

<p><b>Date:</b> December 20, 2018</p> <p><b>To:</b> Diana Smith, Director of Human Resources, Hartford Public Library</p> <p><b>From:</b> Joseph Caruso, CPA, Deputy Chief Auditor</p> <p>Craig S. Trujillo, CPA, Chief Auditor</p> <p><b>Tele:</b> (860) 757-9955 (860) 757-9952</p>		<p><b>Hartford Public Library</b>  <b>Department of Human Resources</b>  <b>Employee Pension Contribution Audit</b>  <b>Report 1908</b></p>
---	--	---

## I. Executive Summary

In accordance with our audit plan for the fiscal year ending June 30, 2019, we completed an examination in December 2018 of the Hartford Public Library Department of Human Resources Employee Pension Contributions. The purpose of the examination was to evaluate and test internal accounting and operating controls, the accuracy and propriety of transactions processed, the degree of compliance with established operating policy and procedures, and to recommend improvements where required. The results of our examination were reviewed with D. Smith, Director of Human Resources, Hartford Public Library; and, other responsible members of operating management. The summary which follows includes exceptions disclosed and recommended operating improvements. Management has also noted actions taken or planned including time periods to resolve each finding and/or recommendation in this report. We thank Hartford Public Library Department of Human Resources management and staff for their cooperation and courtesies extended to us during our audit.

HPL employee pension contribution deductions were generally found to be accurate and in accordance with applicable union contracts and the City Municipal Code.

### Background

All full-time Hartford Public Library (HPL) employees must participate in the Municipal Employees Retirement Fund (MERF). Participants must contribute a percentage of their respective earnings to the MERF each pay cycle. The percentage of earnings that each employee must contribute to the MERF is stipulated in bargaining unit agreements and the City Municipal Code. During the fiscal years ended June 30, 2018 and 2017, HPL employees contributed approximately \$197,000 and \$193,000, respectively, to the MERF.

### Scope

The scope of our audit included various tests of employee pension contributions from January 1, 2017 through October 19, 2018. The following audit procedures were performed:

**Hartford Public Library  
Department of Human Resources  
Employee Pension Contribution Audit**

- Reviews of union contracts and the City Municipal Code;
- Examination and tests of employee pension contribution rates and calculations;
- Tests of pension contribution payments made to the MERF;
- Reviews of pension files for employee contribution adjustment and payback agreements; and,
- Reviews of job change documentation noting transfers of employees from one union to another.

**II. Detail Findings**

HPL Pension Adjustments

Various tests of 12 HPL employees who were making additional pension payments beginning in 2017 and reviews of related operations disclosed the following:

1. There were not always adequate support detailing why additional pension payments were being made by the employee. In addition, the start dates and end dates used to make these deductions in MUNIS were vague. We recommend each HPL employee Human Resource file contain all calculations of any pension adjustment payments to be repaid back to HPL indicating the dates of the first and last payments to be made by the employee. In addition, we recommend that HPL Human Resources seek out MUNIS Payroll training to gain a better understanding of how the module works to avoid any future vagueness pertaining to pension adjustment dates within MUNIS.
2. During our audit, we noted that HR employee files were disorganized whereby some non-medical paperwork were inappropriately filed in the separate employee medical folders. HPL management informed us that they are aware of this issue and working to resolve. We recommend all medical files remain separate from other non-medical information that is collected by HPL Human Resources.

**Management Response**

Due Date: March 31, 2019

Responsible Person: Diana Smith, Director of Human Resources, Hartford Public Library

We appreciate this matter being brought to our attention and agree with the findings noted above. The records identified in the audit were largely entered during the prior HPL Human Resource Director's tenure. We will work diligently to correct this. We are presently seeking MUNIS Payroll training from the City of Hartford/MUNIS to ensure the present Human Resources team is properly trained to utilize MUNIS proficiently with pension adjustments and other payroll entries.

**Hartford Public Library  
Department of Human Resources  
Employee Pension Contribution Audit**

In the future, appropriate documentation will be retained within each employee personnel folder to maintain a proper audit trail for why pension adjustments were necessary. We were aware of the issue with the medical folders. This is an outstanding issue from the prior predecessor and a plan of action is in place to organize the medical folders and store this information separately. The Library anticipates full organizational compliance by the due date noted above.

Finally, the Library seeks a dual check and balance with the City's Pension department and requests the pension agency notify us when pension deductions are not entered for new employees or when pension adjustments are made for existing employees with vague dates.

Distribution

City Council Members

Internal Audit Commission Members

L. Bronin, Mayor

A. Cloud, City Treasurer

T. Montanez, Interim Chief Operating Officer & Chief of Staff, Mayor's Office

B. Quinn-Carey, Chief Executive Officer, Hartford Public Library

L.A. Ralls, Finance Director

H. Rifkin, Corporation Counsel

V. Rossitto, Partner, Blum Shapiro