

The following are the suggested procedures that should be performed:

1. Review the applicable plan documents and statutes, as amended, to obtain an understanding of the contribution rates for employees and the employer, the eligible compensation on which contributions are based, and the eligibility criteria for membership in the System. [Information is available in the website of "Administración de los Sistemas de Retiros del ELA" (<http://www.retiro.pr.gov>). The General Section of the website includes the System's applicable laws. A summary of the plan's provisions is included in the notes to the plan's financial statements and in its actuarial report which are available in the website.]
2. Obtain an understanding of the processes and controls over the significant elements of census data at the (name of public corporation or municipality) to support the completeness and accuracy of the census data that is provided to the System.
3. Identify the payroll registers and payroll cycles of the employer and obtain an understanding of the employer's payroll accounting systems and systems of reporting information included in the employer payroll transmission reports submitted to the System during the year ended June 30, 2013.
4. Obtain the population of employer payroll transmission reports submitted to the System during the year ended June 30, 2013. Determine if the population obtained is complete compared to your understanding of the employer's payroll registers and cycles. Select the employer payroll transmission reports for June 2013, December 2012 and July 2012 to verify the mathematical accuracy of the report and whether the correct employee and employer contribution rates were used.
5. Obtain the reconciliations of the employer payroll transmission reports for June 2013, December 2012 and July 2012 to the corresponding payroll registers. Test the reconciliation(s) through re-performance and agree total contribution wages, employee contributions and employer contributions to the general ledger.
6. Obtain an understanding of the employer's process for enrolling new employees and reporting status changes to the System [other than those reported through the employer payroll transmission reports].
7. Obtain:
 - a. the employer's census data as of June 30, 2013 from the System.
 - b. a list of new employees hired during the year from the employer.

- c. from the employer and the system, a list of status changes during the fiscal year 2013. The list should include the following elements:
 - i. Terminations
 - ii. Retirements
 - iii. Active employees not hired during the fiscal year, which were eligible to the plan during fiscal year 2013 (applies only to municipalities)
8. From the employer payroll register (other than those reported through the employer payroll transmission reports submitted to the System) for June 2013, select a representative sample¹ using a random or systematic approach, of active employees and perform the following:
 - a. Determine the employee is eligible for participation in the plan based on the eligibility criteria included in the plan documents and statutes; [If result is a non-eligible participant, do not perform additional procedures]
 - b. Trace the employee's gross salary for the period to the payroll register;
 - c. Trace hours worked per the payroll register to a time card or time sheet;
 - d. Trace pay rate per the payroll register to authorized pay rate in the personnel file;
 - e. Recompute salary based on hours worked and authorized pay rate;
 - f. Recalculate the eligible compensation for the period based on the provisions in the plan documents and statutes;
 - g. Recompute employee and employer contributions based on eligible compensation and applicable contribution rates.
 9. For eligible participants determined in step 8, determine if they were included in the employer's census data as of June 30, 2013 obtained in (7) (a). Verify the significant elements of the census data to the human resource records: name and social security number; position/job code; date of birth; date of hire; salary reported for the one-year period; marital status; whether the member is male or female; and date of birth of spouse, if applicable.
 10. From the list of new employees hired during the year obtained in (7) (b), note the employees that were not enrolled in the System. Select a representative sample¹ using a random or systematic approach, to ensure that the employees were properly non-enrolled in the System based on the relevant rules, laws and regulations of the System.
 11. From the list of status changes obtained in (7) (c), select a representative sample¹ using a random or systematic approach, to determine that they were appropriate based on the relevant plan criteria and underlying human resource records.

¹ The sample should be selected in accordance with AICPA's March 2014 edition on the Auditing Sampling Guide. In other words, this is a true sample not a test performed using auditor judgment.