

2013 EMPLOYEE BENEFIT PLANS OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product

WORKPAPER UPDATES AND ROLL FORWARD NOTES

General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

The 2013 edition of *Knowledge-Based Audits of Employee Benefit Plans* is current through SAS SAS-127, *Omnibus Statement on Auditing Standards—2013*, and includes the following updates:

Knowledge-Based Audit Documents (KBAs)

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward and Update Content Considerations
KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts					
Modify	Title of workpaper has been changed to Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts. Workpaper has been streamlined specifically to perform the various materiality and related calculations.	Title; Table - other than procedures	Best Practice	N/A	
Modify	Purpose statement modified: This form has been designed to help the auditor determine and document materiality for the financial statements as a whole (materiality), performance materiality, the thresholds for trivial amounts, and component materiality and component performance materiality when the provisions of AU-C Section 600, Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors) apply.	Table - other than procedures	Best Practice	N/A	
Modify	Instructions modified: The auditor should use the "Materiality Calculations" tab of this workpaper only when determining materiality levels for audits that do not include a "component" or "significant component" as defined in AU-C Section 600, and use both the "Materiality	Instructions	Best Practice	N/A	

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	Calculations" tab and the "Component Materiality" tab when the provisions of AU-C Section 600 are applicable. In both scenarios, the auditor should complete the following steps in determining materiality levels for the audit: 1. Determination of an appropriate benchmark. 2. Determination of materiality. 3. Determination of performance materiality. 4. Determination of the threshold for "trivial" amounts. 5. Considerations as the audit progresses.				
Modify	Added a new "Component Materiality Worksheet" tab	new tab	Best Practice	N/A	
Modify	Materiality Calculations tab - Modified: Step 3, Determination of Performance Materiality, item 8, modified: The following is our calculation of performance materiality for the financial statements as a whole, and when applicable, individual account balances, classes of transactions, or disclosures and the basis for that determination. Table: added new column & column heading: Item (Financial Statements as a Whole, Account Balance, Class of Transactions, or Disclosure) New Practice Point: Practice Point: Common practice is to determine performance materiality as a percentage from within 50% to 75% of materiality. This is only a rule of thumb and is not a substitute for auditor judgment based on the unique circumstances of the audit engagement.	table - other than procedures; title	Best Practice	N/A	
Modify	Deleted Step 4, Determination of Tolerable Misstatement for Sampling Applications; Steps 5 and 6 renumbered as Steps 4 and 5; Step 4 Practice Point modified: Practice Point: Common practice is to determine the trivial amount threshold as a percentage from within 1% to 5% of performance materiality for the financial statements as a whole. These are only rules of thumb and are not a substitute for auditor judgment based on the unique circumstances of the audit engagement. The actual trivial amount used is a matter of professional judgment.	table - other than procedures	Best Practice	N/A	
Modify	Under Step 6, items 11 & 12 modified:	table -	Best	N/A	

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	<p>11. Is materiality used for planning purposes the same as materiality used for evaluating audit results? If "No," the following summarizes our determination of an appropriate level of materiality and its impact on the audit.</p> <p>12. In determining whether a lower level of performance materiality, and if applicable, tolerable misstatement used for sampling purposes, than initially determined is appropriate, we reconsidered the appropriateness of the nature, timing, and extent of further audit procedures as follows (summarize the significant changes to audit procedures or provide a reference to other documentation of audit plan modifications):</p>	other than procedures	Practice		
KBA-302 Understanding the Plan and Its Environment: Complex Plans					Tables related to the audit committee members have been removed. Publish this workpaper prior to update so that you can reference data you have selected to keep. Existing responses will not be maintained on update.
Modify	First bulleted item under Purpose statement modified: • Gathering audit evidence about the plan and its environment;	Purpose section	Best Practice	N/A	
Modify	Second bulleted list under instructions, last item modified: • Inquiries directed toward in-house legal counsel may relate to such matters as litigation, compliance with laws and regulations, including ERISA and DOL regulations, knowledge of fraud or suspected fraud affecting the plan, related-party and party-in-interest transactions, and the meaning of plan terms.	Instructions	Best Practice	N/A	
Modify	Section I title modified: General Plan Information; items modified: 1. The following describes pertinent information about the plan and plan sponsor: 2. The following describes pertinent information about the key personnel involved in the operation of the plan (e.g., plan administrator): 3. The following describes pertinent information about the governing body of the plan (e.g., board of trustees, benefits committee, investment committee): 4. The following describes pertinent information about the key parties of the plan (e.g., trustee, custodian, record-	table - other than procedures	Best Practice	N/A	

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	keeper, investment manager/firm, actuary, employers participating in a multiemployer plan):				
Modify	New table added to item 4, for describing pertinent information about the key parties of the plan	table - other than procedures	Best Practice	N/A	
Modify	Section 4. Plan Operations, Factors c. and d. modified: c. Revenue sources (e.g., employee/employer contributions and investment income). d. In a self-insured health and welfare plan, stop loss insurance and coverage.	table	Best Practice	N/A	
Modify	Section 5. Investments: Factors c. and d. modified: c. Investments in non-readily marketable assets, including partnerships, joint ventures, and special-purpose entities. d. Operations exposed to volatile markets (e.g., exposure to derivatives or hedging activities).	table - other than procedures	Best Practice	N/A	
Modify	Section 7 Plan's Objectives and Strategies, and Related Business Risks Item a. Objectives and strategies relating to the plan and any related business risk, including investments offered by the plan.	table - other than procedures	Best Practice	N/A	
KBA-302N Understanding the Plan and Its Environment: Noncomplex Plans					Tables related to the audit committee members have been removed. Publish this workpaper prior to update so that you can reference data you have selected to keep. Existing responses will not be maintained on update.
Modify	Second bulleted list under instructions, last item modified: • Inquiries directed toward in-house legal counsel may relate to such matters as litigation, compliance with laws and regulations, including ERISA and DOL regulations, knowledge of fraud or suspected fraud affecting the plan, related-party and party-in-interest transactions, and the meaning of contract terms.	Instructions	Best Practice	N/A	
Modify	Last paragraph under Instructions modified: One of the required aspects of understanding the plan and its environment is related to the internal controls relevant to the operation of the plan.	Instructions	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward and Update Content Considerations
Modify	Under Section I, Plan Information: Item 2, modified: 2. The following describes pertinent information about the key personnel involved in the operation of the plan (e.g., plan administrator):	table - other than procedures	Best Practice	N/A	
Modify	Under Section I, Plan Information: Item 3 modified: 3. The following describes pertinent information about the governing body of the plan (e.g., board of trustees, benefits committee, investment committee):	table - other than procedures	Best Practice	N/A	
Modify	Under Section I, Plan Information: Item 4 modified, and table added: 4. The following describes pertinent information about the key parties of the plan (e.g., trustee, custodian, record-keeper, investment manager/firm, actuary, employers participating in a multiemployer plan):	table - other than procedures	Best Practice	N/A	
Modify	Subsection 3, title, amended: Noncompliance with Laws and Regulations (Including ERISA and DOL Regulations)	table - other than procedures	Best Practice	N/A	
KBA-303 Inquiries of Management and Others within the Plan about the Risks of Fraud					
Modify	Instructions modified: "...appropriate internal audit personnel (where applicable), and others with responsibility relative to the operation of the plan. For example, plan administrator, members of the plan's administrative or investment committee or board of trustees." Examples modified: Examples: Per AU-C Section 240, Consideration of Fraud in a Financial Statement Audit, examples of others within the plan to whom the auditor may wish to direct these inquiries include: • Employees involved in initiating, authorizing, processing, or recording complex or unusual transactions (which may help in evaluating the appropriateness of the selection and application of certain accounting policies); • Employees with varying levels of authority within the plan, including, for example, plan personnel with whom the auditor comes into contact during the course of the audit (a)	Instructions ; Examples	Best Practice	N/A	

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	in obtaining an understanding of the plan's systems and internal control, or (b) in obtaining explanations for fluctuations noted as a result of analytical procedures; <ul style="list-style-type: none"> • Operating personnel not directly involved in the financial reporting process; • Other operating personnel not directly involved in the financial reporting process; • In-house legal counsel; • Chief ethics officer or the equivalent position; and • The person(s) charged with dealing with allegations of fraud. 				
Modify	Modified "omitted" to "omitted, inaccurate, or incomplete" disclosure throughout the document.	Instructions	Based on Standard	AU-C 330	
Modify	Item 9: Are you aware of any transactions entered into with related parties or parties-in-interest?	table - other than procedures	Best Practice	N/A	
Modify	Document the identity of the plan's related parties or parties-in-interest, including changes from the previous year, the nature of the relationships between the plan and each related party or party-in-interest, and the type and purpose of transactions entered into:	table - other than procedures	Best Practice	N/A	
Modify	"related parties" amended to "related parties and parties-in-interest"	table - other than procedures	Best Practice	N/A	
Modify	Under INQUIRIES of Employees Involved in the Financial Reporting Process, can add: Insert date interview was conducted	table - other than procedures	Best Practice	N/A	
Modify	Item 9: Are you aware of any transactions entered into with related parties or parties-in-interest?	table - other than procedures	Best Practice	N/A	
KBA-407 Understanding Activity-Level Controls: Notes Receivable from Participants and Hardship Withdrawals					
Modify	Title modified to: "Understanding Activity-Level Controls: Notes Receivable from Participants and Hardship Withdrawals	Title	Best Practice	N/A	

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KBA-409 Understanding Activity-Level Controls: Payroll					
Deleted	Deleted "Understanding Activity-Level Controls: Payroll"	Deleted			
KBA-501 Team Discussion of the Risks of Material Misstatement					
Modify	Under instructions, added Note: For group audit engagements, the following conditions or events may indicate risk of material misstatement of the group financial statements (not all inclusive) (Note: this would be applicable in auditing multiemployer plans):	Instructions	Best Practice	N/A	
KBA-901 Financial Statement Disclosures Checklist					
Modify	Financial Statement Disclosures Checklist current through March 31, 2013 and Modified to address schedules G&H of Form 5500, annual return/report of employee benefit plan	updated checklist	Based on Standard	FASB ASC	

Audit Programs (AUDs)

- Where applicable, relevant assertions and audit objectives have been updated.

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AUD-100 Tailoring Question Workpaper					
New	New tailoring questions have been added.	Tailoring	Best Practice	N/A	Review and answer. All of these new tailoring questions will impact other workpapers. Be sure to add additional audit areas when applicable.
AUD-101 Overall Audit Program					
New	Practice Point added regarding Covered Service Providers	procedure steps	Based on Standard	ERISA Final Rule 408(b) (2)	
Modify	Modified 1st bulleted item in step 16 Practice Point: • The characteristics of the engagement that define its scope, such as whether this will be a limited or full scope;	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
New	Step 24: Practice Point added about overall analytical procedures relating to investments and investment-related accounts with respect to limited-scope or full-scope audit procedures.	procedure steps	Best Practice	N/A	
New	Practice Point added in step 41: In the event legal counsel was not utilized by the plan, a memo should be included in the workpapers which outlines what procedures were completed to ascertain that a confirmation to the plan's legal counsel was not deemed necessary.	procedure steps	Best Practice	N/A	
AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement					Tailoring modified to reflect changes noted below.
Modify	New note added to Practice Point: Note: ERISA requires comparative statements of net assets available for plan benefits.	Purpose section	Best Practice	N/A	
Modify	Step 7 b. Modified: b. For full-scope audits, confirmed and tested investments and determined the reasonableness of recorded values.	procedure steps	Best Practice	N/A	
AUD-202 Planning the Employee Benefit Plan Audit					This version of the workpaper is "obsolete". You must add the new workpaper and use your previous answers as a reference to answering the questions in the new workpaper. A diagnostic will note this as an obsolete wp. This workpaper is no longer functional. No data flows in or out.
Modify	Modified and reorganized all steps and substeps: 1. Perform the required client acceptance or continuance procedures. (KBA-201 Client/Engagement Acceptance and Continuance Form) Practice Point: If the plan sponsor elects a limited-scope audit, the auditors should consider whether the financial institution qualifies for the limited-scope audit and whether the certification will address both the accuracy and completeness of the investment information requested.	procedure steps	Best Practice	N/A	
Modify	2. Discuss the scope of the audit with the plan trustees or administrator to determine whether a full-scope or limited-scope audit should be conducted; and identify the form and	procedure steps	Best Practice	N/A	

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	content of the financial statements, including any supplementary information required.				
Modify	3. Review all pertinent sections of permanent files, prior period workpapers, Form 5500s, amendments, contracts, including any correspondence with the DOL or IRS.	procedure steps	Best Practice	N/A	
Modify	4. Discuss with plan management and/or the board of trustees:	procedure steps	Best Practice	N/A	
Modify	a. Whether they are aware of any economic conditions or other recent developments that may affect the plan's operations, such as inflation, interest rates, stock market activity, layoffs, workforce reductions, sales of divisions, or mergers?	procedure steps	Best Practice	N/A	
Modify	b. Which entity holds the investments and describe how frequently transactions are processed, and how frequently assets are valued (for example, daily; monthly).	procedure steps	Best Practice	N/A	
Modify	c. Whether there are documented investment policies and objectives authorized by the board of trustees? (Include the most recent copy of the plan's investment policy in the workpapers.)	procedure steps	Best Practice	N/A	
Modify	d. Whether plan management periodically reviews financial statements and financial results?	procedure steps	Best Practice	N/A	
Modify	e. Whether there are accounting records provided by third parties reconciled on a regular basis to internally generated records to verify no discrepancies are present?	procedure steps	Best Practice	N/A	
Modify	f. Whether management intends to amend the plan in the upcoming plan year?	procedure steps	Best Practice	N/A	
Modify	g. Whether the plan has made the timely required disclosures to plan participants, including the following: Summary Plan Description (within 90 days of their entrance into the plan) and Summary Annual Report (within 9 months of the plan year- end)?	procedure steps	Best Practice	N/A	
Modify	h. Whether there have been any activities, amendments, or operation decisions that would cause the plan to lose	procedure steps	Best Practice	N/A	

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	qualification or to incur unrelated business income taxes?				
Modify	i. Whether management is aware of any unrecorded contingencies or commitments, such as the following:	procedure steps	Best Practice	N/A	
Modify	(1) Pending or threatened litigation or unasserted claims, including those brought against the plan on behalf of plan participants and beneficiaries? (2) Loans or leases in default, and whether any of them are reportable to the DOL? (3) Events that may jeopardize the plan's tax qualification status? (4) Purchase commitments, including commitments to acquire investments? (5) Anticipated losses on long-term contracts? (6) Long-term leases with required fixed payments for several years? (7) Contingent liability to return employer contributions in excess of the tax deductible limits to the employer? (8) Financial transactions or arrangements with financial institutions, for example, oral or written guarantees? (9) IRS examinations in progress related to tax qualifications status or taxes on unrelated business income? (10) Noncompliance with laws, regulations, or plan provisions, including communications from the IRS, DOL, or other regulatory agencies concerning violations or possible violations of such laws, regulations, or provisions or results of an agency's audit or investigation of plan activities or filings?	procedure steps	Best Practice	N/A	
Modify	(11) Review or inquiry by DOL or IRS relative to a request for a prohibited transaction exemption? (12) Party-in-interest transactions prohibited by ERISA? (13) Noncompliance with ERISA fidelity bond for plan fiduciaries and others? (14) Possible mergers or spin-offs that might impact the plan?	procedure steps	Best Practice	N/A	
Modify	j. Whether management is aware of any circumstances that require accounting estimates?	procedure steps	Best Practice	N/A	

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Modify	k. Whether management is aware of the existence of any investment concentrations?	procedure steps	Best Practice	N/A	
Modify	l. Whether management is aware of any material subsequent transactions or events and significant matters unresolved at the financial statement date, including the following:	procedure steps	Best Practice	N/A	
Modify	(1) Abnormal investment purchases or disposals since the plan year-end?		Best Practice	N/A	
Modify	(2) Amendments to plan provisions, trust agreements, and insurance contracts?	procedure steps	Best Practice	N/A	
Modify	(3) Unusual terminations of plan participants, such as those resulting from layoffs or a sale of a division?	procedure steps	Best Practice	N/A	
Modify	(4) Change in plan commitments or contingent liabilities?	procedure steps	Best Practice	N/A	
Modify	(5) Any review or inquiry by the DOL, IRS, or other regulatory agency of the plan's activities or filings since the last audit, arising, for example, from enforcement activities, from a request for an advisory opinion, or from a request for a prohibited transaction exemption?	procedure steps	Best Practice	N/A	
Modify	(6) A decision made after the plan year-end to terminate the plan?	procedure steps	Best Practice	N/A	
Modify	(7) Any mergers or spin-offs of plan assets?	procedure steps	Best Practice	N/A	
Modify	(8) Any adverse changes in the plan sponsor's (or participating employers' in multiemployer plans) financial condition?	procedure steps	Best Practice	N/A	
Modify	m. Whether management is aware of any liens, pledges, or other security interest on investments?	procedure steps	Best Practice	N/A	
Modify	n. Whether there have been requests for withdrawals in the plan year that were not distributed until the succeeding year?	procedure steps	Best Practice	N/A	
Modify	o. Whether there are any restrictions on cash balances,	procedure	Best	N/A	

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	including restrictions on withdrawal or compensating balance arrangements by or for related parties or parties in interest, or related guarantees, including guarantee arrangements or related parties or parties in interest?	steps	Practice		
Modify	p. The plan's policy for depositing employee and employer contributions into the plan (state the exact number of days after the payroll date)?	procedure steps	Best Practice	N/A	
Modify	Step 5: 5. Determine whether it will be necessary to obtain a service auditor's report. Practice Point: If the plan uses a third-party service provider to process benefit payments, claims, or participant account activity, it may be necessary to obtain a service organization's report on controls placed in operation (SOC 1). Note: If a limited-scope audit is performed and the only responsibility of the service organization is to execute investment transactions, then a report on controls at the service organization (SOC 1) is not necessary.	procedure steps	Best Practice	N/A	
Modify	Step 6: 6. Determine whether it will be necessary to use the work of a management specialist, auditor's specialist, or internal audit.	procedure steps	Best Practice	N/A	
Modify	Step 7. 7. Determine whether it is necessary to obtain audited financial statements of the custodian or trustee of the plan. Practice Point: When performing a full-scope audit, it may be necessary to consider the financial viability of the trustee holding the plan's assets or the insurance company when auditing pooled separate accounts maintained at the plan level. However, this is generally not required when performing a limited-scope audit.	procedure steps	Best Practice	N/A	
AUD-602 Audit Program: Involvement of a Component Auditor					
Modify	Added new Practice Point: Practice Point: This may be applicable when auditors are engaged to audit a multiemployer benefit plan.	Purpose section	Best Practice	N/A	

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AUD-603 Audit Program: Using the Work of An Auditor's Specialist					
Modify	Instructions, first paragraph, last sentence, modified Examples of a specialist include, but are not limited to, actuaries, appraisers, and engineers.	Instructions	Best Practice	N/A	
AUD-604 Audit Program: Using the Work of a Management's Specialist					
Modify	Instructions, first paragraph, last sentence, modified: Examples of a management's specialist include, but are not limited to, actuaries, appraisers, and engineers.	Instructions	Best Practice	N/A	
AUD-701 Audit Program: Designing Tests of Controls					
Modify	Step 6 b.(5) modified: (5) The effectiveness of the control environment;	procedure steps	Best Practice	N/A	
Modify	Step 17, Practice Point: "illegal acts" replaced with "noncompliance with laws and regulations."	Results	Best Practice	N/A	
AUD-801 Audit Program: Cash					Tailoring added and modified to reflect changes noted below.
Modify	New Step 2.a. through g.: 2. We took steps to ensure that the plan administrator elected a DOL limited- scope audit and that the plan's cash accounts are covered by a valid certification. Note: The cash accounts that are certified should not be operating cash accounts but rather part of an investment trust vehicle or insurance contract. We performed the following: a. Prepared (or obtained from the client) a listing of all cash accounts maintained by the trustee or insurance company as of the date of the statement of net assets available for benefits. b. Tested the arithmetical accuracy of the schedule. c. Reconciled the schedule to the plan's trial balance. d. Agreed the certified cash to the plan's trial balance and related disclosure within the financial statements. e. Determined that the financial statement disclosures surrounding the cash account are in conformity with U.S. GAAP and in compliance with the DOL rules. f. If the certified information is not accurate, performed full-scope audit procedures on the cash balance.	procedure steps	Best Practice	N/A	

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	g. Inquired of plan management, as to whether there are any restrictions on the cash balance or compensating balances or guarantees.				
Modify	New Step 3: 3. We considered the need to apply additional procedures in response to significant unexpected differences arising from the testing results noted above.	procedure steps	Best Practice	N/A	
AUD-802A Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities (Full-Scope Audits)					Tailoring added and modified to reflect changes noted below.
Modify	Deleted Practice Point on ED; modified step 2.c. and 2.e. from (shares, face values) to (shares, units, face values)	procedure steps			
Modify	Step 2. f. revised to: f. Detail of investment income (including interest income, and realized/unrealized gains/losses by type of investment).	procedure steps	Best Practice	N/A	
Modify	Step 4 revised to: 4. We traced the opening balances of investments to prior-period workpapers and the year-end balances to the general ledger/plan's trial balance.	procedure steps	Best Practice	N/A	
Modify	Step 5 revised to: 5. In the event that securities are held at the plan or plan sponsor's location, in the presence of the custodian, we inspected the securities on hand and determined whether they are owned by the client, noting serial or certificate numbers, and obtained a signed receipt from the custodian.	procedure steps	Best Practice	N/A	
Modify	New step 6. a. through d. (1) and (2): 6. For investments held by independent third parties, we obtained positive confirmation of such securities (see sample confirmation requests at COR-803 Request for Confirmation of Discretionary Trust through COR-804 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities Is Not Included in the Confirmation Request). We requested that the confirmation of securities be provided on an investment-by-investment basis and include such	procedure steps	Best Practice	N/A	

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	<p>information as identification of the investment (i.e., name, description, CUSIP), shares held, and fair value at the audit date. We performed the following:</p> <p>a. Compared the information on the confirmation reply to the plan's schedule of investments noted above.</p> <p>b. Compared the information on the confirmation reply to the plan's schedule of investments noted above.</p> <p>c. Reconciled any differences between the confirmation and the plan's trial balance.</p> <p>d. Considered the financial viability and reputation of the trustee or custodian of the investments by:</p> <p>(1) Reviewing the custodial agreement to determine the custodian/trustee responsibilities to the plan.</p> <p>(2) Considering whether to obtain the audited financial statements of the trustee/custodian to determine whether the investments of the plan are material to the net worth of the trustee/custodian.</p>				
Modify	Deleted Practice Point on ED; modified step 2.c. and 2.e. from (shares, face values) to (shares, units, face values)	procedure steps			
Modify	<p>New step 7:</p> <p>7. We applied appropriate analytical procedures to the transaction information on the schedule of investments noted above (e.g., by comparing average rate of returns to published benchmarks in the industries for the investments held by the plan).</p>	procedure steps	Best Practice	N/A	
Modify	<p>New step 8:</p> <p>8. We applied appropriate analytical procedures to the transaction information on the schedule of investments noted above (e.g., by comparing average rate of returns to published benchmarks in the industries for the investments held by the plan).</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added sentence to step 10:</p> <p>We determined that the trade date was used to record purchases and sales.</p>	procedure steps	Best Practice	N/A	
	Note after Step 16 revised from "See steps 35 through 38	procedure	Best	N/A	

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	below," to "See steps 38 through 42 below"	steps	Practice		
	Added step 19.b.(5): (5) Details of any contract restrictions at year-end.	procedure steps	Best Practice	N/A	
Modify	Modified to include steps for Guaranteed Investment Contracts (GICS). Added new step 20: 20. For Guaranteed Investment Contracts (GICS) and Deposit Administration Contracts (DA), in addition to procedures noted above, we evaluated the reasonableness of interest credited to the account in relation to the minimum crediting rate outlined within the contract.	procedure steps	Best Practice	N/A	
Modify	Added new step 21: 21. For Benefit Responsive Synthetic GICs, in addition to the procedures above, we obtained a detail of the investments underlying the synthetic GIC and tested the fair value as outlined above. In addition, we obtained both the fair value of the contract and the value of the wrapper value. We recalculated the value of the wrapper. The recalculation of the wrapper is generally the difference between the contract value and fair value of the underlying investment.	procedure steps	Best Practice	N/A	
Modify	Added new step 22 a. through c.: 22. For pooled separate accounts, we: a. Confirmed directly with the custodian the units of participation held by the plan. b. Examined relevant documents (e.g., investment guidelines, trustee minutes) approving these transactions. c. Examined documents supporting the unit value of the account.	procedure steps	Best Practice	N/A	
Modify	Added new step 39 a. through d.: 39. For investments in common/collective trust funds, pooled separate accounts, and master trust limited partnerships, in order to test the valuation and units held, we considered performing the following: a. We obtained and read the audited financial statements and auditor's report of the trust/partnership. b. If the net asset value (NAV) is used by the plan as the	procedure steps	Best Practice	N/A	

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	<p>practical expedient to report the fair value in the plan's financial statements, we determined whether the requirements for using the NAV have been satisfied.</p> <p>c. We considered whether an adjustment is required to the most recent NAV (e.g., if audited financial statements are not the same year-end as the plan).</p> <p>d. If audited financial statements are not available, we obtained and reviewed the most recent financial statements of the trust fund and tested transactions as deemed appropriate to ensure unit information utilized by plan is reasonable.</p>				
AUD-802B Audit Program: Investments (DOL Limited-Scope Audits)					Tailoring added and modified to reflect changes noted below.
Modify	Deleted Practice Point on ED; modified step 2.c. and 2.e. from (shares, face values) to (shares, units, face values)	procedure steps			
Modify	<p>Modified Step 2.f. and added new Practice Point: f. Detail of investment income (including interest income and realized and unrealized gains/losses by type of investments).</p> <p>Practice Point: If the plan holds investments with insurance companies, it is important that the auditor obtain copies of all contracts to determine the type of investment held (e.g., GIC; synthetic GICS; variable annuity contracts); whether it is an allocated or unallocated contract; whether the contract includes any redemption restrictions (which may require disclosure in the plan financial statement); and various other contract terms (which may impact the valuation and financial disclosure).</p>	procedure steps	Best Practice	N/A	
Modify	<p>Step 4 revised to:</p> <p>4. We traced the opening balances of investments to prior-period workpapers and the year-end balances to the general ledger/plan's trial balance.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new Practice Point to step 5.d.:</p> <p>Practice Point: Form 5500 requires the investment information to be reported at current value. As such, auditors should be aware as to the basis in which the certification is based (e.g., fair value, cost, or contract</p>	Practice Point	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	value).				
Modify	Added new Practice Point to step 5.e.: Practice Point: If the plan invests in contracts with insurance companies or common/collective trust funds that in turn invest in contracts with insurance companies, GICs or similar instrument, it is important to understand if the investment certified is at fair value or contract value. If any investment contract is considered fully benefit responsive, determine whether the certification includes the adjustment from fair value to contract value. If it does not, the auditor must test the adjustment.	Practice Point	Best Practice	N/A	
Modify	New step 7: 7. We inquired of the plan administrator or plan management; reviewed minutes and or contracts, to determine if there are any liens, pledges, or other security guarantees on investments held by the plan.	procedure steps	Best Practice	N/A	
Modify	New step 8: If investment expenses are material and were charged to the investment and/or contract during the period, we examined documents supporting the expenses and related the expenses to the terms of the contract or other plan documentation.	procedure steps	Best Practice	N/A	
AUD-803 Audit Program: Employer and Employee Contributions Receivable and Employer and Employee Contributions					Tailoring added and modified to reflect changes noted below.
Modify	Title changed to Audit Program: Employer and Employee Contributions Received and Contributions Receivable	Title	Best Practice	N/A	
Modify	Added the following: The procedures in this audit program are relevant for both full-scope and limited-scope audit engagements.	Purpose section	Best Practice	N/A	
Modify	New step 1. a. through b: 1. We prepared (or obtained) a schedule of contributions received and receivable by the plan, including all sources of funding (employee, employer, employers in a multiemployer plan and other), and performed the following:	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	a. Tested the arithmetical accuracy of the schedule. b. Agreed the schedule to the plan's trial balance.				
Modify	New step 2: 2. We performed the following substantive analytical procedures for employer and employee contributions receivable and investigated any significant fluctuations or deviations from the expected balances:	procedure steps	Best Practice	N/A	
Modify	Modified step 2.b.: b. For defined contribution plans, we computed the average elective deferral per participant and average employer matching or profit sharing contribution per participant and compared with those of prior plan years and against auditor expectations based upon knowledge of the plan sponsor's business operations.	procedure steps	Best Practice	N/A	
Modify	Modified Step 2.d. and added new Practice Point: d. For health and welfare plans, we computed the ratio of contributions to the number of employees participating in the plan in the current year and compared to prior year. Practice Point: The relevant inputs used in the analytical tests should be based upon the provisions of the plan and inputs should be tested in order to place reliance on the test. For example, if compensation is utilized as a basis for determining the profit sharing contribution ratio percentage to the plan, auditors should ensure the definition of compensation used by the plan agrees with the eligible compensation per the plan document. For Health and Welfare plans, the auditors should ensure that all sources of contributions are included within the schedule (e.g., active participants; retired (if applicable); and COBRA contributions). It should be noted that not all employee contributions for health and welfare plans will be derived from payroll records.	procedure steps	Best Practice	N/A	
Modify	Added new subheading and new step 4: Employer Contributions Received by the Plan 4. We agreed the employer contributions received by the plan to the plan sponsor's financial statements or general	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	ledger, reports per the trust statement/report, and approval within the minutes (if the employer contribution is discretionary or based upon the financial results of the plan), or traced to the plan sponsor's tax return noting the tax deduction for the contribution to the plan.				
Modify	<p>Modified Step 5 & added a new Practice Point: 5. If we determined that confirmation procedures were necessary, we confirmed with the plan sponsor (or employers participating in a multiemployer plan). COR-805 Request for Confirmation of Employer Contributions Receivable: Positive Request through COR-807 Request for Confirmation of Notes Receivable):</p> <p>Practice Point: If there is a contribution receivable to the plan from the plan sponsor and the auditor determined that confirmation procedures would be performed for employer contributions, coordinate the confirmation of the employer receivable as well when confirming with the plan sponsor as indicated above.</p>	procedure steps	Best Practice	N/A	
Modify	Revised step 5 b.: b. We traced balances included in individual confirmation requests to the schedule of contributions noted in item 1 above.	procedure steps	Best Practice	N/A	
Modify	Adjusted the step reference in Step 5 d.: d. If the client requested exemption from confirmation for any accounts selected, we obtained and documented satisfactory explanation and determined the necessity for alternative procedures (see step 6c, below).	procedure steps	Best Practice	N/A	
Modify	<p>Added new subheading, new step 7, and new Practice Points: Employee Contributions 7. For employee contributions received by the plan, we obtained a list of contributions per payroll records and agree contributions to the schedule of employee contributions noted above.</p> <p>Practice Point: The payroll summary may also include the</p>	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	<p>W-3 forms for the year of the audit.</p> <p>Note: See testing of individual participant contributions as outlined within AUD 814A, as well as outline of payroll testing.</p> <p>Practice Point: Note all employee contributions will be derived from payroll records. For example, in a Health & Welfare plan, there may be COBRA payments remitted directly to the plan by participants. As such, alternative procedures will need to be conducted if these contributions are material.</p>				
Modify	<p>Added new step 8 and Practice Point: 8. We inquired of the plan administrator or management as to whether all contributions were remitted timely and in accordance with the policy noted above.</p> <p>Practice Point: In the event that late contributions were identified, consider expanding the scope of audit procedures to ensure all late contributions were accounted for and determine the necessary disclosures were included within supplemental schedules and management will take the necessary action to correct any potential delinquencies.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new subheading and new step 9: Contributions Receivable 9. We agreed the contribution receivable to a liability within the plan sponsor's general ledger or other plan sponsor supporting documentation.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new step 10: 10. In the event that the contribution receivable was confirmed via confirmation procedures noted above, we reconciled any discrepancies noted in the return confirmation with the receivable recorded by the plan.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new step 11: 11. For contribution receivables noted on schedule in item 1, we vouched or examined subsequent receipt of contributions by reviewing subsequent trust statements or</p>	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	plan cash receipts.				
Modify	<p>Added new step 12 and Practice Point: 12. We considered whether the contribution receivable met the definition for recording a receivable and noted whether additional contribution receivables may be still outstanding.</p> <p>Practice Point: Contributions receivable from participants, employers, or others as of the reporting date should include amounts due “pursuant to formal commitments as well as legal or contractual requirements.” Evidence of a formal commitment may include (a) a formal resolution by the plan sponsor, (b) amounts related to an established funding policy, (c) a deduction on the plan sponsor’s federal tax return, or (d) the employer’s recognition, as of the reporting date, of a contribution payable to the plan.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new step 13: 13. For a defined benefit plan, we compared the employer contribution receivable to the information confirmed per the plan’s actuary and Schedule MB or Schedule SB to Form 5500 and reconciled any differences.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Added new step 14: 14. For a defined benefit plan, we determined that the plan meets the minimum funding requirement per ERISA by reviewing the information provided by the plan’s actuary for the plan year audited.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Revised step 15: 15. For multiemployer plans, we obtained a list of participating employers and tested its completeness by examining appropriate plan documents.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Revised step 18: 18. For multiemployer plans, we obtained a list of contributions received or receivable and traced it to a list of participating employers.</p>	procedure steps	Best Practice	N/A	
Modify	<p>Revised step 21 a., b., and c: 20. If there are any noncash contributions to the plan, we determined they are recorded by the plan and at fair value.</p>	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
Modify	New step 21: 21. If the plan permits rollovers, we obtained a list of rollovers into the plan for the year under audit and performed the following: a. We tested the arithmetical accuracy of schedule. b. We agreed to plan's trial balance. c. We made a selection of rollovers to test and obtained the supporting documentation for the rollover transaction to ensure the rollover was processed in accordance with the terms of the plan and the amount rolled over was properly recorded within the individual's account.	procedure steps	Best Practice	N/A	
AUD-804 Audit Program: Unique Employee Benefit Plan Issues					This workpaper is "obsolete". These steps have either moved ore rephrased into other workpaper. Use your previous answer as a reference to answer the questions in other workpapers. A diagnostic will note this as an obsolete wp. This workpaper is no longer functional. No data flows in or out.
Deleted	Deleted AUD-804 Audit Program Unique Employee Benefit Plan Issues	Deleted	Best Practice	N/A	
AUD-805 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets					
Deleted	Deleted AUD-805 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets	Deleted	Best Practice	N/A	
AUD-806 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets					Tailoring added and modified to reflect changes noted below.
Modify	Modified Steps 1. and a.: 1. We performed the following substantive analytical procedures for accounts payable and accrued expenses and investigated any significant or unusual fluctuations or deviations from the expected balances: a. We compared the current year's account balances and accrued expenses with the prior year's account balances for accounts payable and accrued expenses.	procedure steps	Best Practice	N/A	
Modify	Modified step 2.b.: b. For defined contribution plans, we computed the average elective deferral per participant and average employer matching or profit sharing contribution per participant and compared with those of prior plan years	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	and against auditor ex				
AUD-808 Audit Program: Other Income and Expense					Tailoring added and modified to reflect changes noted below.
Modify	New step 2: 2. We reviewed the plan document to determine the type of plan expenses, if any, that are allowed to be paid using plan assets.	procedure steps	Best Practice	N/A	
Modify	Step 3 revised: 3. For expense accounts that are material or for which significant risks have been identified, we selected individual large disbursements or accruals and examined the supporting documentation (e.g., vendor invoice and canceled check, investment advisory agreement). We considered examining the propriety of the balances in the following accounts to ensure compliance with plan provisions:	procedure steps	Best Practice	N/A	
Modify	Step 3.d.: added new Practice Point: Practice Point: If the plan is charged an allocation of fees incurred by a service provider on behalf of several plans (master trust), we reviewed the allocation methodology to ensure the associated fees are in accordance with the terms of the plan and contract with the service provider.	procedure steps	Best Practice	N/A	
Modify	Revised step 5: 5. If plan expenses are allocated to participants, we obtained a list of fees paid by the plan (at a per-participant level). We agreed the listing to the plan's trial balance and tested the arithmetical accuracy of the schedule. We selected a sample of participants and tested the allocation of expenses charged to their accounts to ensure compliance with the provisions of the plan.	procedure steps	Best Practice	N/A	
AUD-809 Audit Program: Benefit Payments					Tailoring added and modified to reflect changes noted below.
Modify	Added to Purpose statement: The procedures in this audit program are relevant for both full-scope and limited-scope audit engagements.	Purpose section	Best Practice	N/A	
Modify	Revised step 1: 1. We obtained a list of benefit payments made throughout	procedure	Best	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	<p>the period under audit (preferably by participant) and we:</p> <ul style="list-style-type: none"> a. Tested the arithmetical accuracy of schedule. b. Traced and agreed the schedule to plan's trial balance. c. Performed overall analytical procedures such as comparing current payments to prior year or number of participants receiving benefits in current year compared to prior year and investigated any unusual changes. <p>Practice Point: When reviewing benefit payments at an analytical level, segregate lump sum payments from annuity payments to ensure this does not skew analytical results.</p>	steps	Practice		
Modify	<p>Revised step 2.a. through c.:</p> <p>2. We selected a sample of benefits paid and tested them for the following attributes:</p> <ul style="list-style-type: none"> a. We agreed the payment to the trust report or cash disbursement ledger. b. We examined supporting documents from personnel file to determine whether the participant was eligible to receive the payment (distributable event had occurred). For payments to beneficiaries, we tested to insure that beneficiary designations were properly completed and that the benefit payments were appropriately made. For benefits such as death and disability, we examined sample death certificates, beneficiary forms, physician's statements, and other applicable documents for propriety. For claim payments within a Health & Welfare plan, we obtained the supporting document to ensure the proper adjudication of the claim in accordance with the plan provisions. c. We examined approvals and supporting documents (e.g., a doctor's explanation of benefits for a Health & Welfare plan; a death certificate for a death payment; age verification for in service withdrawal; termination documents for voluntary withdrawals or termination payments). 	procedure steps	Best Practice	N/A	
Modify	<p>Revised step 2.d. through g.:</p> <p>2.d. Proper authorization of the payment. We determined</p>	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	<p>that the participant requested the benefit payment and that the request was processed consistently with the plan document and the participant’s directives.</p> <p>2.e. Proper payment and recording of the payment. We compared benefits paid to cash disbursement records.</p> <p>2.f. For benefit payments made under the automatic cash out or rollover provisions, we determined that the participant was eligible under the plan to receive the disbursement and that the amount of the benefit payment was within the automatic cash out or rollover provisions of the plan.</p> <p>2.g. We recomputed payment in accordance with the plan document and agreed payment to actual amount paid. If payments require federal and/or state tax withholdings, we tested a sample of withholdings from payments for accuracy.</p> <p>Practice Point: When calculating benefit payments for both defined contribution and defined benefit plans, evidence of years of service, age, earnings, and other relevant factors may be utilized to recompute the priority of the payment.</p>				
Modify	<p>Revised Steps 2.h. through k.:</p> <p>2.h. For payments received directly by participants, we tested receipt of payment by examining supporting documents (cancelled checks or confirming receipt with participant).</p> <p>2.i. For hardship withdrawals within a defined contribution plan, we reviewed the supporting documentation to ensure financial hardship satisfied the plan requirements. We determined the amount granted does not exceed the amount of the employee’s elective deferrals to the plan.</p> <p>2.j. For defined contribution plans, benefit payments to participants with outstanding participant loans under the plan, we determined that the amount of the participant loan balance was deducted from the account proceeds and properly reported on Form 1099 for the distribution.</p> <p>2.k. If benefit payments are made by a third-party service provider, we obtained a report on controls placed in</p>	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	<p>operation (SOC 1) from that provider and determined that the service provider's auditor tested appropriate internal controls.</p> <p>Practice Point: If the plan is terminating (or if a partial termination has occurred) and the benefits are paid to relevant participants in the current period, we determined that affected participants are 100% vested upon payment of distribution.</p>				
Modify	Revised Step 4. If benefit payments consist of previously audited annuity pension payments, we carried forward the sample to ensure the payments in current year with consistent and recurring payments were made.	procedure steps	Best Practice	N/A	
AUD-813 Audit Program: Minutes, Plan Documents, Agreements, and Relevant Contracts of an Employee Benefit Plan					Tailoring added and modified to reflect changes noted below.
Modify	Title revised to: "Audit Program: Minutes, Plan Documents, Agreements, and Relevant Contracts of an Employee Benefit Plans"	Title	Best Practice	N/A	
Modify	Purpose statement revised to "...assertion level relating to minutes, plan documents, agreements, and relevant contracts of an employee benefit plan."	Purpose section	Best Practice	N/A	
Modify	<p>Step 3 revised and Practice Point added: 3. We reviewed relevant plan documents, contracts, agreements, and other documents created as a result of actions by the board of trustees, administrative committee or investment committee.</p> <p>Practice Point: This would include obtaining amendments, IRS determination letter, and Summary Plan Description. This step should be coordinated with the completion of AUD-101. Auditors should summarize in workpapers the relevance of any changes in the documents and consider the effect on audit procedures and disclosure requirements.</p>	procedure steps	Best Practice	N/A	
Modify	Step 4 revised to: 4. We discussed any relevant matters raised by the minutes, contracts, agreements, and other documents with	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
	the plan's legal counsel, as applicable.				
Modify	Step 5 revised to: 5. We adjusted other audit procedures as a result of our examination of the minutes, contracts, agreements, and other documents.	procedure steps	Best Practice	N/A	
AUD-814 Audit Program: Notes Receivable from Participants					This is a new audit area. You need to select it from the audit area list in AUD-100, and fill out the information in KBA-400 and KBA-502. Some of the steps will retain from the previous AUD-814 workpaper.
Modify	Title changed from "Participant Data and Loans" to "Audit Program: Notes Receivable from Participants"	Title		N/A	
Modify	Purpose statement revised: "...financial statement level and the assertion level relating to notes receivable from plan participants (participant loans). The procedures in this audit program are relevant for both full-scope and limited-scope audit engagements. "	Purpose section	Best Practice	N/A	
Modify	New subheading before Step 1: Notes Receivable from Plan Participants (Participant Loans)	procedure steps	Best Practice	N/A	
Modify	New Step 1: We prepared (or obtained) a schedule of notes receivable from participants (participant loans), including: beginning balances, activity during the year (including income earned), and ending balance. This schedule may include the terms of the loans on a per participant basis. We performed the following: a. Tested the arithmetical accuracy of the schedule. b. Agreed beginning balance to the prior year-ending audited balance and ending balance and activity noted throughout the year to the plan's trial balance.	procedure steps	Best Practice	N/A	
Modify	New Step 2: 2. We performed an overall analytical review of the loan activity for the year by comparing average outstanding balances to the prior-year balances as well as reviewing the overall interest income earned and compared this to average loan balances from year to year.	procedure steps	Best Practice	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
Modify	<p>New Step 3. 3.a., and practice point: 3. From the listing of outstanding loans noted above, we made a selection of loans to test and performed the following: a. We tested documents supporting the existence of participant loans and that loans have been made in accordance with plan documents.</p> <p>Practice Point: Ensure the supporting loan documents reconcile with the terms of the loans noted on the schedule above.</p>	procedure steps	Best Practice	N/A	
Modify	<p>New Step 3.d.: d. We tested to insure that delinquent participant loans are being shown properly as distributions as outlined within the provisions of the plan.</p> <p>Practice Point: Even though a delinquent loan may be treated as distributions for tax purposes, the loan should only be reclassified as a distribution based upon the terms of the plan document only.</p>	procedure steps	Best Practice	N/A	
Modify	<p>New step 3.e.: e. We considered the collectability of the participant loans and whether there is a need for an allowance.</p>	procedure steps	Best Practice	N/A	
Modify	<p>New step 3.f.: f. We determined whether the notes receivable from participants comply with ERISA requirements by testing the following: (1) Whether interest rates on loans are reasonable. (2) Whether loan balances are adequately secured. (3) Whether the plan document does not discriminate in determining eligibility for participant loans (e.g., in favor of highly compensated individuals).</p>	procedure steps	Best Practice	N/A	
AUD-814A Audit Program: Participant Data and Accounts—Defined Contribution Plans					This audit area will rollforward from the previous year AUD-814. You need to adjust your data entered in AUD-100, KBA-400, and KBA-502, as necessary. Some of the steps will retain from the previous AUD-814 workpaper.

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward Considerations
NEW	NEW: Audit Program: Participant Data and Accounts: Defined Contribution Plans	New	Best Practice	N/A	
AUD-814B Audit Program: Participant Data and Benefit Obligations—Defined Benefit Plans, Including Health and Welfare Defined Benefit Plans					This is a new audit area. You need to select it from the audit area list in AUD-100, and fill out the information in KBA-400 and KBA-502. Some of the steps will retain from the previous AUD-814 workpaper.
NEW	NEW: Audit Program: Participant Data and Benefit Obligations: Defined Benefit Plans, Including Health and Welfare Defined Benefit Plans	New	Best Practice	N/A	
AUD-903 Audit Program: Consideration of Fraud					
Modify	Modified Steps 13 a. and b.: a. We compared annual employer contributions in relation to employee contributions during the period under audit with periods subsequent to the reporting period. b. For full-scope audits only, we compared investment returns to published benchmarks reported during the current reporting period with that from comparable prior periods.	procedure steps	Best Practice	N/A	
Modify	Modified step 15.e.: e. Information from the results of reviews of interim financial statements/trust statements.	procedure steps	Best Practice	N/A	
Modify	Step 17, added new Practice Point: Practice Point: In a limited-scope audit, investment income is not required to be reviewed as a potential fraud risk for revenue recognition.	procedure steps	Best Practice	N/A	
Modify	Step 4, added new Practice Point: Practice Point: Obtain an understanding of the noncompliance matter in order to evaluate whether the noncompliance or suspected noncompliance may result in a prohibited transaction in which disclosure is warranted. To ensure an overall understanding of the impact of the matter, the auditor may want to consult with the plan’s ERISA counsel to determine the possible impact on the plan in light of ERISA and DOL rules and regulation requirements.	procedure steps	Best Practice	N/A	

Auditor’s Reports (RPTs):

- **2013 Knowledge-Based Audits of Employee Benefit Plans** includes more than 50 illustrative example auditor’s reports using the clarified reporting format.
- **RPT-906 Unmodified Opinion with Unmodified Opinion on Supplementary Information Relating to ERISA and Department of Labor Regulations** has modified wording for report on supplementary information in accordance with DOL Rules and Regulations for reporting and disclosures under ERISA; Note 2 under Additional Guidance has been updated.
- **RPT-907 Unmodified Opinion: Defined Benefit Plan—Full-Scope Audit in Current Year and DOL Limited-Scope Audit in Prior Year** has modified wording for report on supplementary information in accordance with DOL Rules and Regulations for reporting and disclosures under ERISA; Note 3 under Additional Guidance has been updated.
- **RPT-931 Unmodified Opinion with Other-Matter Paragraph on Omitted Information or Omitted Schedules Required under Department of Labor Regulations, through RPT-934 Unmodified Opinion on Financial Statements with Adverse Opinion on Supplementary Information Required by DOL under ERISA: Disclosure of Material Prohibited Transaction with Party-in-Interest Omitted, RPT-936 Unmodified Opinion: Separate Report on Information in Relation to the Financial Statements as a Whole, RPT-937 Unmodified Opinion: Separate Report on Supplemental Schedules Required by ERISA and Department of Labor Regulations, and RPT-954 Qualified Opinion: Departure from U.S. GAAP because of Inadequate Procedures to Value Investments** have been updated to comply with clarity standards and modified and updated in accordance with ERISA requirements.
- **RPT-976 Disclaimer of Opinion: Defined Contribution Plan—DOL Limited-Scope Audit through RPT-980 Disclaimer of Opinion: 403(b) Plan—DOL Limited-Scope Audit; Inability to Obtain Sufficient Appropriate Audit Evidence Because of a Scope Limitation and RPT-983 Disclaimer of Opinion: Defined Contribution Plan—DOL Limited-Scope Audit with Change in Trustees** have been updated to comply with clarity standards and updated in accordance with ERISA requirements; the text of the other-matter paragraph has been modified.

Correspondence Documents (CORs)

- **2013 Knowledge-Based Audits of Employee Benefit Plans** illustrative example correspondence documents have been updated throughout to include new practice points and examples, and to adopt the new terminology used in the clarified standards.
- **COR-201 Plan Consent and Acknowledgment Letter** Modified; footnote 2 has been deleted.
- **COR-202 Successor Auditor Acknowledgment Letter** Modified; first paragraph modified for full-scope or limited-scope audits; fourth paragraph has been moved into Note 1; new Note 2 covers circumstances when issued auditor’s report on financial statements that are to be presented on a comparative basis with audited financial statements of a subsequent period will be reissued.
- **COR-203 Representation Letter from Successor Auditor to Predecessor Auditor** Modified; new Note 1 provides revised language in the event a DOL limited-scope audit was performed.
- **COR-204 Audit Engagement Letter—Full Scope** Revised to provide sample letter for full-scope audit engagements.
- **NEW COR-204A Audit Engagement Letter—Limited Scope** provides a sample illustrative letter for limited-scope engagements.
- **COR-205 Inquiry Letter from the Component Auditor to the Group Engagement Team** first paragraph has slight text modifications.
- **COR-207 Group Engagement Team’s Request for Component Auditor’s Confirmations When the Component Auditor Audits the Financial Statements of a Component** has been updated for ERISA requirements. (ERISA Section 103(a)(3)(A); DOL Reg. 2509.75-9)
- **COR-208 Group Engagement Team’s Request for Component Auditor’s Confirmations When the Component Auditor Performs Certain Audit Procedures** has been updated for ERISA requirements. (ERISA Section 103(a)(3)(A); DOL Reg. 2509.75-9)
- **COR-209 Group Engagement Team’s Request for Documentation from Component Auditor** first paragraph has slight text modifications.
- **COR-211 Letter to Regulator Prior to Allowing a Regulator Access to the Audit Documentation—Full Scope** has been modified for full-scope audit engagements.
- **NEW COR-211A Letter to Regulator Prior to Allowing a Regulator Access to the Audit Documentation—Limited Scope** provides a sample illustrative letter for limited-scope engagements.
- **COR-212 Auditor’s Agreement with and Request for Representations from the Auditor’s Specialist Who Performs Certain Audit Procedures** has been updated for ERISA requirements. (ERISA Section 103(a)(3)(A); DOL Reg. 2509.75-9)

- **COR-215 Component Auditor’s Confirmation Response to Group Engagement Team** has been updated for ERISA requirements. (ERISA Section 103(a)(3)(A); DOL Reg. 2509.75-9)
- **COR-216 Communication with Those Charged with Governance Including Those Overseeing the Financial Reporting Process during Planning** has been updated for ERISA requirements and provides language for full-scope audit engagements with alternative language for limited-scope audit engagements. (AU-C Section 720; DOL Reg. 2520.103-8 under ERISA; DOL Regulation 2520.103-5).
- **COR-302 Group Engagement Team’s Letter of Instruction to the Component Auditor Who Performs Certain Audit Procedures or Audits of the Financial Statements of a Component** and COR-601 have minor text modifications.
- **COR-803 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities Is Included in the Confirmation Request** has been deleted.
- **NEW COR-803 Request for Confirmation of Discretionary Trust** provides a sample illustrative request for confirmation of discretionary trust.
- **NEW COR-803A Request for Confirmation of Common Collective Trust** provides a sample illustrative request for confirmation of common collective trust.
- **NEW COR-803B Request for Confirmation of Insurance Contracts** provides a sample illustrative request for confirmation of insurance contracts.
- **NEW COR-803C Request for Certification of Information by an Eligible Institution Holding Assets** provides a sample illustrative request for certification of information by an eligible institution holding assets.
- **COR-804 Request for Confirmation of Securities Held by Custodians/Trustees** revised language throughout sample illustrative letter.
- **COR-805 Request for Confirmation of Employer Contributions Receivable: Positive Request; COR-806 Request for Confirmation of Employer Contributions Receivable: Negative Request** have minor wording modifications in the first paragraph.
- **COR-807 Request for Confirmation of Notes Payable** title and sample letter modified for notes payable confirmation request.
- **COR-808 Request for Confirmation of Health and Welfare Contract with Insurance Company or Claims Administrator** title and sample letter modified for confirmation of health & welfare contract.
- **COR-810 Request for Confirmation of Notes Payable** deleted.
- **COR-811 Request for Confirmation of Mortgage Debt** deleted.
- **COR-812 Request for Confirmation of Contingent Liabilities, COR-813 Request for Confirmation of Compensating Balances, COR-815 Request for Confirmation of Participant Data on Census: Defined Benefit Plan, COR-816 Participant Confirmation** have minor modifications.
- **COR-901 Management Representation Letter** has been modified and includes a sample paragraph for limited-scope audits. (29 CFR 2520.103-8 under ERISA; DOL Regulation 2520.103-5)
- **COR-903 Communication with Those Charged with Governance, Including Those Overseeing the Financial Reporting Process** has minor modifications.
- **COR-904 Communication to Client with Significant Deficiencies and/or Material Weaknesses** has been modified with new practice points and provides updated language for DOL limited-scope audit engagements. (29 CFR 2520.103-8 under ERISA)
- **COR-905 Communication to Client with No Material Weaknesses** has been modified with new practice points and provides updated language for DOL limited-scope audit engagements. (29 CFR 2520.103-8 under ERISA)
- **COR-908 Request for Actuarial Information for a Defined Benefit Retirement Plan** has been modified for defined benefit retirement plans. (ASC-960)
- **NEW COR-908A Request for Actuarial Information for a Health and Welfare Benefit Plan** provides a sample request for actuarial information for a health and welfare plan. (ASC-965)
- **COR-909 Request for Actuarial Confirmation of Various Information** has minor modifications and new Note 1 under Additional Guidance. (ASC-960)
- **COR-910 Request for a Service Auditor’s Report for Employee Benefit Plans** has minor modifications and new Note 1 under Additional Guidance.

Practice Aids (AIDs)

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward and Update Content Considerations

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward and Update Content Considerations
AID-301 Understanding the Plan's Contribution and Income Streams and Income Recognition Policies					
Modify	Under Purpose, "sources of revenue" modified to "sources of funds"	Purpose section	Best Practice	N/A	
Modify	Deleted "This practice aid is based on guidance provided in the AICPA Audit Guide, Auditing Revenue in Certain Industries, as of March 1, 2011, paragraphs 1.114 through 1.124. "	Instructions	Best Practice	N/A	
AID-801 Audit Sampling Worksheet for Substantive Tests of Details					
Modify	Modified instructions; added tab for determination of tolerable misstatement	Instructions	Best Practice	N/A	
AID-801A Common Ratios Used in Analytical Procedures					
NEW	Common Ratios Used in Analytical Procedures added; designed to provide examples of common ratios used in employee benefit plans analytical procedures	New	Best Practice	N/A	
AID-805 Count Sheet of Securities					
Deleted	Deleted - Count Sheet of Securities	Deleted	Best Practice	N/A	
AID-806A Fair Value Measurement Analysis					
NEW	New practice aid - Fair Value Measurement Analysis added; designed to aid the engagement team assess ASC-820 disclosure and relative inputs	New practice aid	Standard	ASC-820	
AID-807 Employer Contributions Receivable Rollforward: Confirmation Date to Statement of Net Assets Available for Benefits Date					
Deleted	Deleted - Employer Contributions Receivable Rollforward: Confirmation Date to Statement of Net Assets Available for Benefits Date	Deleted	Best Practice	N/A	
AID-808 Employer Contributions Receivable Rollforward: Multiemployer Plans					
Deleted	Deleted - Employer Contributions Receivable Rollforward: Multiemployer Plans	Deleted	Best Practice	N/A	
AID-809 Employer Contributions Receivable: Reconciliation to Trust Statements					
NEW	New Practice Aid - Employer Contributions Receivable:	New	Best	N/A	

Type of Change	Description of Change	Location	Best Practice or Based on Standard	Standard Reference	Roll Forward and Update Content Considerations
	Reconciliation to Trust Statements	practice aid	Practice		
AID-809A Employer Contributions Receivable: Timeliness of Participant Contributions					
NEW	New Practice Aid - Timeliness of Participant Contributions; new, designed to aid engagement teams in documenting the testing of timeliness of contributions in accordance with DOL regulations	New practice aid	Best Practice	N/A	
AID-810 Employer Contributions Receivable: Alternative Procedures and Review for Uncollectibles					
Deleted	Deleted Practice Aid - Employer Contributions Receivable: Alternative Procedures and Review for Uncollectibles	Deleted Practice Aid	Best Practice	N/A	
AID-811 Employer Contributions Receivable: Allowance for Uncollectible Accounts					
Deleted	Deleted Practice Aid - Employer Contributions Receivable: Allowance for Uncollectible Accounts	Deleted Practice Aid	Best Practice	N/A	
AID-814 Prepaid Insurance Analysis					
Deleted	Deleted Practice Aid - Prepaid Insurance Analysis	Deleted Practice Aid	Best Practice	N/A	
AID-815 Other Prepaid Expenses Analysis					
Deleted	Deleted Practice Aid - Other Prepaid Expenses Analysis	Deleted Practice Aid	Best Practice	N/A	
AID-817 Accounts Payable: Confirmation Results					
Deleted	Deleted Practice Aid- Accounts Payable: Confirmation Results	Deleted Practice Aid	Best Practice	N/A	
AID-820 Revenue and Expense Analytical Procedures					
Deleted	Deleted Practice Aid - Revenue and Expense Analytical Procedures	Deleted Practice Aid	Best Practice	N/A	

Resource Documents (RESs)

- **RES-001 Knowledge-Based Audit Methodology Overview** has been updated with modified text and references and new practice points.
- **RES-002 Index of Audit Programs, Forms, and Other Practice Aids** document numbers and titles have been updated in accordance with changes throughout.
- **RES-004 Audit Sampling Guidance for Test of Controls** has revised text for sampling and determining sample size.
- **RES-005 Auditing Sampling Guidance for Substantive Tests of Details** Tables 1, 2, and 3 have been revised; deleted tolerable misstatement; new Appendix A for guidance regarding the calculation of tolerable misstatement and the relationship of performance materiality to tolerable misstatement resource document providing guidance and examples for Audit Sampling: Substantive Tests.
- **RES-006 Sample Process Narrative** Financial management process section has been revised.
- **RES-015 Assertions and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong—Payroll** Resource document for Assertions and Examples of "What Can Go Wrong" and Related Controls That Address What Can Go Wrong: Payroll is not applicable and has been deleted.
- **RES-018 Example Factors to Be Considered When Understanding the Plan and Its Environment** Minor text modifications; new practice point on performance materiality and tolerable misstatement.

In addition, forms and practice aids throughout have been updated to include new examples and tips, and to take into account, where applicable, new literature, standards, and developments including:

Statements on Auditing Standards (SASs):

SAS-127, Omnibus Statement on Auditing Standards—2013

FASB Accounting Standards Codification as of December 31, 2012, up to and including Accounting Standards Update (ASU) No. 2012-07, *Entertainment—Films* (Topic 926).

RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles. Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA	KNOWLEDGE-BASED AUDIT DOCUMENTS		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-302	Understanding the Plan and Its Environment: Complex Plans		
KBA-302N	Understanding the Plan and Its Environment: Noncomplex Plans		
KBA-303	Inquiries of Management and Others within the Plan about the Risks of Fraud		
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	
KBA-401	Understanding Plan-Level Controls: Complex Plans		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-401N	Understanding Plan-Level Controls: Noncomplex Plans		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Revenue, Employer and Employee Contributions Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Benefit Payments and Distributions		
KBA-405	Understanding Activity-Level Controls: Investments		
KBA-406	Understanding Activity-Level Controls: Participant Data		
KBA-407	Understanding Activity-Level Controls: Notes Receivable from Participants and Hardship Withdrawals		
KBA-408	Understanding Activity-Level Controls: Accounts Payable and Disbursements		
KBA-410	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-411	Understanding Controls Maintained by a Service Organization		X
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		
AUDs	AUDIT PROGRAMS		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-100	Tailoring Question Workpaper	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement		
AUD-202	Planning the Employee Benefit Plan Audit		
AUD-602	Audit Program: Involvement of a Component Auditor		X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604	Audit Program: Using the Work of a Management's Specialist		X
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X
AUD-801	Audit Program: Cash		
AUD-802A	Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities (Full-Scope Audits)		
AUD-802B	Audit Program: Investments (DOL Limited-Scope Audits)		
AUD-803	Audit Program: Employer and Employee Contributions Received and Contributions Receivable		
AUD-806	Audit Program: Accounts Payable and Accrued Expenses		
AUD-807	Audit Program: Debt Obligations		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-808	Audit Program: Other Income and Expense		
AUD-809	Audit Program: Benefit Payments		
AUD-810	Audit Program: Journal Entries and Financial Statement Review		
AUD-811	Audit Program: Related-Party and Party-in-Interest Transactions, Commitments and Contingencies, Estimates, and Concentrations		
AUD-812	Audit Program: Fair Value Measurements and Disclosures		
AUD-813	Audit Program: Minutes, Plan Documents, Agreements, and Relevant Contracts of an Employee Benefit Plan		
AUD-814	Audit Program: Notes Receivable from Participants		
AUD-814A	Audit Program: Participant Data and Accounts—Defined Contribution Plans		
AUD-814B	Audit Program: Participant Data and Benefit Obligations—Defined Benefit Plans, Including Health and Welfare Defined Benefit Plans		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations		
AUD-905	Audit Program: Evaluating Subsequently Discovered Facts Existing at the Date of the Auditor's Report		
AUD-906	Audit Program: Consideration of Omitted Procedures after the Report Release Date		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AIDs	PRACTICE AIDs		
AID-301	Understanding the Plan's Contribution and Income Streams and Income Recognition Policies		
AID-601	Considering Reliance on the Work of Internal Auditors		
AID-702	Results of Tests of Controls		
AID-901	Differences of Professional Opinion		

Additional Information for Associated Workpapers

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
KBA-411 Understanding Ctrl: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the client use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Tailoring Question Workpaper	Are any of the multiple locations or components, or participating employers in a multiemployer plan expected to be audited by other independent (component) auditors? is "Yes" Shows the "Document the multiple locations, components, or participating employers in a multiemployer plans expected to be audited by other independent (component) auditors." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the multiple locations, components, or participating employers in a multiemployer plans expected to be audited by other independent (component) auditors.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Tailoring Question Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area