

ERISA 103(a)(3)(C) Audit Standard: Limited Scope Audit and Reducing Disclaimers

WEDNESDAY, OCTOBER 28, 2020, 1:00-2:50 pm Eastern

IMPORTANT INFORMATION FOR THE LIVE PROGRAM

This program is approved for 2 CPE credit hours. To earn credit you must:

- **Participate in the program on your own computer connection (no sharing)** - if you need to register additional people, please call customer service at 1-800-926-7926 ext. 1 (or 404-881-1141 ext. 1). Strafford accepts American Express, Visa, MasterCard, Discover.
- Listen on-line via your computer speakers.
- Respond to five prompts during the program plus a single verification code.
- To earn full credit, you must remain connected for the entire program.

WHO TO CONTACT DURING THE LIVE PROGRAM

For Additional Registrations:

-Call Strafford Customer Service 1-800-926-7926 x1 (or 404-881-1141 x1)

For Assistance During the Live Program:

-On the web, use the Chat function to send us a message

If you get disconnected during the program, you can simply log in using your original instructions and PIN.

Tips for Optimal Quality

FOR LIVE PROGRAM ONLY

Sound Quality

When listening via your computer speakers, please note that the quality of your sound will vary depending on the speed and quality of your internet connection.

If the sound quality is not satisfactory, please e-mail sound@straffordpub.com immediately so we can address the problem.

ERISA 103(a)(3)(C) Audit Standard: Limited Scope Audit and Reducing Disclaimers

October 28, 2020

Jessie T. Kanter, CPA, Partner
Citrin Cooperman
jkanter@citricooperman.com

Janet Nahorney, CPA, Partner
blumshapiro
jnahorney@blumshapiro.com

Notice

ANY TAX ADVICE IN THIS COMMUNICATION IS NOT INTENDED OR WRITTEN BY THE SPEAKERS' FIRMS TO BE USED, AND CANNOT BE USED, BY A CLIENT OR ANY OTHER PERSON OR ENTITY FOR THE PURPOSE OF (i) AVOIDING PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER OR (ii) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY MATTERS ADDRESSED HEREIN.

You (and your employees, representatives, or agents) may disclose to any and all persons, without limitation, the tax treatment or tax structure, or both, of any transaction described in the associated materials we provide to you, including, but not limited to, any tax opinions, memoranda, or other tax analyses contained in those materials.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.



SAS 136 and the new ERISA 103(a)(3)(C) Audit Standard



CITRINCOOPERMAN®
FOCUS ON WHAT COUNTS

blumshapiro
accounting • tax • advisory

Learning Objectives

After completing the webinar, you will be aware of:

1 New Statement on Auditing Standards
SAS 136 introduces new procedures related to Audits of Employee Benefit Plans

2 Change to “Limited Scope” Audit Exemption
What this means for auditors and for plan management

3 New Reporting Model
SAS 136 introduces a new auditor’s report

4 Implementation Guidance
What auditors and plan management needs to be thinking about in preparation

Agenda

Section	Topic	Presenter
How did we get here?	Evolution of EBP audit standards	• Janet Nahorney
The New Standard Part 1: Audit Procedures	Introduction of SAS 136 Impact on audit procedures	• Janet Nahorney
The New Standard Part 2: Reporting on Plan Financials	The "Limited Scope" opinion Reporting on EBP financial statements	• Jessie Kanter
Wrap up and Questions	Implementation considerations Questions from the audience	• Jessie Kanter • Janet Nahorney

Our Presenters



Jessie Kanter, CPA
Partner
Citrin Cooperman



Janet Nahorney, CPA
Partner
blumshapiro



HOW DID WE GET HERE? THE EVOLUTION OF THE EBP AUDIT

Key Listening Points

Understand the plans that are impacted –

<i>Currently known as</i>	<i>New</i>
Full – scope	Non-ERISA section 103(a)(3)(C) audit <i>SAS 134 - Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements</i>
Limited -scope	ERISA section 103(a)(3)(C) audit <i>SAS 136 - Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA</i>

Statement on Auditing Standards Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA – SAS 136

Originally effective for audits of ERISA plan financial statements for periods ending on or after December 15, 2020, delayed one year due to Coronavirus

Includes new requirements for auditors and procedures for ERISA 103(a)(3)(C) replaces limited scope

It isn't just a change of name –

Improve quality of ERISA plan audits

Improve the relevance of auditor's report

It isn't just a reporting standard – it is audit performance standard

Why is new standard necessary?

ASB Formed Task Force (January 2015)

Consider Auditor Reporting Model for Audits of ERISA Plan Financials

Improve communicative value of auditors' report

Improve quality of EBP audits

May 2015 – DOL issues report -
39% of audits had one or more
major deficiencies

Drafting the SAS

Exposure
Draft (April
2017)

- 9 Issues for consideration
- Received 108 comment letters (Sept 2017)
- Revisions to draft begun (Oct 2017)
- Issued SAS (July 2019)

Key Elements

Limited Scope

- Not considered scope limitation

Revised Report

- 2-pronged opinion

Prescribed Procedures

- New procedures specific to EBP Audits



Final Standard Issued

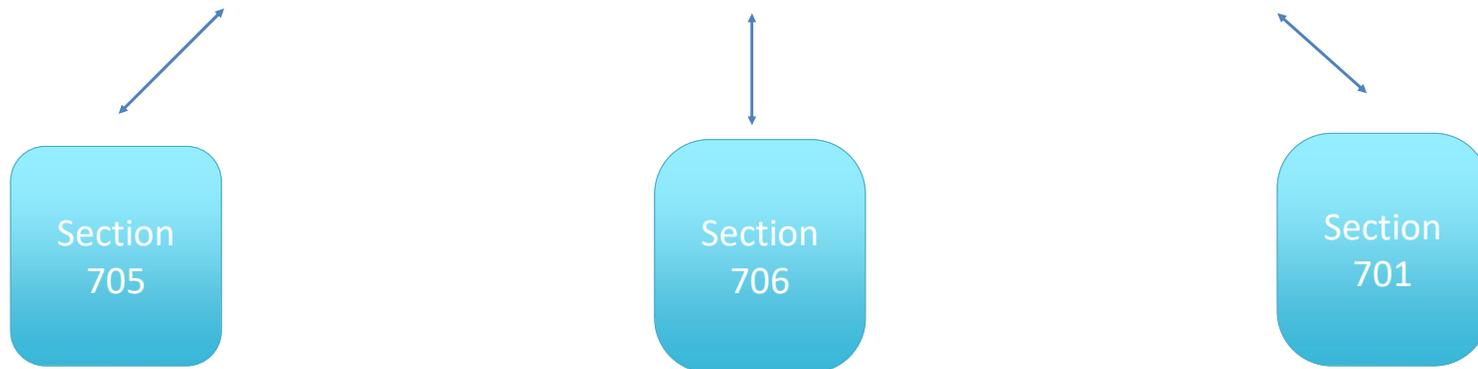
New section AU-C 703,
Forming an Opinion and
Reporting on Financial
Statements of Employee
Benefit Plans Subject to ERISA
(July 2019)

Takes place of AU-C section 700 and
paragraph .09 of AU-C 725

- Amends various AU-C sections
- Effective for audits for periods ending on or after 12/15/2020; early implementation is NOT permitted
- April 2020, AICPA ASB delays implementation by one year due to Coronavirus; early implementation IS permitted

AU-C section 703 – The foundational section

Section 703





NEW REQUIRED PROCEDURES



CITRIN COOPERMAN®
FOCUS ON WHAT COUNTS

blumshapiro
accounting • tax • advisory

Engagement Acceptance/General Preconditions

- In addition to preconditions under AU-C 210, management should acknowledge its responsibility for:
 - Maintaining a current plan instrument, including all amendments
 - Administering the plan and determining transactions are in conformity with plan provisions
 - Maintaining sufficient records for each participant to determine benefits when due

Engagement Acceptance/General Preconditions for ERISA Section 103(a)(3)(C)

- Determining whether
 - ERISA section 103(a)(3)(C) audit is permissible
 - The investment information is prepared and certified by a qualified institution (29 CFR 2520-103-8)
 - The certification meets the requirements of 29 CFR 2520-103-5
 - The certified investment information is appropriately measured, presented and disclosed in accordance with the applicable financial reporting framework

Engagement Acceptance/General Preconditions for ERISA Section 103(a)(3)(C)

- Auditor is required to:
 - inquire of management about how management determined that the entity preparing and certifying the investment information is qualified
 - obtain agreement of management to provide auditor, prior to dating of audit report, a draft of Form 5500 that is substantially complete

Audit Risk Assessment and Response

AU-C section 315 *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*

- Obtain and read most current plan instrument including effective amendments
 - Objective – to gain an understanding sufficient to perform risk assessment procedures
 - Consider relevant plan provisions that affect the risk of material misstatement at the relevant assertion level when designing and performing audit procedures

Audit Risk Assessment and Response

- Plan Tax Status – AU-C 250 requires auditor to consider whether management has performed the relevant IRC compliance/discrimination tests and has corrected or intends to correct failures
- Prohibited Transactions – Evaluate whether prohibited transaction identified by management or the auditor have been appropriately reported in the applicable ERISA-required schedule(s)

Audit Risk Assessment and Response

Evaluation and documentation

- Are there any reportable findings?
 - Reportable findings include:
 - identified noncompliance or suspected noncompliance
 - a finding that is significant and relevant to those charges with governance regarding their responsibility to oversee the financial reporting
 - indication of deficiencies in internal control that have not been communicated to management by other parties and are of sufficient importance to merit attention of management
- Document in accordance with AU-C section 230

Communication with Management or Those Charged with Governance

Reportable findings
(in writing)

Required communication under
250, 260, 265

Timely



Procedures for ERISA Section 103(a)(3)(C) Audit

Evaluate management's assessment of whether the entity issuing the certification is qualified

Identify which investment information is certified

Read the certification

Compare the certified information with the related information presented and disclosed in the financial statements and supplemental schedules

Procedures for an ERISA Section 103(a)(3)(C) Audit

Read the disclosures relating to the certified information to ensure they are in accordance with the reporting framework

If the auditor becomes aware that the certified information is incomplete or inaccurate, the auditor should discuss with management and perform additional procedures

Perform audit procedures on the information not covered by the certification

Perform procedures necessary to become satisfied that received and disbursed amounts reported were determined in accordance with the plan provisions

Written Representations

- Management has provided the most current plan document
- Management acknowledges its responsibilities for administering the plan
- Management acknowledges the 103(a)(3)(C) election does not affect its responsibility
- Management acknowledges its responsibility for the ERISA required supplemental schedules

Form 5500 Considerations

Determine whether revisions are needed when material inconsistencies between draft 5500 and financials

Determine if modification is needed to the auditor's report

Requirements for when inconsistencies are noted prior to date of report, after date of report, or after report release

The “Limited Scope” Exemption

The Old

- Disclaimer of opinion due to “scope limitation”
- Often misinterpreted
- No specific procedures to perform relative to exemption

The New

- Issue opinion that does not extend to certified assets
- Specific requirements within the standard
- Objective to promote clarification and consistency

ERISA Section 103(a)(3)(C) Audit

Will the myth that limited scope audits require no work finally die?

When management elects to have ERISA section 103(a)(3)(C) audit, the auditor is:

- **required** to perform specific procedures with respect to the certified investment information and describe them in the auditor's responsibility section of the audit report
- **required** to perform audit procedures based on assessed risk of material misstatement for all other amounts and disclosures, such as noninvestment-related information
 - Includes participant data; contributions; benefit payments; loans; non-certified investments; participant account balances



REPORTING

Forming an Opinion

Presented fairly, in all material respects, in accordance with reporting framework

Free of material misstatement

Not dissimilar from AU-C 700



Form of Opinion

Unmodified when auditor concludes financials are presented fairly

Modify when financials are materially misstated, or unable to obtain sufficient audit evidence

Opinion when performing ERISA Section 103(a)(3)(C) Audit

ERISA Required Supplemental Schedules

Non-103(a)(3)(C)

- Follow AU-C 725 (with some additional content)
- OM par. with opinion
- Form and content w/ DOL rules

103(a)(3)(C)

- Requires OM par. and additional information:
- Form and content w/ DOL rules
- Compare/reconcile (other than certified info)
- Written representation

Comparative Financial Statements

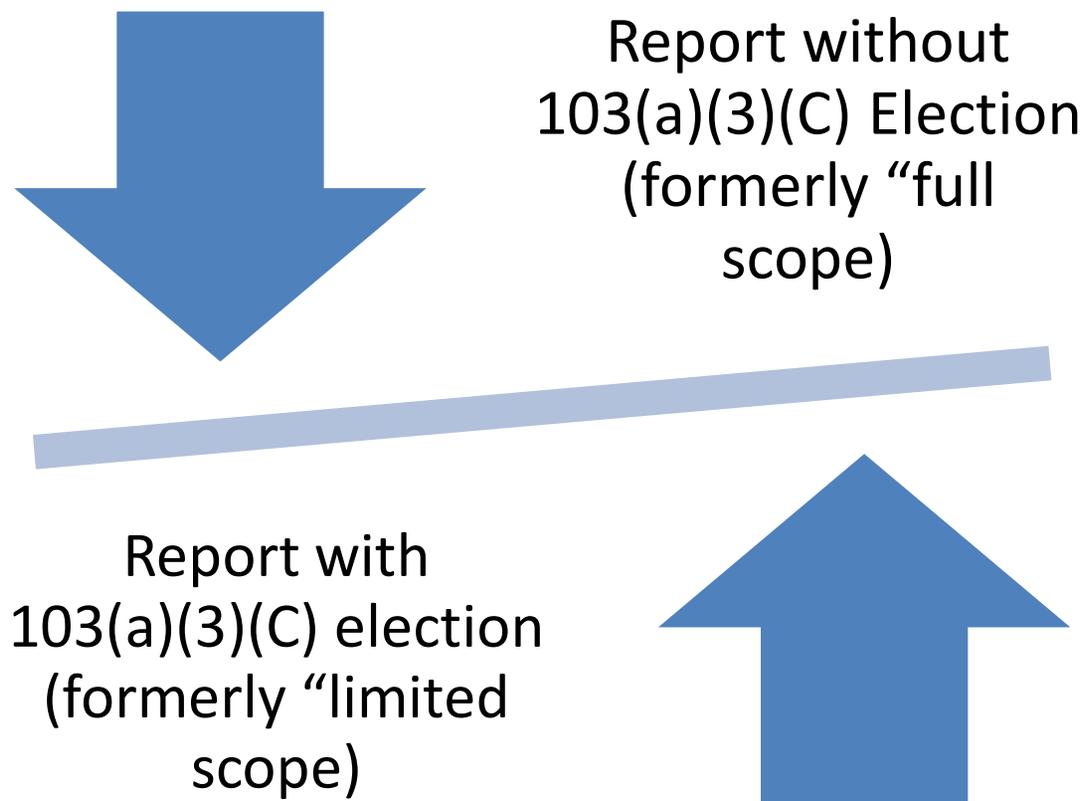
Continuing auditor should update the report presented on comparative basis

Determine whether comparative statements have been presented in accordance with reporting framework

Agree with previously presented

Evaluate consistency of accounting policies

How the Reports are Changing



Opinion Types

Non-103(a)(3)(C) Audit

Unmodified opinion (“clean”)

Modified opinion (qualified, adverse, disclaimer – see AU-C 705)

103(a)(3)(C) Audit

ERISA section 103(a)(3)(C) opinion

Modified ERISA section 103(a)(3)(C) opinion

Auditor's Report without ERISA 103(a)(3)(C) Election



SAS 134 Unmodified “Clean” Opinion

Report Sections

Opinion (required to be first)

Basis for Opinion (required to follow opinion section)

Going Concern (if applicable)

Key Audit Matters (if applicable)

Responsibilities of Management for the Financial Statements

Auditor’s Responsibilities for the Audit of the Financial Statements

Other Matter – Supplemental Schedules Required by ERISA

EBP Specific Audit Report – What’s Different?

Section	EBP Difference (non-103(a)(3)(C))
First paragraph of opinion	Includes statement that the plan is an EBP subject to ERISA
Management’s responsibilities	Additional paragraph that expands on management’s responsibilities for an EBP (maintaining plan instrument; administering the plan)
ERISA required supplemental schedules	Other matter paragraph clarifies that information is required by DOL; form and content is evaluated; includes new form and content opinion

Unmodified Report – Opinion Section

Opinion

We have audited the financial statements of ABC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of ABC 401(k) Plan as of December 31, 20X2 and 20X1, and the changes in its net assets available for benefits for the year ended December 31, 20X2, in accordance with accounting principles generally accepted in the United States of America.

Unmodified Report – Basis for Opinion Section

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ABC 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unmodified Report – Management Responsibilities

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for [*insert the time period set by the applicable financial reporting framework*].

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Unmodified Report – Auditor’s Responsibilities

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Unmodified Report – Auditor’s Responsibilities (con’t)

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ABC 401(k) Plan’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Unmodified Report – OM Paragraph Supp Schedules

Other Matter—Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of [*identify title of supplemental schedules and periods covered*] are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

Auditor's Report ERISA 103(a)(3)(C) Election



ERISA Section 103(a)(3)(C) Report

Report Sections

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit (required to be first)

Opinion (required to follow the scope and nature section)

Basis for Opinion (required to follow opinion section)

Going Concern (if applicable)

Key Audit Matters (if applicable)

Responsibilities of Management for the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

Other Matter – Supplemental Schedules Required by ERISA



Scope and Nature Section (Section 103(a)(3)(C) Election)

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of ABC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements.



Scope and Nature Section (Section 103(a)(3)(C) Election) (con't)

Management, having determined it is permissible in the circumstances, has elected to have the audits of ABC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 20X2 and 20X1, and for the year ended December 31, 20X2, stating that the certified investment information, as described in Note X to the financial statements, is complete and accurate.²

Opinion Section – 103(a)(3)(C) Election

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by³ and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion Section – 103(a)(3)(C) Election

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ABC 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Management Responsibilities – 103(a)(3)(C) Election

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for [*insert the time period set by the applicable financial reporting framework*].

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.



Auditor's Responsibilities – 103(a)(3)(C) Election

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Auditor's Responsibilities – 103(a)(3)(C) Election (con't)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ABC 401(k) Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities – 103(a)(3)(C) Election (con't)

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OM par. Supp Sched – 103(a)(3)(C) Election

Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedules of [*identify the title of supplemental schedules and periods covered*] are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the



OM par. Supp Sched – 103(a)(3)(C) Election (con't)

financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by⁴ and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

What do we Need to do About all This?

Talk to Plan Sponsors

- Audit procedures include evaluating plan provisions
- KAM
- Auditor's Report Changes

Read the SAS

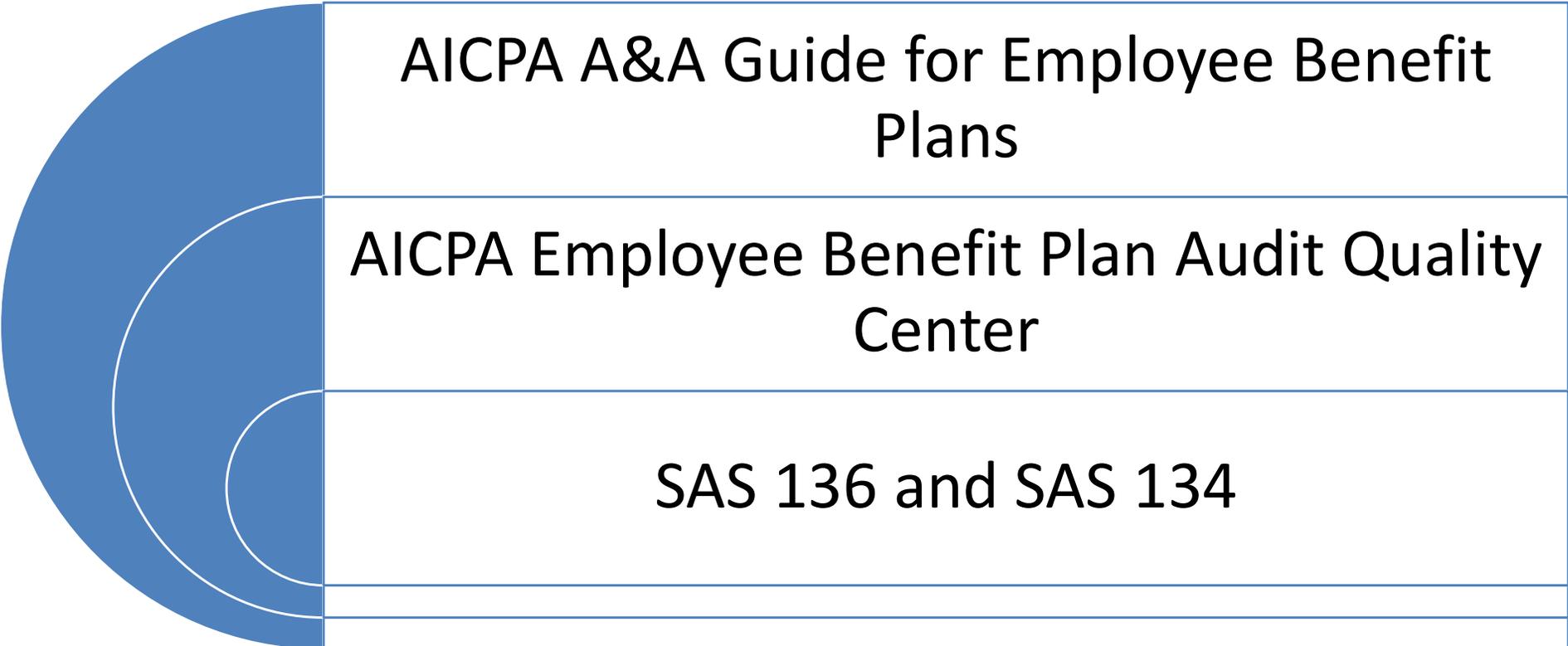
- Example Reports
- Practical application
- Key considerations
- It's actually only 100 pages!

Continue to Focus on Best Practices

- Fiduciary responsibility
- Education of audit teams



Resources



AICPA A&A Guide for Employee Benefit Plans

AICPA Employee Benefit Plan Audit Quality Center

SAS 136 and SAS 134

When is all this Happening Again?

Effective Date

13. This SAS is effective for audits of ERISA plan financial statements for periods ending on or after December 15, 2020. Early implementation is ~~not~~ permitted. Exhibit B, “Implementation Guidance for ERISA Section 103(a)(3)(C) Audits,” provides transitional implementation reporting guidance upon initial implementation by the auditor of this SAS.

Deferred one year!

SAS 141 Deferred the SAS 134 Suite (SAS 134-140) One Year to Periods Ending on or After December 15, 2021. Early Implementation is Permitted.



THANK YOU