



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT

State Teachers Retirement System  
Clifton Larson Allen LLP  
One Seagate  
Suite 2650  
Toledo, Ohio 43604

We have examined the Eastern Gateway Community College's management's assertion that the census data and pensionable wages reported to the State Employees Retirement System as of June 30, 2015, and for the year then ended was accurate and complete.

Management asserts that:

- The census data provided to the State Teachers Retirement System as of June 30, 2015 is accurate and complete. Census data includes
  - First and Last Name;
  - Last four digits of the social security number;
  - Contributions remitted to the plan;
  - Pensionable Compensation;
- The census data provided to the State Teachers Retirement System as of June 30, 2015 included all enrolled employees.
- Census data changes occurring during the year ended June 30, 2015 to an enrolled employee's eligible compensation were properly updated with State Teachers Retirement System.
- All employees required to be enrolled in the State Teachers Retirement System were properly enrolled.
- The total pensionable wages and employee contributions information reported to State Teachers Retirement System agrees with the payroll records of the employer.

Eastern Gateway Community College's management is responsible for the assertions. Our responsibility is to opine on the assertions based on our examination.

Our examination followed attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements included in the Comptroller General of the United States' *Government Auditing Standards* and, accordingly, included examining, on a test basis, evidence supporting management's assertions and performing other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertions related to the accuracy and completeness of the census data and pensionable wages as described above provided to State Teachers Retirement System as of and for the year ending June 30, 2015 are fairly stated in all material respects.

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the accuracy and completeness of the census data and pensionable wages; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether management's assertion regarding the accuracy and completeness of the census data reported to the retirement system is fairly stated, and not for the purpose of expressing an opinion on the internal control over the accuracy and completeness of the census data provided to the pension system, or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under Government Auditing Standards and those findings, along with the views of responsible officials, are described in the attached Schedule of Findings.

This report is intended solely for the information and use of Eastern Gateway Community College's management, those charged with governance, and the State Teachers Retirement System, and Clifton Larson Allen LLP and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

November 12, 2015

**EASTERN GATEWAY COMMUNITY COLLEGE  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2015**

**FINDING NUMBER 2015-001**

**Significant Deficiency**

**Employees Improperly Reported in the Pension System**

Eastern Gateway Community College has employees enrolled in the State Teachers Retirement System (STRS) who based on the nature of their position at the college would not be eligible for participation in the system.

We found that 5 of the 30 employees selected for testing were enrolled in STRS but based on their duties and job descriptions, should not have been. These included counselors and advisors.

The College identified 3 of the 5 errors in April 2015: 1 of the 5 was enrolled in SERS beginning July 1, 2015; 1 of the 5 left service prior to July 1, 2015 and was not enrolled; 1 of the 5 was to be enrolled July 1, 2015 but was overlooked; the remaining 2 of the 5 employees should have been enrolled in SERS rather than STRS.

The College should take the necessary steps to review employee's job descriptions and duties and verify they are enrolled in the proper retirement system based on this.

**Management's Response**

The positions in question were classified as STRS or SERS prior to the Personnel Analyst working with Eastern Gateway Community College.

On or around April 1, 2015 the Personnel Analyst upon review of payroll data, questioned the retirement system classification of some of the positions of Eastern Gateway Community College.

The Personnel Analyst proactively made the decision to contact STRS, provide them with a copy of the job descriptions for the positions in question and asked them to review and make a determination on whether or not the employees were properly classified as STRS. STRS determined that some of the positions reviewed were SERS eligible, not STRS eligible positions.

Based on the response from STRS the Personnel Analyst met with the Vice President of Business Services, the Executive Director of Finance and the Director of Student Billing and Payroll to determine the most appropriate course of action to remedy the errors. The decision was made to reclassify the employees into the appropriate retirement system beginning July 1, 2015, the beginning of the next fiscal year.

**Remedies for Deficiency**

The position field of all new hire authorization forms will be reviewed prior to entry into the payroll system.

If the new hire form indicates that the employee is backfilling an existing position the payroll specialist will review the existing list of titles and corresponding retirement system classification and will enter the employee as such in the payroll system. If the new hire form indicates that the position has been newly created the job description will be sent to either STRS or SERS for review. SERS or STRS will make and provide the determination of appropriate retirement system classification and the employee will be classified as such in our payroll system.

**EASTERN GATEWAY COMMUNITY COLLEGE  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2015  
(Continued)**

**FINDING NUMBER 2015-002**

**Significant Deficiency**

**Pension Contributions Not Based on Pensionable Wages**

The amount submitted to the State Teachers Retirement System (STRS) was not properly calculated based on pensionable wages.

We noted one instance where the amount remitted to STRS was incorrect based on the employees pensionable wages. The amount remitted was \$20.29 less than should have been remitted.

The College should take the necessary steps to ensure that amounts remitted to the State Teachers Retirement System are properly calculated based on employees' pensionable wages.

**Management's Response**

On June 30, 2015 the employee in question had health insurance deductions to make-up for a previous underpayment that existed on her account.

The employee's gross pay on June 30, 2015 was \$225.00. The employee owed \$218.36 in make-up health deductions. This is a Non-FICA paying employee. In the hierarchy of deductions taken STRS is taken next. The total remaining wages to be applied towards this deduction was \$6.64. This left a deficit of \$20.36 owed to STRS.

**Remedies for Deficiency**

The remedy process for STRS deduction deficits is already in place. The deficit of \$20.36 in this case was withheld from the employee's next pay on 7/15/15 and remitted to STRS.



# Dave Yost • Auditor of State

**EASTERN GATEWAY COMMUNITY COLLEGE - STRS**

**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 10, 2015**