



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Member Data of the Michigan Public School Employees' Retirement System

Office of Retirement Services, Department of Technology, Management, and Budget

Report Number:
071-1153-12L

Released:
June 2014

The Michigan Public School Employees' Retirement System (MPERS) is a cost-sharing, multiple-employer, Statewide, defined benefit public employee retirement plan governed by the State of Michigan. MPERS's pension plan provides retirement, survivor, and disability benefits to eligible employees in public school districts, intermediate school districts, certain public school academies, district libraries, tax-supported community or junior colleges, and certain universities. In addition, MPERS's health plan provides eligible retirees with the option of receiving health, dental, and vision coverage.

Audit Objective:

To assess the effectiveness of the Office of Retirement Services' (ORS's) efforts in monitoring the accuracy and validity of MPERS member data.

Audit Conclusion:

We concluded that ORS's efforts in monitoring the accuracy and validity of MPERS member data were moderately effective. We noted four reportable conditions (Findings 1 through 4).

Reportable Conditions:

ORS's internal control did not ensure the accuracy and completeness of MPERS members' wage and hour data reported to ORS by reporting units. Also, ORS had not established a data sharing arrangement with the Unemployment Insurance Agency to obtain the necessary wage data for comparison to ensure the accuracy of employer-reported wage data and resulting contributions to MPERS (Finding 1).

ORS had not implemented an effective review process to ensure that ORS enrolls new MPERS members in the proper benefit structure (Finding 2).

ORS had not implemented a process to ensure that wages reported by reporting units for public school employees under the age of 19 years were reportable to MPERS (Finding 3).

ORS had not implemented an effective review process to ensure the proper reporting of wages for MPERS retirees who return to work (Finding 4).

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Agency Response:

Our audit report contains 4 findings and 5 corresponding recommendations. ORS's preliminary response indicates that it agrees with all 5 recommendations.

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A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
<http://audgen.michigan.gov>



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