: Recommendations for Process Improvement*. In addition, *Exhibit B: Internal Control Assessment Tool* summarizes this information in a tabular format.

As requested by the City, our study did not include:

- Testing the consistency of the use of the existing controls
- Evaluating the processes surrounding the City's transmission of employee and retiree census data to the actuary that performs a valuation of the City's Other Post Employment Benefit (OPEB) obligation

Overall Conclusion

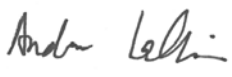
We determined that the City's pension census data accumulation and submission process includes sufficient internal controls to allow for achievement of operational objectives, including safeguarding of sensitive information, ensuring that participant enrollment and status change requests are accurately processed, and generating reliable census data to submit to the Administrator and Actuary.

However, our assessment of each component of this process resulted in a number of observations and recommendations to improve the efficiency and effectiveness of the pension census data accumulation and submission process, as reported within *Section II: Recommendations for Process Improvement*. and *Exhibit B: Internal Control Assessment Tool*

Our report is intended solely for management of the City, and is not intended for any purpose other than to assist you with the items mentioned above. Consequently, our report is limited for your information and use only and should not be used by anyone else. In addition, our report is based on circumstances that were current as of June 24, 2015, and we have no responsibility to update our report for events and circumstances that occurred after that date.

Respectfully submitted,

CliftonLarsonAllen LLP



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SECTION I

PROCESS OVERVIEW

PENSION PLAN OVERVIEW

The City of Cape Coral, Florida ("the City") offers three separate retirement plans, the City of Cape Coral Municipal General Employees' Retirement Plan, the City of Cape Coral Municipal Firefighters' Retirement Plan, and the City of Cape Coral Municipal Police Officers' Retirement Plan, (collectively "the Plans" or "the Plan"). The Resource Centers is the Third Party Administrator ("the TPA" or "the Administrator") that performs recordkeeping, benefits processing, and other administrative services on behalf of the Plans. Foster & Foster ("the Actuary") performs various valuation services for the Plans. Salem Trust Company ("the Custodian") performs asset custody and institutional accounting services for the Plans. This includes investment portfolio valuation services, benefit payment authorization and processing, and safeguarding of assets from loss or misappropriation.

Membership in each of the Plans consisted of the following:

	General	Fire	Police
As of:	10/1/2013	10/1/2013	10/1/2013
Active Participants	707	165	211
Service Retirees	474	73	85
DROP Retirees	89	22	10
Beneficiaries	52	5	1
Terminated Vested Participants	87	6	17
Disability Retirees	-	12	12
TOTAL	1,409	283	336

NEW PARTICIPANT SETUP

When an eligible City employee (contract employees are not eligible) wishes to enroll in the Plan, he or she must complete the necessary application paper work, such as the Member's Designation of Beneficiary form, provided by the Administrator. Once completed, the documentation is provided to the City's Benefits Specialist within the Human Resources (HR) Department. Once processed, the individual is then set up within Kronos, the City's workforce management application. HR populates the appropriate retirement benefits code, a unique identifier for Participants within the respective Plan. Along with the applicable retirement code, HR is responsible for inputting the Participant pension contribution rate. The applicable pension rates as of October 1, 2013 are as follows:

	General	Fire	Police
Base Rate	9.9%	10.0%	10.0%
Optional Cost of Living Contribution*	1.6%	-	-
TOTAL	11.5%	10.0%	10.0%

* Participants employed before October 1, 2013 may irrevocably elect to contribute an additional amount to the Plan ("buy-up option) in order to receive an increase in the cost of living multiplier on retirement benefits. See Summary Plan Description for further details.

PARTICIPANT STATUS CHANGES

Active Participants may elect to receive credit for service provided under the Plans, in addition to service actually rendered to the City. The full details of these elections are found in the Summary Plan Description. Additional credited service elections may be made under the following circumstances:

1) Service Buy-Back for time lost due to absences authorized by the Family and Medical Leave Act (FMLA).
2) Service Buy-Back for military service provided prior to employment with the City.
3) Service Buy-Back for prior government service.

If a Participant wishes to make a prior service Buy-Back election, they must contact the Administrator and complete the applicable "Request for Service Credit Cost Information" forms. Once the forms are completed, information is provided to the Actuary, who determines the contribution requirements to be paid by the Participant associated with the prior service credited, along with the payment options for the Buy-Back. The valuation results are communicated to the Administrator, who will discuss the options with the Participant; if an election is made, the Administrator will notify HR in writing.

Upon being notified of the election, the Benefits Specialist will set up an additional deduction within Kronos. The Buy-Back information will be entered as a periodic amount and an

"Employee Goal Amount". When the total amount is reached, the additional deduction will cease automatically.

PARTICIPANT STATUS CHANGES (CONTINUED)

An employee who satisfies normal retirement requirements as shown in the tables below has the option of either full retirement or entrance into the Deferred Retirement Option Plan (DROP).

	General
Members Hired before October 1, 2013:	
Earlier of:	
Age	60
or Years of Credited Service, Regardless of Age	25
Members Hired on or after October 1, 2013:	
Earlier of:	
Age with 10 years of Credited Service	62
or Years of Credited Service, Regardless of Age	27

	Fire
Members Hired before April 2, 2014:	
Earlier of:	
Age with 10 years of Credited Service	50
or Years of Credited Service, Regardless of Age	25
Members Hired on or after April 2, 2014:	
Earlier of:	
Age with 10 years of Credited Service	52
or Years of Credited Service, Regardless of Age	25

	Police
Members Hired before October 1, 2013:	
Age	50
or Years of Credited Service	25
Members Hired on or after October 1, 2013:	
Earlier of:	
Age with 10 years of Credited Service	50
or Years of Credited Service, Regardless of Age	27

If an employee elects to retire, he or she will meet with the Administrator to review benefit options and complete a series of paperwork. Required forms to be completed include the Application for Service Retirement Benefits, Form W-4P – Withholding Certificate for Pension or Annuity Payments, and Authorization Agreement for Direct Deposit with the Custodian. The Administrator then processes the paperwork upon completion.

PARTICIPANT STATUS CHANGES (CONTINUED)

An employee who wishes to enter into DROP would contact the Administrator, who would work with the candidate to complete the following forms: DROP Application/Agreement, DROP Survivor Beneficiary Form, and the Change of Account Return Election. Upon execution of said forms, the Administrator would contact the Benefits Specialist (typically via email) to discontinue the Participant's pension contributions beginning on the date that DROP became effective. HR will then enter the appropriate DROP code within Kronos to effect the change. The maximum DROP period allowed is five years.

DATA TRANSMISSION AT EACH PAY PERIOD

The day after payroll is processed, on a bi-weekly basis, the Business Applications Analyst II (the BAA), generates three reports from Kronos Connect, which is integrated with HR Payroll through the Workforce Integration Manager (known as Workforce Central). The prescribed format and necessary parameters of these reports were created through a collaborative process involving the payroll department, the information technology department, and the Administrator. The reports are as follows:

1) PensionShort – This report represents each Participant's last 26 paychecks. This report is used by the Administrator to aggregate earnings by each Participant. The report shows, from left to right, on a single line:

    a. 9 digit SSN
    b. 8 digit period end date (YYYYMMDD)
    c. 2 digit compensation code:
        i. GE – General
        ii. FF – Fire
        iii. PP – Police
    d. 7 digit paycheck contribution amount (last 2 digits are cents)
    e. 7 digit gross wage amount (last 2 digits are cents)
    f. 7 digit pensionable wage amount (last 2 digits are cents)

2) PensionLong – This report is used by the Administrator to aggregate demographic information of the Participants. It is also compared to the prior period's report from the City each period by the Administrator in order to identify whether a non-standard payment batch was made but not reported to the Administrator. This report shows, from left to right, on a single line:

    a. 9 digit SSN
    b. 8 digit employee number
    c. 2 digit compensation code:
        i. GE – General
        ii. FF – Fire
        iii. PP – Police
    d. First name
    e. Tab separator
    f. Middle initial/last name
    g. Tab separator

DATA TRANSMISSION AT EACH PAY PERIOD (CONTINUED)

h. Address
i. Tab separator
j. City
k. Tab separator
l. State/zip code
m. Tab separator
n. 7 digit base pay amount (last 2 digits are cents)
o. 5 digit hours per period (80 hrs reads 08000)
p. 1 character pay cycle
q. 8 digit birth date (MMDDYYYY)
r. 8 digit last hire date (MMDDYYYY)
s. 8 digit pension election date (MMDDYYYY)
t. 1 character gender
u. 6 digit department
v. Tab separator
w. 9 digit YTD withholding amount (last 2 digits are cents)
x. 9 digit lifetime pension contribution amount (last 2 digits are cents)
y. 9 digit lifetime post tax pension contribution amount (last 2 digits are cents)
z. 9 digit lifetime interest on pension contribution amount (last 2 digits are cents)
aa. 8 digit termination date (YYYYMMDD)
bb. 5 digit YTD accrual amount (last 2 digits are cents)

3) Buy-Back – This report is used by the Administrator to aggregate information relating to Participants that have elected a prior service Buy-Back option. This report shows, from left to right, on a single row:

a. First name
b. Tab separator
c. Middle initial/last name
d. Tab separator
e. 9 digit SSN
f. "+" sign
g. 6 digit contribution amount (last 2 digits are cents)
h. 8 digit period end date (MMDDYYYY)

After generating the reports described above, the BAA performs a cursory review and then saves them as a ".txt" file on a shared network drive. ***The BAA then compresses and encrypts the files and uploads the compressed file to the Administrator for recordkeeping purposes. Access to the files within the City's shared drive is restricted to the Business Applications Analyst I, Business Applications Analyst II, and IT Helpdesk personnel.***

On occasion the Administrator may request alterations to the reports to include additional information, make slight formatting revisions, or other changes. For instance, the Administrator requested that the City include an additional column for "pensionable wages" in addition to "gross wages". According to the BAA, any adjustments to the census information remitted each pay period would be handled whenever the Administrator would initiate such requests.

CONTRIBUTION REMITTANCES

The City accrues Participant contributions each pay period. Accrued amounts are automatically calculated and posted as part of the payroll journal entry. On a monthly basis, the City remits the Participant contribution amount to the Custodian. On a quarterly basis, the City remits the City's contribution amount (which is determined by the Actuary via its annual valuation) to the Custodian.

At the end of each fiscal year, the Payroll Supervisor compares the amounts actually paid to the Custodian to amounts withheld from employees' annual wages and investigates any discrepancies. ***Also, beginning in October 2013, the Payroll Supervisor began performing monthly reconciliations of amounts remitted to the Custodian to monthly pensionable wages multiplied by the applicable contribution rates for each employee.*** Differences may arise due to a number of factors. For instance, contribution rates are manually entered into Kronos; thus, it is possible an incorrect rate could have been entered upon new hire setup. Another potential discrepancy that could arise involves prioritization of pension deductions. More specifically, if an individual lacked sufficient compensation to adequately fund mandatory deductions (for instance, in situations where an employee is injured and receiving workers' compensation benefits), mandatory pension deductions should take priority over other elective deductions, such as medical, dental, supplementary life insurance, and so on. At times, manual intervention is necessary to apply compensation against the pension deduction first before allocating remaining available compensation among other deductions. Differences that arise between recalculated pension contributions and amounts remitted to the Custodian on a monthly basis are promptly investigated and resolved.

CENSUS DATA TRANSMISSION TO THE ACTUARY

On an annual basis the City transmits census data files to the Actuary subsequent to the City's fiscal year end. For the year ended September 30, 2014, two files were required to be submitted to the Actuary: 1) *Member Data Form 2014 with DROP* and 2) *Payroll Contribution Reconciliation Form 2014*. The Member Data Form contains a listing of all employees that were active at any time during fiscal year 2014. In addition to basic information such as date of birth, date of hire, and fiscal year 2014 compensation and pension contributions as an active member, there are other fields required for active employees that incur status changes during the fiscal year. For example, pensionable wages earned during fiscal year 2014 for any Plan members that were in DROP status as of 10/1/14 were required to be included. Other required information on this form includes dates left and dates returned for military leave, worker's compensation, and other causes for leave of absence (sick family, etc.), as well as an indication whether those leave instances were paid or unpaid.

CENSUS DATA TRANSMISSION TO THE ACTUARY (CONTINUED)

The Payroll Contribution Reconciliation Form requests the following data: all payroll dates considered for fiscal 2014; the dollar amount of member contributions that were withheld for each corresponding payroll date along with the applicable allocation of employer contributions paid; and the corresponding check amount and check date that each contribution was remitted to the Custodian.

Upon receipt of the required forms, the Actuary performs various validation procedures to ensure the accuracy and completeness of the data provided. The forms would be compared to the previous fiscal year's submission and evaluated for consistency. Reconciliation procedures include comparison of employees' date of birth and date of hire from prior year data to current year data (as this information should not change) and scanning instances of reductions in pay from prior year to current year. Such discrepancies noted would be communicated to the City, investigated and resolved prior to commencing the annual actuarial valuation.

SECTION II

RECOMMENDATIONS FOR PROCESS IMPROVEMENTS

CURRENT PROCESS #1

On a monthly basis, the City remits the Participant contribution amount to the Custodian. Payment is remitted using a check request form. Also on a monthly basis, the Payroll Supervisor reconciles amounts remitted to the Custodian to monthly pensionable wages multiplied by the applicable contribution rates for each employee.

RECOMMENDED PROCESS IMPROVEMENT #1

There does not appear to be a robust approval process that transpires prior to the monthly remittance of Participant contributions to the Custodian. In all instances, the reconciliation procedures performed by the Payroll Supervisor should occur **prior to** initiating the remittance to the Custodian. The results of the reconciliation should accompany the check request form. An appropriate member within the Finance Department, such as the Accounting Manager, should obtain the completed reconciliation and ensure there are no unreconciled items prior to approving for payment to the Custodian.

CURRENT PROCESS #2

The Business Applications Analyst II (the BAA) creates the PensionShort report, PensionLong report, and Buy-Back report once payroll is processed each pay period. After generating these reports, the BAA performs a cursory review and then saves them as a ".txt" file on a shared network drive. These reports are to be transmitted to the Administrator at the conclusion of every pay period.

RECOMMENDED PROCESS IMPROVEMENT #2

We recommend that assigned personnel within the City perform certain procedures periodically to ensure that the data provided to the Administrator each pay cycle is complete and accurate. In addition to the "PensionShort" report (PS) and "PensionLong" report (PL), an additional report will be needed to perform these recommended procedures. The report, known as the "Gross to Net" report (GN), is provided by the payroll department and is essentially a payroll register for each pay period. The report is deemed complete and accurate as it is reconciled to the general ledger each pay period.

We suggest that data analytics techniques be utilized to perform various reconciliation procedures. The following illustrations below incorporate the use of IDEA, which is a data extraction software product, to satisfy these testing objectives. Assuming City personnel can access and utilize IDEA, then the reconciliation procedures and related IDEA scripts identified below can be replicated by assigned personnel within the City on an ongoing periodic basis. Note that the overall objective of the exercise below is to ensure that 1) there are no discrepancies between the PS and PL reports when compared to each other and 2) these reports reconcile without exception to the payroll register prepared by the payroll department.

RECOMMENDED PROCESS IMPROVEMENT #2 (CONTINUED)

All reports should be imported into IDEA in their native formats. The following fields should be imported from the GN report:

Field	Description
SSN	Employee social security number
Period End	Cutoff date for pay period
Pension Plan	Pension in which the employee participates
Gross Wages	Gross wages for the period
GTLI	Group Term Life Insurance deduction - excluded from pensionable wages
Pension Contribution	Amount deducted for the employees applicable pension plan
Pension Option	Additional cost of living increase option available to certain general pension participants

Report Modifications

Before performing recommended procedures, certain data fields need to be modified in order to simplify data analytics.

1) **Create "GN PENSIONABLE" field –** Using the "Append Field" function, add a numeric field with 2 decimal places using the field equation "***Gross Wages - GTLI***".

2) **Create "GN SSN" field –** In order to use the Visual Connector function in IDEA (described later) subject fields must be identical. Because the SSN field in the GN report contains hyphens while the PS report and PL report contains only numbers, the hyphens must be stripped out of the SSN in the GN report. Using the "Append Field" function, add a 9-digit character field using the field equation *"****@Remove(SSN ,""-"")***".

3) **Create "GN PENSION" field –** In order to use the Visual Connector function in IDEA (described later) subject fields must be identical. Because the Pension field in the GN report contains the full name of the pension type while the PS report and PL report contains the pension code, the GN report field must be converted. Using the "Append Field" function, add a 2-digit character field using the field equation *"****@CompIf(PENSION_PLAN ==""""","""",PENSION_PLAN==""General"",""GE"",PENSION_PLAN==""Police"","",""PP"", PENSION_PLAN ==""Fire"","",""FF"")***".

RECOMMENDED PROCESS IMPROVEMENT #2 (CONTINUED)

4) **Create "GN TOT PENSION CONT" field –** As previously discussed, general pension participants enrolled prior to October 1, 2013 were given an option to contribute an additional amount to their pension in order to receive certain cost of living increases at the time of retirement. The GN report shows this optional deduction as a separate line in the GN and PS reports and must be combined for a total pension contribution amount for the pay period. Using the "Append Field" function, add a numeric field with 2 decimal places using the field equation "***GN_COL_OPTION + GN_PENSION_CONT***" where "GN_COL_OPTION" is the optional additional contribution and "GN_PENSION_CONT" is the base pension contribution.

Because the PS report has a separate record each pay period for both the participant's base contribution and the optional amount for certain general pension participants, records must be combined by SSN and by date. Using the PS report, use the "Summarize" function to summarize wage fields by SSN then by PS pay period end date. This report will be referred to hereafter as the **PS Summary Report**.

After making the modifications, use the "Visual Connector" function to merge the GN Report, the PL report and the PS Summary report together as one based on the SSN field. Ensure that the GN SSN append field is used from the GN report. When prompted, select "All records in the primary database, all matches". This report will be referred to hereafter as the **Master Report**. It is important to note that this will create a new record for each of the pay periods reported on the PS report. Thus, a single exception on subsequent queries may generate multiple records.

To avoid excessive false positives on analytical procedures, a subset of the Master Report is needed. That is, only the data from the pay period being examined is relevant. Use the "Direct Extraction" function with the extraction criteria "***@BetweenDate(PS_PER_END, "YYYYMMDD", "YYYYMMDD")*** where "PS_PER_END" is the period end date for the PS Report. This report will be referred to hereafter as the **Pay Date Report**.

1) **GN to Pension Mismatch –** This report will determine whether any inconsistencies exist between the GN report, PS report, or the PL report. That is, it will indicate that the pension in which an employee participates is not consistent between reports. This test is performed on the Pay Date Report using the "Direct Extraction" function with the extraction criteria "***@NoMatch (PENSION1,PENSION2) .OR. @NoMatch (PENSION1, PENSION3)***" where "Pension1" is the pension code for the GN report, "Pension2" is the pension code for the PS report and "Pension3" is the pension code for the PL report. All results should be investigated for potential errors in reporting.

RECOMMENDED PROCESS IMPROVEMENT #2 (CONTINUED)

Results – When the GN to Pension Mismatch report was ran using the above IDEA script on 2014 data, there were 3 anomalies that were extracted out of 1,541 records. These discrepancies were investigated by the Payroll Supervisor, and explanations were provided for each outlier. We reviewed the anomalies and determined that the underlying cause for each outlier was primarily due to valid payroll adjustments and were not the result of errors in the reported pension data.

Analytical Procedures (Continued)

2) **Pension Contribution Mismatch –** This report will determine whether any inconsistencies exist between the GN report and the PS report. That is, it will indicate whether a different amount is being deducted from an employee check than what is being reported to the Administrator. This test is performed on the Pay Date Report using the "Direct Extraction" function with the extraction criteria "***@Abs (PENSION_CONTRIBUTION1 – PENSION_CONTRIBUTION2)>1***" where "Pension Contribution1" is the contribution deducted per the GN report and "Pension Contribution2" is the contribution reported to the Administrator for that pay period. The number 1 eliminates rounding differences. All results over a scope deemed meaningful should be investigated for potential errors in reporting.

Results – When the Pension Contribution Mismatch report was ran using the above IDEA script on 2014 data, there were 4 anomalies that were extracted out of 1,541 records. These discrepancies were investigated by the Payroll Supervisor, and explanations were provided for each outlier. We reviewed the anomalies and determined that the underlying cause for each outlier was primarily due to valid payroll adjustments and were not the result of errors in the reported pension data.

CURRENT PROCESS #3

The BAA saves the PS report, PL report, and Buy-Back report as ".txt" files on a shared network drive. The BAA then compresses and encrypts the files and uploads the compressed file to the Administrator for recordkeeping purposes. Access to the files within the City's shared drive is restricted to the Business Applications Analyst I, Business Applications Analyst II, and IT Helpdesk personnel.

RECOMMENDED PROCESS IMPROVEMENT #3

Restricting access to the pension files to be submitted to the Administrator is a valid internal control measure that prevents unauthorized individuals from altering data within the files prior to submission, whether by error or by fraud. However, at present there do not appear to be any precautionary measures in place to ensure that the BAA, who is responsible for submitting the files, does not manipulate the files prior to submitting to the Administrator. For instance, the BAA could inflate his own compensation levels reported within the file so as to yield a more lucrative benefit upon retirement. In order to mitigate this risk, we recommend that on a periodic basis assigned City personnel request from the Administrator census information specifically for the employees with access to the aforementioned pension reports. For the period reviewed, compare the demographic and wage information from the files provided by the Administrator to payroll records to verify accuracy.

CURRENT PROCESS #4

On an annual basis the City transmits census data files to the Actuary subsequent to the City's fiscal year end. For the year ended September 30, 2014, two files were required to be submitted to the Actuary: 1) *Member Data Form 2014 with DROP* and 2) *Payroll Contribution Reconciliation Form 2014*. Upon receipt of the required forms, the Actuary performs various validation procedures to ensure the accuracy and completeness of the data provided.

RECOMMENDED PROCESS IMPROVEMENT #4

We recommend that the City perform its own reconciliation procedures prior to remitting the census files to the Actuary. A reconciliation of individual member data can be achieved by comparing the Member Data Form remitted to the Actuary in the prior year valuation to said form to be remitted for the current year valuation. Validation measures over total balances reported on the current year census files can be achieved by comparing to report totals from the PS report and Buy-Back report covering the same fiscal period. Specific steps within the reconciliations should include (but not limited to) the following:

a. For each match in unique employee identifier (i.e. social security number) between current and previously submitted Member Data Forms, verify that all demographic data, namely Employee Name, Sex, Date of Birth, and Date of Hire are identical on both reports.

RECOMMENDED PROCESS IMPROVEMENT #4 (CONTINUED)

b. Identify employees and retirees who were included on the prior year Member Data Form but not included in the current year Member Data Form. Verify that those individuals were excluded from the Member Data Form only if they were terminated during the current year and not eligible for retirement benefits.

c. Identify all employees and retirees who were included on the current year Member Data Form but excluded from the prior year Member Data Form. Verify that only employees hired on or after October 1st of the current fiscal year are included in this population. Investigate any anomalies further.

d. Compare total member compensation while active reported on the Member Data Form to the totals reported on the PL report.

e. Compare the total employer contributions per the Payroll Contribution Reconciliation Form to the total remittances to the Actuary for employer contributions. This comparison can be performed manually as the City only remits payments on a quarterly basis.

The results of these reconciliations and resolution of discrepancies encountered, as conducted by the City, should be shared with the Actuary in conjunction with the submission of the census files. As previously illustrated in Recommendation #2, the majority of these reconciliation procedures could be performed most efficiently and effectively using data extraction software such as IDEA. The following scripts below demonstrate the mechanics of such procedures:

a. Use the "Join Databases" function to combine the current year Member Data Form and the prior year Member Data Form based on social security numbers. Match all records in both files:

   Data Change Report – This report will determine whether any inconsistencies exist between the current year's Member Data Form and the prior year's Member Data Form. That is, it will indicate whether a mismatch is identified in an employee's name, sex, date of birth, or date of hire. This test is performed using the extraction criteria ***"@NoMatch (2013_NAME, 2014_NAME) .OR. @NoMatch (2013_SEX, 2014_SEX) .OR. @NoMatch (2013_DATE_OF _BIRTH, 2014_DATE_OF_BIRTH) .OR. @NoMatch (2013_DATE_OF_HIRE, 2014_DATE _OF_HIRE)"***. All results should be investigated for potential errors in reporting.

RECOMMENDED PROCESS IMPROVEMENT #4 (CONTINUED)

b. This test may be performed by reviewing the Data Change Report created in step a. above. Employees included on the prior year's Member Data Form but not the current year's Member Data Form will appear on this report as the current year data fields will be blank.

c. This test may be performed by reviewing the Data Change Report created in step a. above. Employees included on the current year's Member Data Form but not the prior year's Member Data Form will appear on this report as the prior year data fields will be blank.

d. Participant Contributions – The totals check may be performed without using IDEA by simply comparing the total participant contributions reported on the Member Data Form to the total contributions on the PL report. If a material difference exists, the following procedure may be performed to identify the cause(s).

   In order to use the Join Databases function in IDEA, subject fields must be identical. Because the SSN field in the Member Data Form contains hyphens while the PL report contains only numbers, the hyphens must be stripped out of the SSN in the Member Data Form. Using the "Append Field" function, add a 9-digit character field using the field equation "***@Remove(SSN ,""-"")***".

   Use the "Join Databases" function to combine the Member Data Form to the PL report based on the Social Security Number. Match all records in the primary file, the Member Data Form:

   PL to Member Data Form Contribution Mismatch – This report will determine whether any inconsistencies exist between the contributions per the PL report and the Member Data Form. This test is performed on the Member Data Form using the "Direct Extraction" function with the extraction criteria "***@Abs (2014 MEMBER CONTRIBUTIONAMOUNT – PL YTD WH AMOUNT)>1***" where "2014 MEMBER CONTRIBUTION AMOUNT" is the contribution amount reported on the Member Data Form and "PL YTD WH AMOUNT" is the year to date contributions per the PL report. The number 1 eliminates rounding differences. All results over a scope deemed meaningful should be investigated for potential errors in reporting.

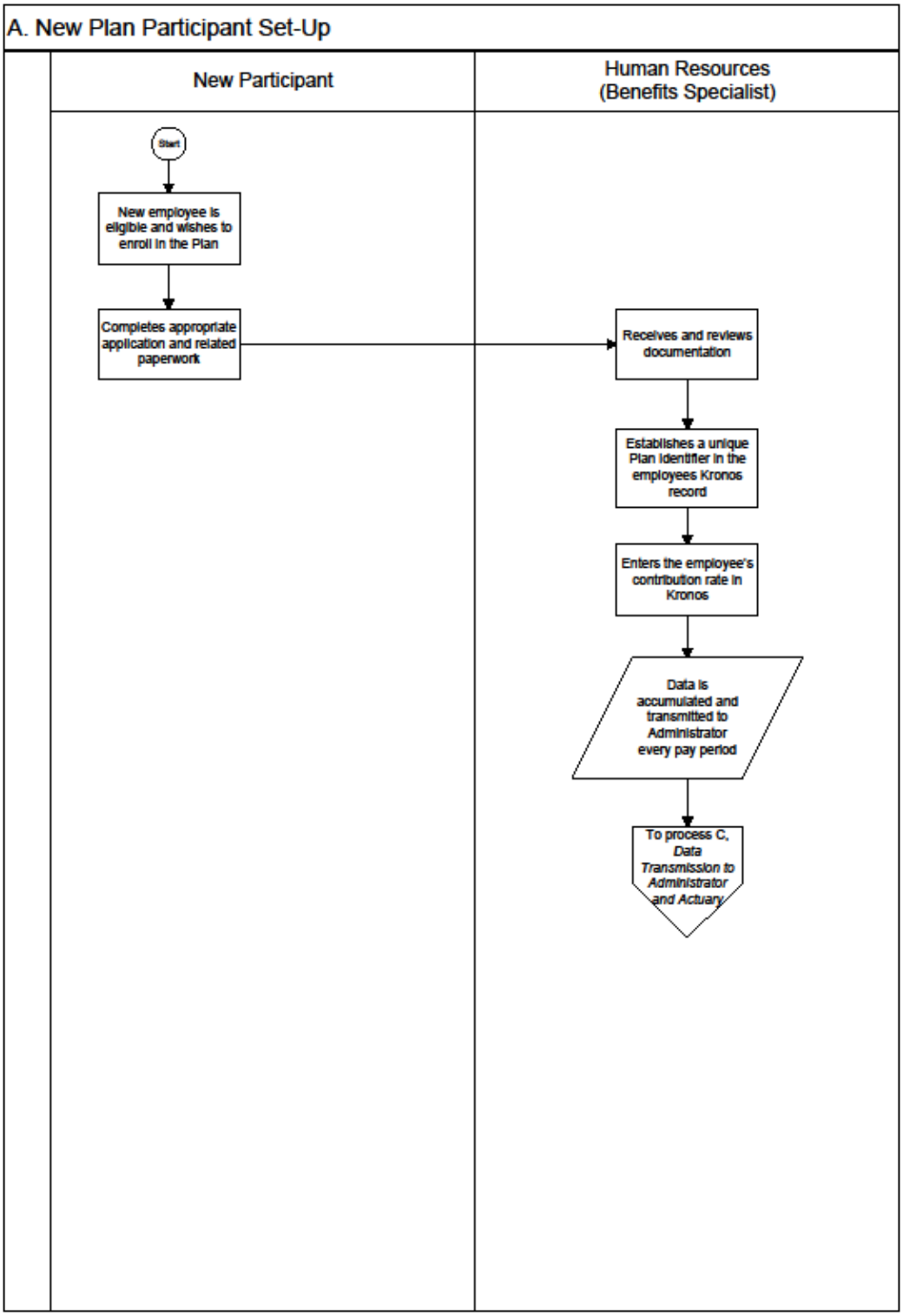
SUPPORTING DOCUMENTATION:

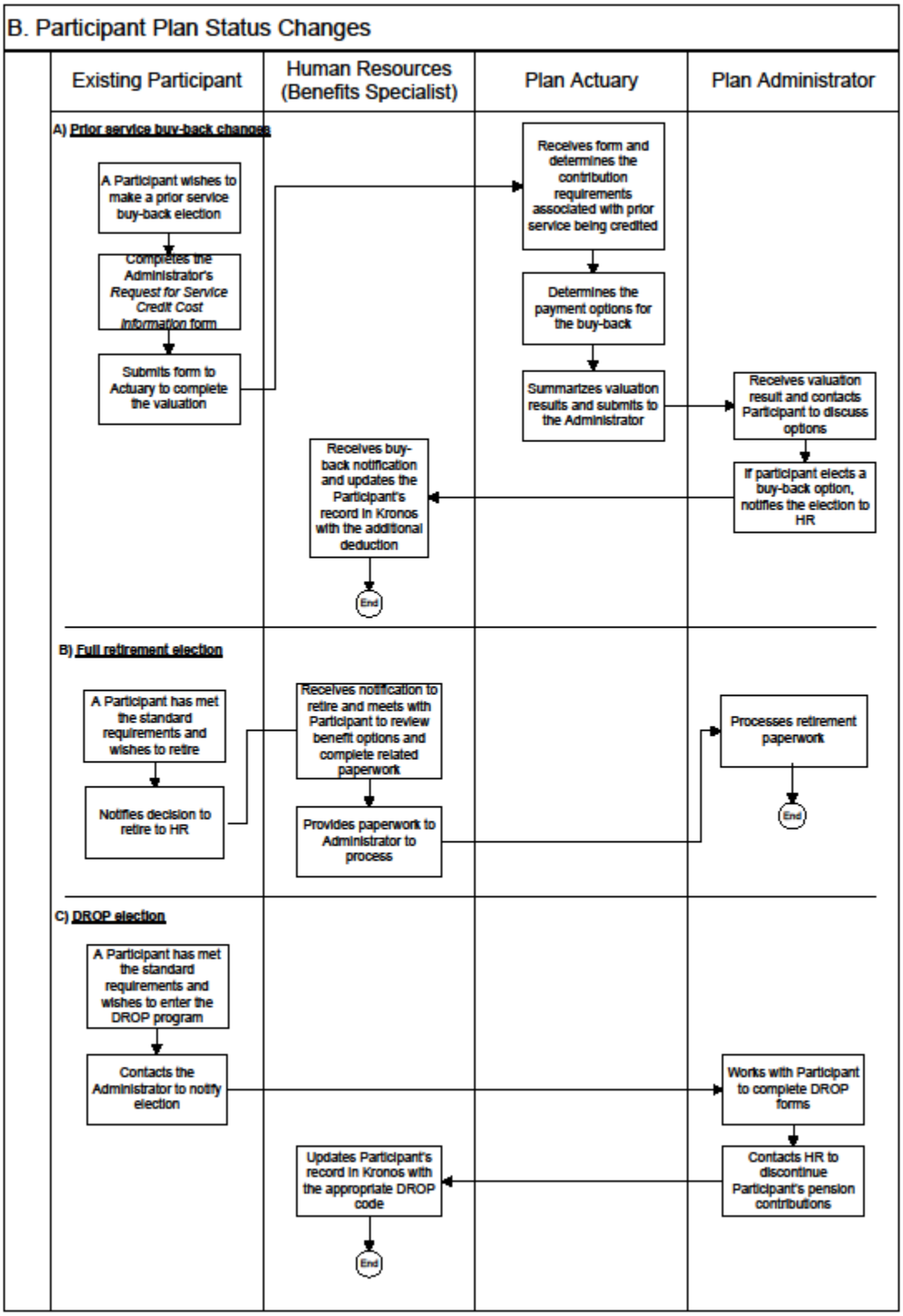
EXHIBIT A:
FUNCTIONAL FLOWCHARTS OF PENSION CENSUS DATA TRANSMISSION PROCESSES

EXHIBIT B:
INTERNAL CONTROL ASSESSMENT TOOL

EXHIBIT C:
DATA MINING SOFTWARE (IDEA) SCRIPTS

EXHIBIT A:
FUNCTIONAL FLOWCHARTS OF PENSION CENSUS DATA TRANSMISSION PROCESSES


A. New Plan Participant Set-Up
New Participant
Human Resources (Benefits Specialist)
Start
New employee is eligible and wishes to enroll in the Plan
Completes appropriate application and related paperwork
Receives and reviews documentation
Establishes a unique Plan Identifier in the employees Kronos record
Enters the employee's contribution rate in Kronos
Data is accumulated and transmitted to Administrator every pay period
To process C, Data Transmission to Administrator and Actuary


B. Participant Plan Status Changes
Existing Participant
Human Resources (Benefits Specialist)
Plan Actuary
Plan Administrator
A) Prior service buy-back changes
A Participant wishes to make a prior service buy-back election
Completes the Administrator's Request for Service Credit Cost Information form
Submits form to Actuary to complete the valuation
Receives form and determines the contribution requirements associated with prior service being credited
Determines the payment options for the buy-back
Summarizes valuation results and submits to the Administrator
Receives valuation result and contacts Participant to discuss options
If participant elects a buy-back option, notifies the election to HR
Receives buy-back notification and updates the Participant's record in Kronos with the additional deduction
End
B) Full retirement election
A Participant has met the standard requirements and wishes to retire
Notifies decision to retire to HR
Receives notification to retire and meets with Participant to review benefit options and complete related paperwork
Provides paperwork to Administrator to process
Processes retirement paperwork
End
C) DROP election
A Participant has met the standard requirements and wishes to enter the DROP program
Contacts the Administrator to notify election
Works with Participant to complete DROP forms
Contacts HR to discontinue Participant's pension contributions
Updates Participant's record in Kronos with the appropriate DROP code
End

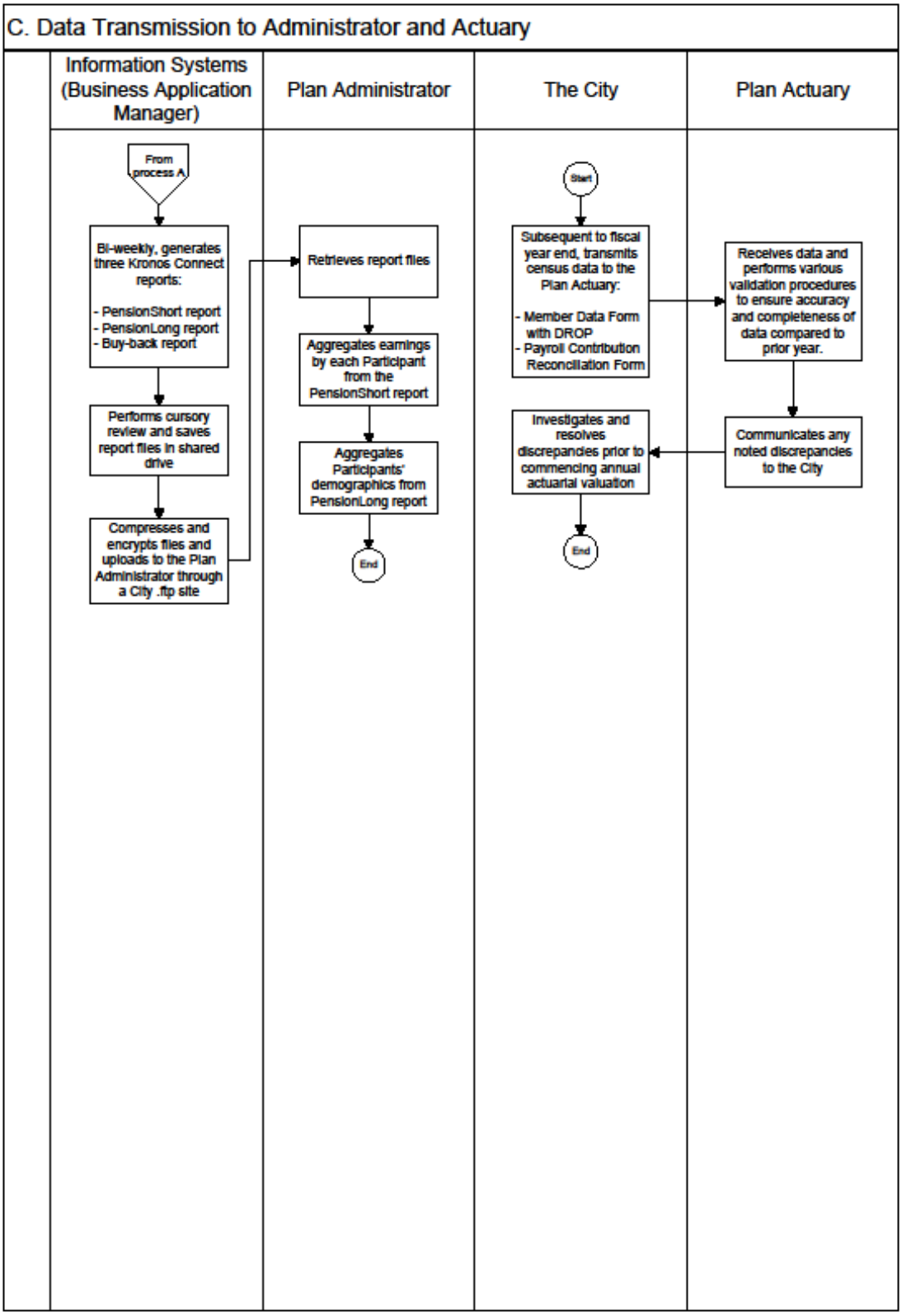

C. Data Transmission to Administrator and Actuary
Information Systems (Business Application Manager)
Plan Administrator
The City
Plan Actuary
From process A
Bi-weekly, generates three Kronos Connect reports:
- PensionShort report
- PensionLong report
- Buy-back report
Performs cursory review and saves report files in shared drive
Compresses and encrypts files and uploads to the Plan Administrator through a City .ftp site
Retrieves report files
Aggregates earnings by each Participant from the PensionShort report
Aggregates Participants' demographics from PensionLong report
End
Start
Subsequent to fiscal year end, transmits census data to the Plan Actuary:
- Member Data Form with DROP
- Payroll Contribution Reconciliation Form
Investigates and resolves discrepancies prior to commencing annual actuarial valuation
End
Receives data and performs various validation procedures to ensure accuracy and completeness of data compared to prior year.
Communicates any noted discrepancies to the City

EXHIBIT B:
INTERNAL CONTROL ASSESSMENT TOOL

PENSION PLAN CENSUS DATA CONSULTING ENGAGEMENT
CITY OF CAPE CORAL, FLORIDA
EXHIBIT B

No.	Existing Control (Internal Control Objective)	Description	Recommendation for Improvement	*Management Response*
1	Completion of required paperwork	For enrollments into the Plan, elections of prior service buy-back, retirements, and DROP elections, specific forms are required to be completed by the Plan participant. This ensures that necessary information is completed and signed by the participant and provided to the City's Benefits Specialists and third party Plan Administrator for accurate processing.	**NONE** -	*N/A*

No.	Existing Control (Internal Control Objective)	Description	Recommendation for Improvement	*Management Response*
2	Security of pension census data files	Access to the PensionLong, PensionShort, and Buy-Back data files within the City's shared drive is restricted to the Business Applications Analyst I, Business Applications Analyst II, and IT Helpdesk personnel.	We recommend that assigned personnel within the City perform certain procedures periodically to ensure that the data provided to the Administrator each pay cycle is complete and accurate. Also, we recommend that on a periodic basis assigned City personnel request from the Administrator census information specifically for the employees with access to the aforementioned pension reports. For the period reviewed, compare the demographic and wage information from the files provided by the Administrator to payroll records to verify accuracy.	*Responsibility of pulling the PensionLong, PensionShort & Buy Back data files have been reassigned to the Payroll Supervisor who will run the reports after each City payroll processing and transmit the information as well as the payments to Salem Trust and Pension Resource Center (as applicable). The Benefits Manager will audit these reports on a monthly basis as well as coordinate with the Pension Administrator for audit of their census on an annual basis.*

No.	Existing Control (Internal Control Objective)	Description	Recommendation for Improvement	*Management Response*
3	Reconciliation of amounts remitted to Custodian to amounts withheld from wages	The Payroll Supervisor performs monthly reconciliations of amounts remitted to the Custodian to monthly pensionable wages multiplied by the applicable contribution rates for each employee.	In all instances, the reconciliation procedures performed by the Payroll Supervisor should occur **prior to** initiating the remittance to the Custodian. The results of the reconciliation should accompany the check request form. An appropriate member within the Finance Department, such as the Accounting Manager, should obtain the completed reconciliation and ensure there are no unreconciled items prior to approving for payment to the Custodian.	*Due to time constraints between payroll processing and submittal of funds to Salem Trust (these are time sensitive payments) and the in-depth reconciliation suggested, this recommendation is not feasible. The Payroll Supervisor reviews reports to verify total contributions for each pay group before funds and reports are sent and then reconciles by employee after the time sensitive funds/data are sent. If discrepancies are recognized, the Payroll Supervisor notifies the Benefits Division to correct in the next payroll run. We propose that the Benefits Manager perform a monthly reconciliation of the Payroll Supervisor's bi-weekly reporting to verify accuracy and correct any concerns in the next payroll processing date.*

No.	Existing Control (Internal Control Objective)	Description	Recommendation for Improvement	*Management Response*
4	Transmission of census data to the pension Actuary – standardized forms	The City submits two standard forms to the Actuary: 1) Member Data Form 2014 with DROP and 2) Payroll Contribution Reconciliation Form 2014. This ensures that the Actuary is receiving employee and retiree data in a prescribed format. Also, the Actuary performs various validation measures on this data to ensure that the information provided is complete and accurate.	We recommend that the City perform its own reconciliation procedures prior to remitting the census files to the Actuary. A reconciliation of individual member data can be achieved by comparing the Member Data Form remitted to the Actuary in the prior year valuation to said form to be remitted for the current year valuation. Validation measures over total balances reported on the current year census files can be achieved by comparing to report totals from the PS report and Buy-Back report covering the same fiscal period.	*The Payroll Supervisor currently submits and reconciles these annual reports and will incorporate a comparison to the previous year's annual reporting to verify any obvious inconsistencies.*

EXHIBIT C:
DATA MINING SOFTWARE (IDEA) SCRIPTS

RECOMMENDED PROCESS IMPROVEMENT #2

Create "GN PENSIONABLE" field – Using the "Append Field" function, add a numeric field with 2 decimal places using the field equation "***Gross Wages - GTLI***".

Append Field	10/23/2014 9:19:00 AM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\GN Report - 09.12.2014.IMD
Field name:	GN_PENSIONABLE
Field Type:	Numeric
Field Decimal Place...	0
Field Equation:	GN_GROSS - GN_GTLI
Field Description:	
IDEAScript code:	Set db = Client.OpenDatabase("GN Report - 09.12.2014.IMD") Set task = db.TableManagement Set field = db.TableDef.NewField field.Name = "GN_PENSIONABLE" field.Description = "" field.Type = WI_NUM_FIELD field.Equation = " GN_GROSS - GN_GTLI " field.Decimals = 0 task.AppendField field task.PerformTask Set task = Nothing Set db = Nothing Set field = Nothing

Create "GN SSN" field – In order to use the Visual Connector function in IDEA (described later) subject fields must be identical. Because the SSN field in the GN report contains hyphens while the PS report and PL report contains only numbers, the hyphens must be stripped out of the SSN in the GN report. Using the "Append Field" function, add a 9-digit character field using the field equation "***@Remove(SSN ,""-"")***".

Append Field	10/22/2014 9:37:00 AM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Employee Gross to Net - 09.18.2014.IMD
Field name:	SSN1
Field Type:	Character
Field length:	9
Field Equation:	@Remove(SSN ,"-")
Field Description:	
IDEAScript code:	Set db = Client.OpenDatabase("Employee Gross to Net - 09.18.2014.IMD") Set task = db.TableManagement Set field = db.TableDef.NewField field.Name = "SSN1" field.Description = "" field.Type = WI_CHAR_FIELD field.Equation = "@Remove(SSN ,""-"")" field.Length = 9 task.AppendField field task.PerformTask Set task = Nothing Set db = Nothing Set field = Nothing

Create "GN PENSION" field – In order to use the Visual Connector function in IDEA (described later) subject fields must be identical. Because the Pension field in the GN report contains the full name of the pension type while the PS report and PL report contains the pension code, the GN report field must be converted. Using the "Append Field" function, add a 2-digit character field using the field equation "***@CompIf(PENSION_PLAN ==""",""",PENSION_PLAN==""General"",""GE"",PENSION_PLAN==""Police"",""PP"", PENSION_PLAN ==""Fire"",""FF"")***".

Append Field	10/22/2014 1:15:00 PM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Gross to Net - PE 09.12.2014.IMD
Field name:	PENSION_PLAN1
Field Type:	Character
Field length:	2
Field Equation:	@CompIf(PENSION_PLAN =="","", PENSION_PLAN =="General","GE", PENSION_PLAN =="Police","PP", PENSION_PLAN =="Fire","FF")
Field Description:	
IDEAScript code:	Set db = Client.OpenDatabase("Gross to Net - PE 09.12.2014.IMD") Set task = db.TableManagement Set field = db.TableDef.NewField field.Name = "PENSION_PLAN1" field.Description = "" field.Type = WI_CHAR_FIELD field.Equation = "@CompIf(PENSION_PLAN ==""","", PENSION_PLAN ==""General"",""GE"", PENSION_PLAN ==""Police"",""PP"", PENSION_PLAN ==""Fire"",""FF"")" field.Length = 2 task.AppendField field task.PerformTask Set task = Nothing Set db = Nothing Set field = Nothing

Create "GN TOT PENSION CONT" field – As previously discussed, general pension participants enrolled prior to October 1, 2013 were given an option to contribute an additional amount to their pension in order to receive certain cost of living increases at the time of retirement. The GN report shows this optional deduction as a separate line in the GN and PS reports and must be combined for a total pension contribution amount for the pay period. Using the "Append Field" function, add a numeric field with 2 decimal places using the field equation "***GN_COL_OPTION + GN_PENSION_CONT***" where "GN_COL_OPTION" is the optional additional contribution and "GN_PENSION_CONT" is the base pension contribution.

Append Field	10/23/2014 9:20:00 AM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\GN Report - 09.12.2014.IMD
Field name:	GN_TOT_PENSION_CONT
Field Type:	Numeric
Field Decimal Place...	2
Field Equation:	GN_COL_OPTION + GN_PENSION_CONT
Field Description:	
IDEAScript code:	Set db = Client.OpenDatabase("GN Report - 09.12.2014.IMD") Set task = db.TableManagement Set field = db.TableDef.NewField field.Name = "GN_TOT_PENSION_CONT" field.Description = "" field.Type = WI_NUM_FIELD field.Equation = " GN_COL_OPTION + GN_PENSION_CONT " field.Decimals = 2 task.AppendField field task.PerformTask Set task = Nothing Set db = Nothing Set field = Nothing

Because the PS report has a separate record each pay period for both the participant's base contribution and the optional amount for certain general pension participants, records must be combined by SSN and by date. Using the PS report, use the "Summarize" function to summarize wage fields by SSN then by PS pay period end date. This report will be referred to hereafter as the **PS Summary Report**.

Summarization	10/23/2014 10:08:00 AM	DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\PS Summary by Date.IMD	
Number of records:	28342	
Control field:	No Control Total	
Control total:	No Control Total	
Summarization from:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Pension Short Output - 09.12.2014.IMD	
Number of records:	38565	
Numeric field to total:	PS_EMPLOYEE_CONTRIBUTION	
Numeric field to total:	PS_GROSS_WAGES	
Numeric field to total:	PS_PENSIONABLE_WAGES	
Fields to summarize by:	PS_SSN	
Fields to summarize by:	PS_PERIOD_END	
Use first occurrence:	TRUE	
Selected statistics:	Sum	

After making the modifications, use the "Visual Connector" function to merge the GN Report, the PL report and the PS Summary report together as one based on the SSN field. Ensure that the GN SSN append field is used from the GN report. When prompted, select "All records in the primary database, all matches". This report will be referred to hereafter as the **Master Report**. It is important to note that this will create a new record for each of the pay periods reported on the PS report. Thus, a single exception on subsequent queries may generate multiple records.

Visual Connector	10/23/2014 10:47:00 AM DRuppert
Primary Database:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\GN Report - 09.12.2014.IMD
Number Of Records:	1559
Secondary Database:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Pension Long Output - 09.12.2014.IMD
Number Of Records:	1143
Secondary Database:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\PS Summary by Employee and Date.IMD
Number Of Records:	28342
Append database name to o...	False
All primary records included:	True
Relation From:	GN Report - 09.12.2014.IMD :: GN_SSN
Relation To:	Pension Long Output - 09.12.2014.IMD :: PL_SSN
Relation From:	GN Report - 09.12.2014.IMD :: GN_SSN
Relation To:	PS Summary by Employee and Date.IMD :: PS_SSN
Creating a virtual database:	No

To avoid excessive false positives on analytical procedures, a subset of the Master Report is needed. That is, only the data from the pay period being examined is relevant. Use the "Direct Extraction" function with the extraction criteria "***@BetweenDate(PS_PER_END, "YYYYMMDD", "YYYYMMDD")*** where "PS_PER_END" is the period end date for the PS Report. This report will be referred to hereafter as the **Pay Date Report**.

Record Extraction	10/23/2014 10:53:00 AM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Pay Date Report.IMD
Number of records:	1132
Control field:	No Control Total
Control total:	No Control Total
Extraction from:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Master Report.IMD
Number of records:	28806
Indexed by:	No index
Extraction Range:	1 - 28806
Extraction Criteria:	@BetweenDate(PS_PERIOD_END,"20140912","20140912")
Creating a virtual databa...	No
IDEAScript code:	Set db = Client.OpenDatabase("Master Report.IMD") Set task = db.Extraction task.IncludeAllFields dbName = "Pay Date Report.IMD" task.AddExtraction dbName, "", "@BetweenDate(PS_PERIOD_END,""20140912"",""20140912"")" task.CreateVirtualDatabase = False task.PerformTask 1, db.Count Set task = Nothing Set db = Nothing Client.OpenDatabase (dbName)

GN to Pension Mismatch – This report will determine whether any inconsistencies exist between the GN report, PS report, or the PL report. That is, it will indicate that the pension in which an employee participates is not consistent between reports. This test is performed on the Pay Date Report using the "Direct Extraction" function with the extraction criteria "***@NoMatch (PENSION1,PENSION2) .OR. @NoMatch (PENSION1, PENSION3)***" where "Pension1" is the pension code for the GN report, "Pension2" is the pension code for the PS report and "Pension3" is the pension code for the PL report. All results should be investigated for potential errors in reporting.

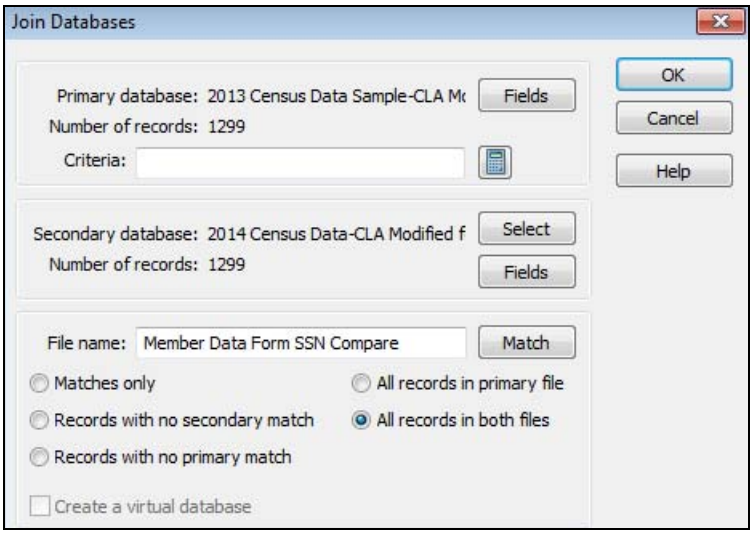
Record Extraction	10/22/2014 5:04:00 PM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\GN Pension Mismatch.IMD
Number of records:	6
Control field:	No Control Total
Control total:	No Control Total
Extraction from:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Payroll Report.IMD
Number of records:	1541
Indexed by:	No index
Extraction Range:	1 - 1541
Extraction Criteria:	@NoMatch(GN_PENSION , PL_PENSION) .OR. @NoMatch(GN_PENSION , PS_PENSION)
Creating a virtual database:	No
IDEAScript code:	Set db = Client.OpenDatabase("Payroll Report.IMD") Set task = db.Extraction task.IncludeAllFields dbName = "GN Pension Mismatch.IMD" task.AddExtraction dbName, "", "@NoMatch(GN_PENSION , PL_PENSION) .OR. @NoMatch(GN_PENSION , PS_PENSION)" task.CreateVirtualDatabase = False task.PerformTask 1, db.Count Set task = Nothing Set db = Nothing Client.OpenDatabase (dbName)

Pension Contribution Mismatch – This report will determine whether any inconsistencies exist between the GN report and the PS report. That is, it will indicate whether a different amount is being deducted from an employee check than what is being reported to the Administrator. This test is performed on the Pay Date Report using the "Direct Extraction" function with the extraction criteria "***@Abs (PENSION_CONTRIBUTION1 – PENSION_CONTRIBUTION2)>1***" where "Pension Contribution1" is the contribution deducted per the GN report and "Pension Contribution2" is the contribution reported to the Administrator for that pay period. The number 1 eliminates rounding differences. All results over a scope deemed meaningful should be investigated for potential errors in reporting.

Record Extraction	10/22/2014 5:23:00 PM DRuppert
File name:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Pension Mismatch over $1.IMD
Number of records:	415
Control field:	No Control Total
Control total:	No Control Total
Extraction from:	C:\Users\druppert.000\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Payroll Report.IMD
Number of records:	1541
Indexed by:	No index
Extraction Range:	1 - 1541
Extraction Criteria:	@Abs(GN_PENSION_CONTRIBUTION - PS_PENSION_CONTRIBUTION)>1
Creating a virtual database:	No
IDEAScript code:	Set db = Client.OpenDatabase("Payroll Report.IMD") Set task = db.Extraction task.IncludeAllFields dbName = "Pension Mismatch over $1.IMD" task.AddExtraction dbName, "", "@Abs(GN_PENSION_CONTRIBUTION - PS_PENSION_CONTRIBUTION)>1" task.CreateVirtualDatabase = False task.PerformTask 1, db.Count Set task = Nothing Set db = Nothing Client.OpenDatabase (dbName)

RECOMMENDED PROCESS IMPROVEMENT #4

Use the "Join Databases" function to combine the current year Member Data Form and the prior year Member Data Form based on social security numbers. Match all records in both files:



Data Change Report – This report will determine whether any inconsistencies exist between the current year's Member Data Form and the prior year's Member Data Form. That is, it will indicate whether a mismatch is identified in an employee's name, sex, date of birth, or date of hire. This test is performed using the extraction criteria ***"@NoMatch (2013_NAME, 2014_NAME) .OR. @NoMatch (2013_SEX, 2014_SEX) .OR. @NoMatch (2013_DATE_OF_BIRTH, 2014_DATE_OF_BIRTH) .OR. @NoMatch (2013_DATE_OF_HIRE, 2014_DATE_OF_HIRE)"***. All results should be investigated for potential errors in reporting.

Record Extraction	12/10/2014 1:33:00 PM druppert
File name:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Data Change Report.IMD
Number of records:	3
Control field:	No Control Total
Control total:	No Control Total
Extraction from:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Join by SSN.IMD
Number of records:	1301
Indexed by:	No index
Extraction Range:	1 - 1301
Extraction Criteria:	@NoMatch(COL_2013_NAME , COL_2014_NAME) .OR. @NoMatch(COL_2013_SEX , COL_2014_SEX) .OR. @NoMatch(COL_2013_DATE_OF_BIRTH , COL_2014_DATE_OF_BIRTH) .OR. @NoMatch(COL_2013_DATE_OF_HIRE , COL_2014_DATE_OF_HIRE)

In order to use the Join Databases function in IDEA, subject fields must be identical. Because the SSN field in the Member Data Form contains hyphens while the PL report contains only numbers, the hyphens must be stripped out of the SSN in the Member Data Form. Using the "Append Field" function, add a 9-digit character field using the field equation "***@Remove(SSN ,"","-")***".

Append Field	12/10/2014 3:00:00 PM	druppert
File name:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\2014 Census Data-CLA Modified for Import.IMD	
Field name:	SSN	
Field Type:	Character	
Field length:	9	
Field Equation:	@Remove(COL_2014_SOCIAL_SECURITY_NUMBER , "-")	

Use the "Join Databases" function to combine the Member Data Form to the PL report based on the Social Security Number. Match all records in the primary file, the Member Data Form:

Join Databases	12/10/2014 3:03:00 PM	druppert
File name:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\MDF Contributions.IMD	
Number of records:	1299	
Control field:	No Control Total	
Control total:	No Control Total	
Unmatched primary recs:	184	
Join primary file:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\2014 Census Data-CLA Modified for Import.IMD	
Number of records:	1299	
Join secondary file:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\Pension Long Output - 09.12.2014.IMD	
Number of records:	1143	
Type of join:	All records in primary file	

PL to Member Data Form Contribution Mismatch – This report will determine whether any inconsistencies exist between the contributions per the PL report and the Member Data Form. This test is performed on the Member Data Form using the "Direct Extraction" function with the extraction criteria "***@Abs (2014 MEMBER CONTRIBUTIONAMOUNT – PL YTD WH AMOUNT)>1***" where "2014 MEMBER CONTRIBUTION AMOUNT" is the contribution amount reported on the Member Data Form and "PL YTD WH AMOUNT" is the year to date contributions per the PL report. The number 1 eliminates rounding differences. All results over a scope deemed meaningful should be investigated for potential errors in reporting.

Record Extraction	12/10/2014 3:10:00 PM druppert
File name:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\MDF_PL Mismatch.IMD
Number of records:	1031
Control field:	No Control Total
Control total:	No Control Total
Extraction from:	\\dc1-na1b.firm.loc\dc1-share10\users\druppert\Documents\My IDEA Documents\IDEA Projects\Cape Coral Pension Consulting\MDF Contributions.IMD
Number of records:	1299
Indexed by:	No index
Extraction Range:	1 - 1299
Extraction Criteria:	@Abs(COL_2014_FISCAL_YEAR_MEMBER_CONTRIBUTION - PL_YTD_WH_AMOUNT) > 1