


Audits Readiness
from the Auditor's Perspective

Tulsa Employee Benefits Group
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Objectives

Understand common traits of great plan sponsors



Understand what it means to be "Ready for an EBP audit"

Preparing for an effective and efficient audit



Question:

What does preparing for an audit and Santa have in common?



Common Traits of Great Plan Sponsors



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EBP Audits



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PBC (Provided by Client) List

1. Understand the request/each item
2. Know who has ownership
3. Know when it is due
4. Ensure it is accurate, complete and reconciles to source documents

HoganTaylor


Audit process

- ❖ Investments (full scope)
- ❖ Participants
 - > Eligibility
 - > Contributions (deferral, matching, profit sharing)
 - > Loans
 - > Distributions, including hardships
 - > Transfers
 - > Earnings allocations
 - > Vesting
 - > Payroll
- ❖ Timeliness of contributions
- ❖ Expenses
- ❖ Receivables/payables
- ❖ Internal controls and SOC1 evaluation



Audit process

- ❖ Full Scope Audits
 - > Includes investment testing
 - Valuation
 - Income
 - Purchases/sales
 - Rate of return



Preparing for your Audit



- Making it a priority
- Communicate!
- Reconcile, reconcile, reconcile
- Understand the plan documents and know plan provisions



Make it a priority

Human Resources Accounting/ Payroll TPA Auditor

Communicate Milestones

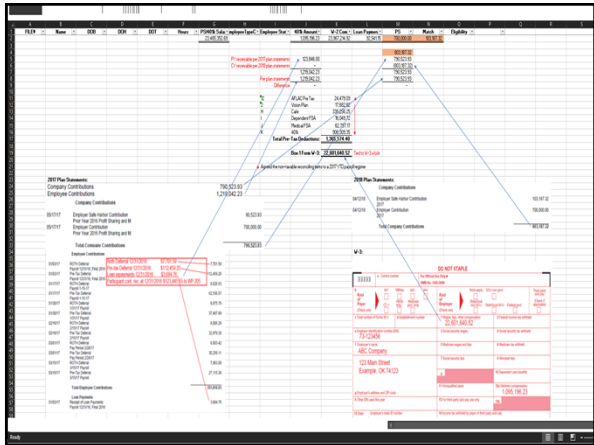
ENGAGEMENT SCHEDULE:		
MILESTONES/DELIVERABLES	DUE DATE	RESPONSIBLE PARTY
PRE-PLANNING MEETING	2/11/2019	AUXT FIRM
CLIENT ASSISTANCE LIST (PBC LIST), INCLUDING INTERNAL CONTROL MEMOS TO MANAGEMENT	4/23/2019	AUXT FIRM
INITIAL PBC LIST ITEMS FROM HUMAN RESOURCE AND TPA	5/14/2019	YOU AND TPA
SAMPLE SELECTIONS TO HUMAN RESOURCES	6/4/2019	AUXT FIRM
PROVIDE SAMPLE SELECTIONS TO AUXT FIRM	6/17/2019	YOU AND TPA
AUXT FOLLOWWORK BEGINS	6/24/2019	AUXT FIRM
INITIAL FINANCIAL STATEMENT DRAFT PROVIDED FOR APPROVAL AND FOR 5500 PREPARATION	7/12/2019	AUXT FIRM
FORM 5500 PROVIDED FOR REVIEW	7/19/2019	TPA/5500 PREPARER
FINAL FINANCIAL STATEMENT DRAFT APPROVAL—COMMUNICATION OF FOLLOWWORK RESULTS AND REVIEW OF FINANCIAL STATEMENTS	8/2/2019	AUXT FIRM AND YOU
FINANCIAL STATEMENTS ISSUED FOR SUBMISSION WITH FORM 5500	BY 8/2/2019	AUXT FIRM

Reconcile, Reconcile, Reconcile!

Mini Audit Prep Checklist

1. Census
2. Payroll
3. Trust Statements/Participant Stmtns
4. Adoption Agreement Compliance
5. Internal Controls
6. Amendments
7. Audit Package





The screenshot shows a detailed financial spreadsheet with multiple columns and rows. Key elements include:

- 2019 Plan Summary:** A section on the left listing various contributions and balances.
- 2019 Plan Transactions:** A section on the right detailing transactions and balances.
- Red Annotations:** Several cells are highlighted in red, with handwritten notes and arrows pointing to specific data points.
- Blue Annotations:** Blue arrows and boxes highlight other specific areas of interest.
- Summary Table:** A table at the bottom right with columns for 'DO NOT EDIT', 'Sum', 'Error', 'Message', and 'Status'. It lists various error messages and their corresponding status.

Remittance Schedule

Month	Pay Date	2019 Balance	2019 Month	Lower Payments	Total	Amount Available for Plan	Calculation of Plan
1/2019	1/15/2019	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	
2/2019	2/15/2019	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	
3/2019	3/15/2019	1,000.00	1,000.00	1,000.00	3,000.00	3,000.00	
4/2019	4/15/2019	1,000.00	1,000.00	1,000.00	4,000.00	4,000.00	
5/2019	5/15/2019	1,000.00	1,000.00	1,000.00	5,000.00	5,000.00	
6/2019	6/15/2019	1,000.00	1,000.00	1,000.00	6,000.00	6,000.00	
7/2019	7/15/2019	1,000.00	1,000.00	1,000.00	7,000.00	7,000.00	
8/2019	8/15/2019	1,000.00	1,000.00	1,000.00	8,000.00	8,000.00	
9/2019	9/15/2019	1,000.00	1,000.00	1,000.00	9,000.00	9,000.00	
10/2019	10/15/2019	1,000.00	1,000.00	1,000.00	10,000.00	10,000.00	
11/2019	11/15/2019	1,000.00	1,000.00	1,000.00	11,000.00	11,000.00	
12/2019	12/15/2019	1,000.00	1,000.00	1,000.00	12,000.00	12,000.00	
Total		12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	

Remittance Schedule Summary:

- Total 2019 Balance: 12,000.00
- Total 2019 Month: 12,000.00
- Total Lower Payments: 12,000.00
- Total Available for Plan: 12,000.00
