



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
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Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
July 7, 2015

A=Action

D=Discussion

I=Information

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AICPA

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| D-Board of Examiners Meeting Highlights May 28-29, 2015..... | 13-17 |
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US DOL

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EXECUTIVE SESSION

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| Equivalent Reviews, License Application and follow-ups for Board Approval..... | Spt. Pkt. |
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FUTURE MEETING DATES (all times CT)

August 14, 2015 – 8:30 Holiday Inn City Centre – Cascade Room, Sioux Falls, SD



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**South Dakota Board of Accountancy
Minutes of Meeting-Conference Call
June 8, 2015 - 9:00 a.m.**

The Board of Accountancy held a meeting by conference call on Monday, June 8, 2015. Chair John Mitchell called the meeting to order at 9:03 a.m.

Roll call was taken to confirm that the following members were present: David Pummel, Marty Guindon, John Linn, Jr., Holly Brunick and John Mitchell. A quorum was present.

Also present were Nicole Kasin, Executive Director; Julie Iverson, Sr. Secretary; Aaron Arnold, Legal Counsel and Department of Labor & Regulation.

Chair John Mitchell asked if there were any additions to the agenda. The following were added:
Additions to Certificates and Firm Permits
Financial Statements through May 2015

A motion was made by David Pummel and seconded by Marty Guindon to approve the April 23, 2015, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by Holly Brunick to approve the issuance of individual certificates and firm permits through June 4, 2015. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by David Pummel to approve the financial statements through May 2015. A roll call vote was taken. The motion unanimously carried.

The Board discussed proposed changes made by the CPE Audit Review Committee to the guidelines for failed CPE audits. The topic was tabled until the July 7 meeting.

Executive Director Kasin discussed her report on NASBA's Vice Chair nominee, the fee increase for the CPA exam effective July 17, 2015, upcoming renewals opening June 15th, an update on the new database, and a follow-up on a question regarding the death of sole practitioners without succession plans and responsibilities of the estate on firm records.

The Board discussed the Executive Summary of the Recommended Revisions of the CPE Standards by the Joint AICPA/NASBA CPE Standards Committee and the AICPA's Concept Paper on the Future of Practice Monitoring.

The Board also discussed the Candidate Care Concerns 1Q15, the NASBA Board of Directors January 23, 2015 meeting minutes, the NASBA Board of Directors April 24, 2015 meeting highlights, and the Executive Summary and Responses to Quarterly Focus Questions from Regional Directors.

A motion was made by David Pummel and seconded by Holly Brunick to enter into executive session for the deliberative process for peer reviews, off-site requests, and a complaint. A roll call vote was taken. The motion unanimously carried.

The Board came out of executive session.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to accept the peer reviews, off-site requests, and the complaint as discussed in executive session. A roll call vote was taken. The motion unanimously carried.

FUTURE MEETING DATES (all times CT)

July 7, 2015 – 9:00 am Conference call

August 14, 2015 – 8:30 am Holiday Inn City Centre, Sioux Falls, SD – Cascade Room

A motion was made by David Pummel and seconded by John Linn, Jr. to adjourn the meeting. A roll call vote was taken. The motion unanimously carried.

All business having come before the board was concluded and Chair John Mitchell adjourned the meeting at 9:55 a.m.

John Mitchell, CPA, Chair

Attest: _____
Nicole Kasin, Executive Director

David Pummel, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through July 1, 2015

| Number | Name | Date Issued | Location |
|---------------|--------------------------|--------------------|------------------|
| 3207 | Ellen Mae Dickey | 6/09/15 | N Sioux City, SD |
| 3208 | Ashli Marie Billington | 6/09/15 | Garretson, SD |
| 3209 | Callie Dawn Iversen | 6/09/15 | Pierre, SD |
| 3210 | Joshua Bryant VanLaecken | 6/25/15 | Omaha, NE |
| 3211 | Kristin B. Breen | 6/26/15 | Orange City, IA |

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY**

**Issued Through
July 1, 2015**

| Number | Name | Date Issued | Basis/Comments |
|---------------|---|--------------------|-----------------------|
| 1650 | Brantley Janson Yost & Ellison Federal Way, WA | 06/17/15 | New Firm |
| 1651 | Take Charge Bookkeeping, LLC Pierre, SD | 06/22/15 | New Firm |
| 1652 | Ahart Boyett LLC Peachtree City, GA | 06/23/15 | Name Change |

CPE Audit Review Committee

6-8-15

From the June 8, 2015 board meeting discussion, this topic was tabled until the July meeting for action. Pursuant to SDCL 1-27-1.18, the governing body shall delay taking any official action on the recommendations, findings, or reports until the next meeting of the governing body.

The committee recommendations and the board discussion are reflected on the new proposed policy listed below.

CPE Audit Failure Guidelines for Consent Agreements

Proposed Negotiated Consent Agreements will be made with these terms:

1. Licensees that failed their CPE audit shall make up the required hours within 90 days of the signed consent agreement.
2. If a licensee has to roll hours back from prior years to fulfill CPE requirements, a CPE extension will be placed on their file.
3. Proof of documentation of completed CPE courses granted through the extensions must be filed with the board.
4. CPA will be required to undergo CPE audit for the next three renewal periods.
5. CPA will not be eligible to be granted an extension to complete CPE for the next three renewal periods.
6. CPA will receive a public reprimand if they fail in a category of 4, 5, or 6 or use deception in their reporting.
7. CPA will be fined (as described in agreement) and must pay fine within 30 days of signed consent agreement.

Proposed Fines for failure of CPE Audits:

| Failed Level | Status | Fine Amount |
|--------------|---------------------------|------------------------------|
| 1 criteria | Responsive to Requests | \$200 |
| 2 criteria | Responsive to Requests | \$250 |
| 3 criteria | Responsive to Requests | \$300 |
| 4 criteria | Responsive to Requests | \$350 |
| 5 criteria | Responsive to Requests | \$400 |
| 6 criteria | Responsive to Requests | \$450 |
| Any category | Nonresponsive to Requests | The criteria fine is doubled |
| Any category | Deception/Fraud | \$1000 |

With a CPE audit there are 6 criteria in the 3 years to pass the audit. In each year of the audit the CPA must complete a minimum of 20 CPE hours. Then using the 3 year rolling period, the CPA must meet the minimum of 120 CPE hours total at the end of each of years being audited.

If an individual does not want to enter into a consent agreement with the Board, then the procedures for a notice of hearing will be followed.

Notes: Responsive defined 20:75:05:16

Subject to Review of CPE 20:75:04:11

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 45th window. These grades are through June 2015. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

Overall Average Window 1-45

| | |
|--------|-------|
| Window | (All) |
|--------|-------|

| Average of Score | Section | | | | |
|------------------|---------|-----|-----|-----|-------------|
| School | AUD | BEC | FAR | REG | Grand Total |
| Augie | 75 | 72 | 73 | 74 | 73 |
| BHSU | 71 | 70 | 70 | 72 | 71 |
| COTech | 66 | 70 | 69 | 75 | 70 |
| DSU | 70 | 70 | 63 | 68 | 68 |
| DWU | 70 | 67 | 63 | 76 | 68 |
| Mt. Marty | 66 | 69 | 72 | 68 | 68 |
| NAU | 68 | 63 | 65 | 68 | 66 |
| NSU | 73 | 70 | 74 | 71 | 72 |
| OS | 74 | 72 | 70 | 73 | 72 |
| SDSU | 74 | 74 | 76 | 77 | 75 |
| USD | 77 | 75 | 74 | 75 | 75 |
| USF | 73 | 74 | 73 | 77 | 74 |
| Grand Total | 74 | 72 | 72 | 73 | 73 |

Students per section per school since CBT Began (3 or more parts)

| | |
|--------|-------|
| Window | (All) |
|--------|-------|

| Count of Score | Section | | | | |
|----------------|---------|-----|-----|-----|-------------|
| School | AUD | BEC | FAR | REG | Grand Total |
| Augie | 76 | 85 | 67 | 83 | 311 |
| BHSU | 100 | 102 | 86 | 91 | 379 |
| COTech | 22 | 19 | 14 | 13 | 68 |
| DSU | 15 | 15 | 15 | 12 | 57 |
| DWU | 16 | 13 | 15 | 11 | 55 |
| Mt. Marty | 22 | 24 | 14 | 19 | 79 |
| NAU | 10 | 15 | 20 | 18 | 63 |
| NSU | 88 | 101 | 68 | 84 | 341 |
| OS | 214 | 220 | 210 | 202 | 846 |
| SDSU | 30 | 33 | 26 | 27 | 116 |
| USD | 222 | 232 | 227 | 213 | 894 |
| USF | 67 | 69 | 68 | 49 | 253 |
| Grand Total | 882 | 928 | 830 | 822 | 3462 |

Average for past 8 windows (3 or more parts)

| | |
|--------|------------------|
| Window | (Multiple Items) |
|--------|------------------|

| Average of Score | Section | | | | |
|------------------|---------|-----|-----|-----|-------------|
| School | AUD | BEC | FAR | REG | Grand Total |
| Augie | 77 | 76 | 77 | 74 | 76 |
| BHSU | 75 | 73 | 70 | 74 | 73 |
| COTech | 78 | 72 | 69 | | 72 |
| DSU | 61 | | | | 61 |
| DWU | 71 | 73 | 61 | 81 | 69 |
| Mt. Marty | 63 | | 71 | | 68 |
| NAU | 74 | 73 | 73 | 74 | 73 |
| NSU | 77 | 76 | 79 | 73 | 76 |
| OS | 80 | 78 | 71 | 74 | 75 |
| SDSU | 75 | 80 | 80 | 82 | 79 |
| USD | 78 | 77 | 75 | 75 | 76 |
| USF | 71 | 75 | 69 | 76 | 73 |
| Grand Total | 76 | 76 | 73 | 75 | 75 |

The Board needs to Approve the 2015-2 (45th Window) grades.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Online Renewals

Renewals opened June 15, 2015. A progress report follows the last page of this report.

Database discussion update

I am currently working with Aaron Arnold, DLR Attorney, staff from Bureau of Information and Telecommunications, and a vendor to work collectively and bring a contract to the board for a new database.

Sole Practitioner/ Deceased Practitioner/Successor Plan – follow-up

Aaron – Any follow-up from risk management?

CPA Question:

An individual, who performs work in the investment area with a series 7 and series 66 licenses, would like to know if they are required to keep their CPA license in an active status or if they can change to an inactive status.

To be inactive the following statement must be signed off on. SDCL 36-20B-27, states certificate holders who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. Any licensee granted such an exception by the board must place the word, inactive, adjacent to their CPA title or PA title on any business card, letterhead, or any other document or device, with the exception of their CPA certificate or PA license, on which their CPA or PA title appears.

Recap from NASBA Western Regional Conference

- Update from NASBA Leadership – Visits to state boards, tracking of legislation, enforcement issues, strategic planning, diversity and leadership, infrastructure of NASBA office, international issues, IT update, services offered from NASBA
- Spotlight on the Department of Labor's Report – released 5/28/15 which reviewed 400 plan audits from 2011 Form 5500 filings. They had six strata using number of audits per firm, random sampled the strata (tiers were 1-2; 3-5; 6-24; 25-99; 100-749; 750+)
 - Bad News – 4 out of 10 audits they looked at were major deficient, 6 out of 10 had compliant or minor deficiencies.
 - Additional findings – 17% of audit reports didn't comply with ERISA reporting/disclosure requirements. The smaller the firm's EBP audit practice, the greater overall deficiency rate and increased number of deficient audit areas. Increased number of limited scoped audits appears to have nexus to decline in quality. Concern that peer review and practice monitoring efforts are not improving audit quality or identifying deficient EBP audits.
 - Since 2005 – DOL made 580 routine referrals, 491 to AICPA, 89 to State boards.

- Call to Action from NASBA – ED's provide contact info to NASBA to receive referrals from DOL and to be able to follow through the process on disciplinary action against firms.
- Keeping the UAA evergreen – 2014-15 Activities – Act and Model Rules update, CPE standards release and Model Rules update, pathways for international credential holders, SSARS 21 impact, and Inactive/Retired status.
- The Uniform CPA exam for 2017 – evolution of the exam and the steps to the new exam being implemented in 2017.
- Peer Review – an overview of the DOL project, actions to strengthen firm quality from the peer review committee, actions to enhance reviewer quality,
- Update on ALD – an overview of the use of the data being used by the boards and the possibilities of how to expand the data sharing into the future.
- Regional meeting – issues discussed were the DOL issues, CPE audits, issues each state may be having, Regional Director position was open for nomination and one applicant was received from Sharon Jensen from Minnesota.
- Private Company Council, Progress Update – An update on the PCC, the decision-making framework, the definition of a public business entity, PCC activities to date and the FASB simplification initiative
- Legal update – Update from Noel Allen on various cases with 3 specific cases from Accountancy Boards.
 - Gustafson v. Board of Accountancy (Oregon) – Oregon board's reliance on past disciplinary actions when imposing larger suspension period than that recommended by the ALJ was not unfair or an abuse of discretion.
 - Osborne v. Tennessee State Board of Accountancy – CPA's petition for review regarding the revocation of his licenses and his accounting firm's permit was untimely filed. Even through the appeals the dismissal of the petition was affirmed.
 - Simic v. Accountancy Board of Ohio – The Ohio Board did not have the authority to personally discipline a CPA's certificate for his firm's failure to abide by a cease and desist order when the Board did not provide the required notice.
- Breakout Sessions
 - Peer Review Compliance
 - CPE Standards and Model Rule Changes
 - Accepting International Professionals
 - Evolving Education Issues
- Summary of NASBA Education Research Projects
 - Are Accountants Made or Born? An analysis of Self-Selection and Performance in the Accounting Major and on the CPA Exam
 - Intention to Sit for the CPA Examination: An Investigation of Cost, Exam, Support and Career Factors

- State policies and attitudes toward acceptance of Advanced Placement (AP) courses and a comparison of success on the CPA exam between students that enter college with AP credit and those that do not: A two part investigation.
- Report form CPA Exam Review Board – An update in regards to changes to the NASBA bylaws and the ERB charge, the approach and structure of the ERB, and the information technology controls followed.
- Evaluating Candidate Statistics – an overview of the 2014 overall performance on exam statistics; the new analysis, collaboration and candidate pipeline information; evaluating the CPA exam statistics.

Board Discussion

- Any New Business/topics?

[illegible]



AICPA BOARD OF EXAMINERS (BOE) MEETING HIGHLIGHTS May 28 - 29, 2015

Participants

BOE Members: Rick Niswander (Chair), Barry Berkowitz, Allan Cohen, Michael Daggett, Damon DeSue, Russ Friedewald, Bucky Glover, Jeff Hoops, Gary Lubin, Leslie Mostow, Roberta Newhouse, Mark Shermis, Amy Sutherland, Tom Winkler

AICPA Staff: Michael Decker (Staff Liaison), Noel Albertson, Joanne Fiore, Rich Gallagher, Heather Hardwick, Michael Horan, Susan Josephson, Joe Maslott, John Mattar, Robin Stackhouse

NASBA Staff: Onita Porter (NASBA Examination Review Board)

Committee Reports

At its May 2015 meeting, the BOE heard reports from the State Board Committee, the Psychometric Oversight Committee and the Content Committee.

Roberta Newhouse, Chair of the State Board Committee (SBC), reported on the prior day's meeting. The SBC had a fantastic meeting in Philadelphia and very much enjoyed the opportunity to meet a number of AICPA staff. The SBC remains impressed with the number, breadth, and progress of the Examinations Team projects underway.

In order to promote and support greater participation on the upcoming Practice Analysis Exposure Draft (ED), targeted for release on September 1st, the SBC recommended that the Examinations Team distribute an article to the State Boards forewarning them of the 90-day exposure period. The SBC also recommended that on September 1st, the Examinations Team distribute the Exposure Draft directly to the State Boards to accelerate its review.

Russ Friedewald, Chair of the NASBA Executive Director Committee reported a strong turnout at the March NASBA Executive Director's conference. The conference was a great opportunity for the State Societies and the State Boards to meet together and for the State Boards to learn more about the next version of the CPA Examination.

Mark Shermis, Chair of the Psychometric Oversight Committee (POC), reported on the POC's support of the potential changes to the next version of the CPA Examination. A shift to 50% MCQs and 50% simulations could easily be supported by the Examination. The POC was also supportive of increasing the time for BEC and REG to 4 hours each, therefore extending the total testing time to 16 hours, or 4 sections at 4 hours each. The POC suggested that a 10 minute break inserted into each section be researched.

The POC also suggested conducting research to identify how much time candidates were spending on MCQs and simulations sections. Based on the results of the research, it may be appropriate to govern the time of each areas of the Examination (MCQs and simulations) rather than leave it up to the Candidates to judge.

With the proposed increase in simulations and the potential complexity and content integration (knowledge, skills, and context) within the simulations, additional research into multi-dimensionality may also be warranted in the future.

The POC had also discussed possible changes with respect to the Test Administration Model (TAM). The POC supports the extension of the testing windows to allow candidates additional days to test.

The POC also discussed the retest policy changes (allowing a candidate to retest a failed section within a window) currently being discussed. The POC cautioned the BOE that retesting has the potential to impact the security of the Examination as Candidates could share content with their friends testing in the same window. The POC also stated that the cut score of the Exam was not designed to support retesting and that candidates scoring around the cut score could be inappropriately and positively impacted. The POC actually stated that modifying the 18-month eligibility period, without modifying the retesting policy, is better psychometrically but also acknowledged that this more of a content and professional issue.

Lastly, the POC recommended additional research into the number of candidates (and their performance) running into the 18 month eligibility period and the number of candidates (and their performance) employing their own retesting strategies across consecutive windows.

Amy Sutherland, Chair of the Content Committee (CC), reported that the CC was overall quite pleased with the Practice Analysis. The CC endorsed the draft blueprints of the next version of the Exam. The CC and the BOE approved a one-off change to the BOE policy of testing emerging standards (in this case revenue recognition) which will be communicated to Candidates shortly. Another one-off change to the annual CSO updates (in this case for 2016) to the Exam will also be announced since the need to update the CSOs in 2017 (for changes in 2016) will certainly be impacted by the design of the next version of the Exam, targeted for launch in 17Q2.

Numerous reviews of the Exposure Draft are planned in advance of its planned release on September 1st.

Lastly, the BOE and AICPA staff expressed their sincerest thank you to the Content Committee and their subcommittees for their support of the future of the Exam and acknowledged the significant additional workload that will be forthcoming as the Exams team works with each of the subcommittees to build the inventory of items responsive to the Exam's revised blueprint skills.

Susan Josephson, Associate Director - Communications, Advertising & Brand Management, provided the BOE with an update on AICPA communications and other initiatives supporting the AICPA and CPA brands. New initiatives include "CPA – Powered by People", various diversity and inclusion efforts, and an increased focus on young CPAs, talent development, and CPA engagement.

Joanne Fiore Vice President – Professional Media, Pathways, and Inclusion provided the BOE with an update on various AICPA initiatives currently underway across the entire CPA pipeline, from high school to Examination candidates. Joanne's team has increased their focus on high-school teachers providing them with various resources. Accounting games and contests are offered to high-school students, creating increased engagement and interest in the CPA. The Start Here Go Places website supports those initiatives.

The website www.ThisWayToCPA.com addresses the needs of college students. Joanne's group is also promoting accounting PhDs and leading various diversity and inclusion initiatives. Joanne's group is working with Review Course Providers to support candidates and their AICPA membership and is working with Beta Alpha Psi to put CPA ambassadors on college campuses. Lastly, with the Bright Lights initiative, the AICPA will identify the universities graduating large numbers of accounting majors that become CPA candidates and work to promote those same practices with other universities.

Chris Bumcrot, Partner, Applied Research and Consulting, presented his findings from the research conducted on the CPA candidate pipeline. Following both qualitative and quantitative studies, from high school to college to the workplace, the strongest forces determining whether candidates move forward through the pipeline toward CPA licensure are environmental and experiential.

- College environments and experiences are powerful determinants of whether an accounting major graduates *wants* to be a CPA. In particular, the presence of accounting firm recruiters on campus and a college CPA culture (e.g., the availability of 150 hour and/or combined degree programs, access to Beta Alpha Psi chapters) are significant drivers.
- Workplace environment and culture are the dominant factors in determining whether an accounting graduate *sits* for the CPA exam. Encouragement within the workplace is a significant driver. Incentives and, to an even greater extent, requirements to have a CPA, are even stronger drivers. These factors are widely present within public accounting firms but mostly absent in other workplaces.
- While the study was not designed to compare accounting majors to students in other fields, the research findings strongly suggest that family involvement in accounting and high school environmental factors are strong predictors of whether a student becomes an accounting major in college.

Rich Gallagher, Director of Content, and Joe Maslott, Senior Technical Manager provided the BOE with an update on the Practice Analysis and the next version of the Exam. AICPA staff presented the latest draft blueprints for the next version of the Exam, which includes an increase in assessment of higher order skills, additional TBSs distributed throughout the Exam, including in the BEC section, the constructed response items remaining in BEC, and a three-dimensional test blueprint that outlines the content and skills for each of the sections.

The current Exam predominately assesses the remember and understand and application levels of Bloom's taxonomy while the next version of the Exam will shift into the analysis level (for all sections) and the evaluation level (for Audit only). This will alter the scoring distribution of MCQs and TBSs from 60/40% to potentially 50/50 respectively.

Due to the additional TBSs in BEC and REG it is suggested that BEC and REG be extended to 4 hours each, making the total exam time 16 hours for 4 sections. Naturally, the price will increase in 2017 due to the extended seat time. The price is also expected to increase in 2018 due to AICPA increased costs related to item development, building the new driver and Excel as well as NASBA cost increases.

At this point, the greatest risk to the success of the project is the risk of building and scoring the new version of the exam in time for the launch.

Microsoft Excel will be provided as a tool to candidates in 2018.

Noel Albertson, Director of Project and Technology Delivery, reported that the NextGen project continues on budget and on schedule in the development of a state-of-the-art, web-based test delivery driver, item authoring environment and changes to support the next version of the CPA Exam. Software releases are scheduled for:

- 2016: Deployment of the new driver and support for a DRS (Document Review item type). The candidate will experience a small change in the non-content portion of the interface.
- 2017: Support for the next version of the CPA Exam
- 2018: A modernized candidate experience on a large monitor, a web-based authoring environment and an item bank converted to new-style, portable, web-based content

The AICPA has embraced AGILE software development and LEAN methodologies and are now looking to implement that thinking throughout the Examinations' Team and the larger AICPA in select areas.

BOE Sponsor and BOE Oversight Group Reports

The BOE received updates from the Financial Oversight Group (FOG) and Volunteer Recruiting.

Paul Schields, Senior Finance Manager, presented an overview of the budget in the FOG Report. The Group reviewed budgeting for the technology and Practice Analysis projects, all of which fall within the scope of the domestic contract.

The BOE also discussed the impact that flat volumes, increased test development and software development costs, and the necessary increased price of the next version of the Exam would have on the budget through 2024. The AICPA's consolidated budget was approved at the AICPA Council the prior week. The Examinations' Team is hiring and our headcount is down approximately 10% from last year.

Another strong year for **Volunteer Recruiting** is underway as the AICPA is working closely with NASBA on the BOE and other appointments. Fortunately, outgoing Content subcommittee members often recommend their colleagues with the right skillsets from the profession, which makes recruiting that much easier.

Strategic Plan and Operational Update

Michael Decker, Vice President of Examinations, and John Mattar, Director of Psychometrics provided an update and led the BOE on a discussion of a few key items including:

- The significant work required to change the scoring in support of the next version of the Exam and the development of a new cut score, including the new test blueprints, enhanced skills assessment, new item types, changing item distributions, TBSs in the BEC section, multi-dimensionality etc.
- Candidate behavior regarding retesting and eligibilities expiring near the 18-month window
- Research continues into electronic short essay and longer essay scoring
- What will the Exam need to look like beyond 2018?
- What is the future of licensure and what external impacts exist to the Exam?
- China: There is interest and support for the U.S. CPA Exam across China. How do we administer the Exam securely in China?

Onita Porter of the Examination Review Board (ERB), the auditor of the Exam on behalf of the state boards of accountancy, reported that the ERBs Exams audit process went quite smoothly based on very helpful cooperation and support of Exam team, management letter had been issued to the three parties (NASBA, AICPA and Prometric) and plans for the current year audit cycle are already underway, including a planned joint meeting with the Exam's team and AICPA's iARC group.

Executive Summary of the Recommended Revisions to the CPE Standards by the Joint AICPA/NASBA CPE Standards Committee:

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs. The *Standards* were last revised in 2012.

The *Standards* are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group is comprised of 13 members representing various stakeholders in the CPE arena including state boards of accountancy, state societies, educators, CPE providers and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendation to NASBA's CPE Committee, which in turn makes its recommendation to a Joint Committee on CPE Standards made up of representatives from the AICPA and NASBA.

The Working Group made its recommended changes to the *Standards*. NASBA's CPE Committee reviewed the recommendation and approved the recommendation with a minor revision at its January 2015 meeting.

In February 2015, the Joint Committee of CPE Standards reviewed and finalized its recommendation of changes to the *Standards* and request approval of its recommendation for exposure draft from the respective AICPA and NASBA Boards of Directors at their April 2015 meetings.

Overall:

The most significant changes to the *Standards* are the recommendations to add two new delivery methods for continuing professional education programs: nano-learning and blended learning. The recommended changes are summarized as follows:

Introduction:

Clarifications -

- Removed history of 2012 revisions to the *Standards* and clarified the revision process.

Definitions:

Clarifications -

- Revised definitions for group live and group internet based programs to focus the definitions from how the program is delivered by the instructor to how the program is being received by the participants.
- Minor revisions/adjustments to definitions of other terms.

Additions -

- Definitions added for the following terms: asynchronous, blended learning program, nano-learning program, pre-program assessment, qualified assessment, social learning, synchronous, and tutorial.

General Guidelines for CPAs:

Clarifications -

- Minor revisions and modifications to conform references to other sections of the *Standards*.

Standards for CPE Program Sponsors:

Program Development:

Clarifications –

- Minor revisions and modifications to conform references to other sections of the *Standards*.
- Clarified the license requirement of CPA whose involvement is required in the development of every accounting and auditing course. Similar clarification of CPA, tax attorney or enrolled agent who is required in the development of courses if in the field of taxes.
- Clarifications of the requirements for both group live and group internet based courses once the program has been recorded for future presentation.
- Clarification for self-study programs that permit the qualified assessment to occur during or at the conclusion of the program.
- Clarification that simulations and other innovative tools that guide the participants through structured decisions can be used in lieu of review questions for self-study programs.

Additions –

- Added the responsibilities of the CPE provider if the course content is purchased from another entity rather than developed in-house.
- Standard added for the development of group live programs—delivery method not separately identified in the 2012 *Standards*. The Standard requires that group live programs must include an element of participant engagement per CPE credit within the program.
- Included the requirement that the qualified assessment for a self-study program must measure a representative number of learning objectives for the program and defined a representative number.
- Added parameters to be used when a pre-program assessment is used in a self-study program.
- Standard added for the development of nano-learning programs, including details on the qualified assessment requirements and program re-takes for participants.
- Standard added for the development of blended learning programs, including guidelines on the composition of the programs.

Program Presentation:

Clarifications –

- Minor revisions and modifications to conform references to other sections of the *Standards*.

Program Measurement:

Clarifications –

- Clarified the portions of programs that should be eligible towards credit amounts (e.g., excludes breaks, housekeeping items, etc.).
- Provided guidance to allocate CPE credits when multiple fields of study are used in a learning program.
- Clarified that a participant's self-certification of attendance at a group program alone is not sufficient. The CPE provider must employ additional attendance monitoring procedures.
- Clarified that pre-program assessments in self-study programs may not be included in the determination of the CPE credit awarded for the program.
- Paragraph S17-07 clarifies the application of the word count formula for a self-study program when the program constitutes a video.

Additions –

- Included the measurement of one-fifth (0.20 credit) credit for nano-learning and for group programs after the first credit has been earned.
- Standard added for the measurement of nano-learning programs.
- Standard added for the measurement of blended learning programs.
- Paragraph S20-03 added to permit CPE credit to be awarded to technical reviewers of CPE programs for the actual review time up to the actual number of CPE credits for the program.

Program Reporting:

Additions -

- Paragraph S23-02 added to ease administrative burden of issuing certificates of completion for CPE providers that offer simultaneous delivery of a group live and group internet based program.
- Added a requirement for CPE providers to maintain the license information and status of CPA, tax attorney and/or enrolled agent used in the development of accounting, auditing and tax programs. The program descriptive materials (course announcement information) must also be maintained.

EXPOSURE DRAFT

Statement on Standards for Continuing Professional Education (CPE) Programs

**Jointly Issued by the American Institute of
Certified Public Accountants (AICPA) and the
National Association of State Boards of
Accountancy (NASBA)**

April 2015

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Introduction

Continuing professional education is required for CPAs to maintain their professional competence and provide quality professional services. CPAs are responsible for complying with all applicable CPE requirements, rules and regulations of state boards of accountancy, as well as those of membership associations and other professional organizations.

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs. The *Standards* were last revised in 2012.

The *Standards* are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group is comprised of 13 members representing the various stakeholders in the CPE arena, including state boards of accountancy, state societies, educators, CPE providers, and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendations to NASBA's CPE Committee (CPE Committee), which in turn makes recommendations to the Joint AICPA/NASBA CPE Standards Committee (Joint Committee). The Joint Committee will then make its recommendation to the respective AICPA and NASBA Boards of Directors. Any revisions or modifications to the *Standards* will be posted to the AICPA and NASBA websites for comment.

The *Standards* are intended to be an "evergreen" document. As questions arise related to implementation and application of the *Standards*, the questions will be presented to the Working Group. The Working Group meets quarterly and scheduled meeting dates are posted on the NASBA website, LearningMarket.org. NASBA will communicate the findings of the Working Group to the specific CPE program sponsor. Authoritative interpretations will only be issued by the CPE Committee in limited cases when the matter is not addressed in the *Standards*, cannot be addressed specifically with the CPE program sponsor, or cannot be addressed in the Best Practices web pages. All interpretations issued by the CPE Committee will be reviewed and considered by the Joint Committee upon the next revision of the *Standards*.

Preamble

01. The right to use the title "Certified Public Accountant" (CPA) is regulated by each state's board of accountancy in the public interest and imposes a duty to maintain public confidence and current knowledge, skills, and abilities in all areas in which they provide services. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.¹
02. The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs to continuously maintain and enhance their knowledge, skills, and abilities.
03. The continuing development of professional competence involves a program of lifelong educational activities. Continuing Professional Education (CPE) is the term used in these *Standards* to describe the educational activities that assist CPAs in achieving and maintaining quality in professional services.
04. The following *Standards* have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs receive the quality CPE necessary to satisfy their obligations to serve the public interest. These *Standards* may also apply to other professionals by virtue of employment or membership. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit.
05. Advances in technology, delivery and workplace arrangements may lead to innovative learning techniques. Learning theory is evolving to include more emphasis on outcome based learning. These *Standards* anticipate innovation in CPE in response to these advances. Sponsors must ensure innovative learning techniques are in compliance with the *Standards*. CPE program sponsors are encouraged to consult with NASBA regarding questions related to compliance with the *Standards* when utilizing innovative techniques.
06. These *Standards* create a basic foundation for sound educational programs. Sponsors may wish to provide enhanced educational and evaluative techniques to all programs.

¹ The term "CPAs" is used in these *Standards* to identify all persons who are licensed and/or regulated by boards of accountancy.

Article I - Definitions

Advanced. Program knowledge level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

Asynchronous. A learning activity in which the participant has control over time, place and/or pace of learning.

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Blended learning program. An educational program incorporating multiple learning formats.

Continuing Professional Education (CPE). An integral part of the lifelong learning required to provide competent service to the public. The set of activities that enables CPAs to maintain and improve their professional competence.

CPE credit hour. Fifty minutes of participation in a program of learning.

CPE program sponsor. The individual or organization responsible for issuing the certificate of completion, and maintaining the documentation required by these *Standards*. The term CPE program sponsor may include associations of CPAs, whether formal or informal, as well as employers who offer in-house programs.

Evaluative feedback. Specific response to incorrect answers to questions in self-study programs.

Group Internet based program. Synchronous learning on an individual basis with real time interaction of an instructor or subject matter expert and built-in processes for attendance and interactivity.

Group live program. Synchronous learning in a group environment with real time interaction of an instructor or subject matter expert that provides the required elements of attendance monitoring and engagement.

Group program. Any group live or group Internet based programs.

Independent study. An educational process designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor.

Instructional methods. Delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, use of audiovisual aids, or work groups employed in group, self-study, or independent study programs or other innovative programs.

Intermediate. Program knowledge level that builds on a basic program, most appropriate for CPAs with detailed knowledge in an area. Such persons are often at a mid-level within the organization, with operational and/or supervisory responsibilities.

Learning activity. An educational endeavor that maintains or improves professional competence.

Learning contract. A written contract signed by an independent study participant and a qualified CPE program sponsor prior to the commencement of the independent study.

Learning objectives. Specifications on what participants should accomplish in a learning activity. Learning objectives are useful to program developers in deciding appropriate instructional methods and allocating time to various subjects.

Nano-learning program. A tutorial program designed to permit a participant to learn a given subject in a ten-minute timeframe through the use of electronic media (including technology applications and processes and computer-based or web-based technology) and without interaction with a real time instructor.

Overview. Program knowledge level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

Pilot test. A method to determine the recommended CPE credit for self study programs which involves sampling of at least three individuals independent of the development team and representative of the intended participants to measure the representative completion time.

Pre-program assessment. Assessment that is given before the participant has access to the course content of the program.

Professional competence. Having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

Program of learning. A collection of learning activities that are designed and intended as continuing education and that comply with these *Standards*.

Qualified Assessment. Method of measuring the achievement of a representative number of the learning objectives of the learning activity.

Reinforcement feedback. Specific responses to correct answers to questions in self-study programs.

Self study program. An educational program completed individually without the assistance or interaction of a real time instructor.

Social learning. Learning from one's peers in a community of practice through observation, modeling and application.

Synchronous. Participants engage in learning activity(ies) at the same time.

Tutorial. A tutorial is a method of transferring knowledge that is more interactive and specific than a book, lecture or article. A tutorial seeks to teach by example and supply the information to complete a certain task.

Word count formula. A method, detailed under S17-05 Method 2, to determine the recommended CPE credit for self study programs that uses a formula including word count of learning material, number of questions and exercises, and duration of audio and video segments.

Update. Program knowledge level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

Article II – General Guidelines for CPAs

2.01 Professional Competence. All CPAs should participate in learning activities that maintain and/or improve their professional competence.²

Selection of learning activities should be a thoughtful, reflective process addressing the individual CPA's current and future professional plans, current knowledge and skills level, and desired or needed additional competence to meet future opportunities and/or professional responsibilities.

CPAs fields of employment do not limit the need for CPE. CPAs performing professional services need to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence may be interpreted broadly. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of professional skills.

The fields of study as published on NASBA's website, www.learningmarket.org, represent the primary knowledge and skill areas needed by CPAs to perform professional services in all fields of employment.

To help guide their professional development, CPAs may find it useful to develop a learning plan. Learning plans are structured processes that help CPAs guide their professional development. They are dynamic instruments used to evaluate and document learning and professional competence development. They may be reviewed regularly and modified as CPAs' professional competence needs change. Plans include: a self-assessment of the gap between current and needed knowledge, skills, and abilities; a set of learning objectives arising from this assessment; and learning activities to be undertaken to fulfill the learning plan.

2.02 CPE Compliance. CPAs must comply with all applicable CPE requirements.

CPAs are responsible for compliance with all applicable CPE requirements, rules, and regulations of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. CPAs should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

Periodically, CPAs participate in learning activities which do not comply with all applicable CPE requirements, for example specialized industry programs offered through industry sponsors. If CPAs propose to claim credit for such learning activities, they must retain all relevant information regarding the program to provide documentation to state licensing bodies and/or all other professional organizations or bodies that the learning activity is equivalent to one which meets all these standards.

2.03 CPE Credits Record Documentation. CPAs are responsible for accurate reporting of the appropriate number of CPE credits earned and must retain appropriate documentation of their participation in learning activities.

To protect the public interest, regulators require CPAs to document maintenance and enhancement of professional competence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of professional competence, not attainment of credits. Compliance with regulatory and other requirements mandates that CPAs keep documentation of their participation in activities designed to maintain and/or improve professional competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

² The terms "should" and "must" are intended to convey specific meanings within the context of this *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs*. The term "must" is used in the *Standards* applying to CPAs and CPE program sponsors to convey that CPAs and CPE program sponsors are not permitted any departure from those specific *Standards*. The term "should" is used in the *Standards* applying to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are encouraged to follow such *Standards* as written.

Participants must document their claims of CPE credit. Examples of acceptable evidence of completion include:

- For group, blended learning and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For self-study and nano-learning programs, a certificate supplied by the CPE program sponsor after satisfactory completion of a qualified assessment.
- For instruction credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Standard No. 20 in Standards for CPE Program Measurement.
- For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college.
- For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the CPA as author or contributor, (2) a statement from the writer supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

2.04 Reporting CPE Credits. CPAs who complete sponsored learning activities that maintain or improve their professional competence must claim no more than the CPE credits recommended by CPE program sponsors subject to the state board regulations.

CPAs may participate in a variety of sponsored learning activities. While CPE program sponsors determine credits, CPAs must claim credit only for activities through which they maintained or improved their professional competence. CPAs who participate in only part of a program must claim CPE credit only for the portion they attended or completed.

2.05 Independent Study. CPAs may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintain or improve their professional competence.

Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor. Participants in an independent study program must:

- Enter into a written learning contract with a CPE program sponsor that must comply with the applicable standards for CPE program sponsors. A learning contract:
 1. Specifies the nature of the independent study program and the time frame over which it is to be completed, not to exceed 15 weeks.
 2. Specifies that the output must be in the form of a written report that will be reviewed by the CPE program sponsor or a qualified person selected by the CPE program sponsor.
 3. Outlines the maximum CPE credit that will be awarded for the independent study program, but limits credit to actual time spent.
- Accept the written recommendation of the CPE program sponsor as to the number of credits to be earned upon successful completion of the proposed learning activities. CPE credits will be awarded only if:
 1. All the requirements of the independent study as outlined in the learning contract are met,
 2. The CPE program sponsor reviews and signs the participant's report,
 3. The CPE program sponsor reports to the participant the actual credits earned, and
 4. The CPE program sponsor provides the participant with contact information.

The maximum credits to be recommended by an independent study CPE program sponsor must be agreed upon in advance and must be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

The participation of at least one licensed CPA (in good standing and holding an active license or its equivalent) is required in the development of every program in accounting and auditing. The participation of at least one licensed CPA, tax attorney, or IRS enrolled agent (in good standing and holding an active license or its equivalent) is required in the development of each program in the field of study of taxes. As long as this requirement is met at some point during the development process, a program would be in compliance. Whether to have this individual involved during the development or the review process is at the CPE program sponsor's discretion.

S5 - 01. Qualifications of reviewers. Individuals or teams qualified in the subject matter must review programs. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized professional competence of the instructors or presenters. Using independent reviewing organizations familiar with these *Standards* may enhance quality assurance.

S5 - 02. Review responsibilities if content purchased from another entity. CPE program sponsors may purchase course content from other entities and developers. The organization that issues the certificate of completion under its name to the participants of the program is responsible for compliance with all *Standards* and other CPE requirements.

If a CPE program sponsor plans to issue certificates of completion under its name, then the CPE program sponsor must first consider whether the content was purchased from an entity registered with NASBA on the National Registry of CPE Sponsors.

- If the content is purchased from a sponsor registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor may maintain the author/developer and reviewer documentation from that sponsor in order to satisfy the content development requirements of the *Standards*. The documentation should be maintained as prescribed in Standard No. 24.
- If the content is purchased from an entity not registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor must independently review the purchased content to ensure compliance with the *Standards*. If the CPE program sponsor does not have the subject matter expertise on staff, then the CPE program sponsor must contract with a qualified individual to conduct the review. The CPE program sponsor must maintain the appropriate documentation regarding the credentials and experience of both the course author/developer(s) and reviewer(s) as prescribed in Standard No. 24.

Standard No. 6. CPE program sponsors of independent study learning activities must be qualified in the subject matter.

S6 - 01. Requirements of independent study sponsor. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

- Review, evaluate, approve, and sign the proposed independent study learning contract, including agreeing in advance on the number of credits to be recommended upon successful completion.
- Review and sign the written report developed by the participant in independent study.
- Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

Standard No. 7. Group live programs must employ instructional methods that clearly define learning objectives, guide the participant through a program of learning and include elements of engagement within the program.

S7 - 01. Required elements of engagement. Each credit of CPE in a group live program must include at least one element of engagement related to course content (for example: group discussion; polling questions; instructor-posed question with time for participant reflection; and/or use of a case study with different engagement elements throughout the program).

S7 – 02. Real time instructor during program presentation. Group live programs must have a real time instructor while the program is being presented. Program participants must be able to interact with the real time instructor while the course is in progress (including the opportunity to ask questions and receive answers during the presentation). Once a group live program is recorded for future presentation, it will continue to be considered a group live program only where a real time subject matter expert facilitates the recorded presentation. CPE credit for a recorded group live program facilitated by a real time subject matter expert will be equal to the CPE credit awarded to the original presentation.

S7-03. No real time instructor during recorded program presentation. A group live program that is recorded for future presentation that does not include a real time subject matter facilitator is no longer a group live program and will only be classified as a self study program if it meets all self study delivery method requirements with the exception of the basis for CPE credit. CPE credit for a recorded group live program not facilitated by a real time subject matter expert will be equal to the CPE credit awarded to the original presentation or it may be determined by either of the two self study credit determination methodologies described in Standard No. 17: pilot testing or the prescribed word count formula, at the sponsor's discretion.

Standard No. 8. Group Internet based programs must employ instructional methods that clearly define learning objectives, guide the participant through a program of learning, and provide evidence of a participant's satisfactory completion of the program.

S8 - 01. Real time instructor during program presentation. Group Internet based programs must have a real time instructor while the program is being presented. Program participants must be able to interact with the real time instructor while the course is in progress (including the opportunity to ask questions and receive answers during the presentation). Once a group Internet based program is recorded for future presentation, it will continue to be considered a group Internet based program only where a real time subject matter expert facilitates the recorded presentation. . CPE credit for a recorded group Internet based program, facilitated by a real time subject matter expert, will be equal to the CPE credit awarded to the original presentation.

S8 – 02. No real time instructor during recorded program presentation. A group Internet based program that is recorded for future presentation that does not include a real time subject matter facilitator is no longer a group Internet based program and will only be classified as a self study program if it meets all self study delivery method requirements with the exception of the basis for CPE credit. CPE credit for a recorded group Internet based program not facilitated by a real time subject matter expert will be equal to the CPE credit awarded to the original presentation or it may be determined by either of the two self study credit determination methodologies described in Standard No. 17: pilot testing or the prescribed word count formula, at the sponsor's discretion.

Standard No. 9. Self study programs must use instructional methods that clearly define learning objectives, guide the participant through a program of learning, and provide evidence of a participant's satisfactory completion of the program.

S9 - 01. Guide participant through a program of learning. To guide participants through a program of learning, CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material. Appropriate feedback must be provided. Satisfactory completion of the program must be confirmed during or after the program through a qualified assessment.

S9 – 02. Use of review questions or other content reinforcement tools. Review questions must be placed at the end of each learning activity throughout the program in sufficient intervals to allow the participant the opportunity to evaluate the material that needs to be re-studied. If objective type questions are used, at least three review questions per CPE credit must be included or two review questions if the program is marketed for one-half CPE credits. Simulations and other innovative tools that guide participants through structured decisions can be used in lieu of review questions.

S9 – 03. Evaluative and reinforcement feedback on review questions. If the multiple choice method is used, evaluative feedback for each incorrect response must explain specifically why each response is wrong and reinforcement feedback must be provided for correct responses. If rank order or matching questions are used, then it is permissible to provide single feedback to explain the correct response. Simulations and other innovative tools that guide participants through structured decisions could provide feedback at irregular intervals or at the end of the learning experience. In those situations, single feedback would be permissible. True/false questions or other review questions that do not meet the evaluative and reinforcement feedback requirements are allowed as review questions but are not included in the number of review questions required per CPE credit. Forced choice questions, when used as part of an overall learning strategy, are allowed as review questions and can be counted in the number of review questions required per CPE credit. There is no minimum passing rate required for review questions.

S9 – 04. Qualified assessment requirements. To provide evidence of satisfactory completion of the course, CPE program sponsors of self-study programs must require participants to successfully complete a qualified assessment during or after the program with a cumulative minimum-passing grade of at least 70 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple-choice, essay, and simulations). At least five questions/scored responses per CPE credit must be included on the qualified assessment or three assessment questions/scored responses if the program is marketed for one-half CPE credits. For example, the qualified assessment for a five-credit course must include at least 25 questions/scored responses. Alternatively, a five and one-half credit course must include at least 28 questions/scored responses. Except in courses where recall of information is the learning strategy, duplicate review and qualified assessment questions are not allowed. True/false questions are not permissible on the qualified assessment.

If a pre-program assessment is used in the course, then the pre-program assessment cannot be included in the determination of the recommended CPE credits for the course. If a pre-program assessment is used and feedback is provided, then duplicate pre-program assessment and qualified assessment questions are not permitted. If a pre-program assessment is used and feedback is not provided, then duplicate pre-program assessment and qualified assessment questions are permissible. Feedback may comply with the feedback for review questions as described in S9-03, or take the form of identifying correct and incorrect answers.

A qualified assessment must measure a representative number of the learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program. The representative number of the learning objectives can be less than 75 percent of the learning objectives for the program only if a randomized question generator is used and the test bank used in the creation of the assessment includes at least 75 percent of the learning objectives for the program. Assessment items must be written to test the stated learning objectives of the course.

S9 – 05. Feedback on qualified assessment. Providing feedback on the qualified assessment is at the discretion of the CPE program sponsor. If the CPE program sponsor chooses to provide feedback and:

Utilizes a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size to minimize overlap of questions on the qualified assessment for the typical repeat test-taker. Feedback may comply with the feedback for review questions as described in S9 – 03, or take the form of identifying correct and incorrect answers.

Does not utilize a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then:

- on a failed assessment, the CPE program sponsor may not provide feedback to the test-taker.
- on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as described in S9-03, or take the form of identifying correct and incorrect answers.

S9 – 06. Program/course expiration date. Course documentation must include an expiration date (the time by which the participant must complete the qualified assessment). For individual courses, the expiration date is no longer than one year from the date of purchase or enrollment. For a series of courses to achieve an integrated learning plan, the expiration date may be longer.

S9 – 07. Based on materials developed for instructional use. Self study programs must be based on materials specifically developed for instructional use and not on third party materials. Self study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self-study programs as supplements to the instructional materials could qualify if the self study program complies with each of the CPE standards.

Instructional materials for self study include teaching materials which are written for instructional educational purposes. These materials must demonstrate the expertise of the author(s). At a minimum, instructional materials must include the following items:

1. An overview of topics;
2. The ability to find information quickly (for example, an index, a detailed menu or key word search function);
3. The definition of key terms (for example, a glossary or a search function that takes a participant to the definition of a key word);
4. Instructions to participants regarding navigation through the course, course components, and course completion;
5. Review questions with feedback; and
6. Qualified assessment.

Standard No. 10. Nano-learning programs must use instructional methods that clearly define a minimum of one learning objective, guide the participant through a program of learning and provide evidence of a participant's satisfactory completion of the program. Satisfactory completion of the program must be confirmed at the conclusion of the program through a qualified assessment.

S10 – 01. Qualified assessment requirements. To provide evidence of satisfactory completion of the course, CPE program sponsors of nano-learning programs must require participants to successfully complete a qualified assessment with a passing grade of 100 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple choice, rank order, and matching). Only two questions must be included on the qualified assessment. True/false questions are not permissible on the qualified assessment. If the participant fails the qualified assessment, then the participant must re-take the nano-learning program. The number of re-takes permitted a participant is at the sponsor's discretion.

S10 – 02. Feedback on qualified assessment. Providing feedback on the qualified assessment is at the discretion of the CPE program sponsor. If the CPE program sponsor chooses to provide feedback and:

Utilizes a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size for no overlap of questions on the qualified assessment for the typical repeat test-taker. If the multiple choice method is used, evaluative feedback for each incorrect response must explain specifically why each response is wrong and reinforcement feedback must be provided for correct responses. If rank order or matching questions are used, then it is permissible to provide single feedback to explain the correct response. Feedback may also take the form of identifying correct and incorrect answers.

Does not utilize a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then:

- on a failed assessment, the CPE program sponsor may not provide feedback to the test-taker.
- on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback described in the preceding paragraph or take the form of identifying correct and incorrect answers.

S10 – 03. Program/course expiration date. Course documentation must include an expiration date. The expiration date is no longer than one year from the date of purchase or enrollment.

S10 – 04. Based on materials developed for instructional use. Nano-learning programs must be based on materials specifically developed for instructional use and not on third party materials. Nano-learning programs requiring only the reading of general professional literature, IRS publications or reference manuals followed by an assessment will not be acceptable.

Standard No. 11. Blended learning programs must use instructional methods that clearly define learning objectives and guide the participant through a program of learning. Pre-program, post-program and/or homework assignments should enhance the learning program experience and must relate to the defined learning objectives of the program.

S11 – 01. Guide participant through a program of learning. The blended learning program includes different learning or instructional methods (for example, lectures, discussion, guided practice, reading, games, case study, simulation); different delivery methods (group live, group Internet based, nano-learning or self study); different scheduling (synchronous or asynchronous); or different levels of guidance (for example, individual, instructor or subject matter expert led, or group/social learning). To guide participants through the learning process, CPE program sponsors must provide clear instructions/information to participants that summarize the different components of the program and what must be completed or achieved during each component in order to qualify for CPE credits. The CPE program sponsor must document the process/components of the course progression and completion of components by the participants.

S11 – 02. Primary component of blended learning program is a group program. If the primary component of the blended learning program is a group program, then CPE credits for pre-program, post-program and/or homework assignments cannot constitute more than 25 percent of the total CPE credits available for the blended learning program.

S11 – 03. Primary component of blended learning program is an asynchronous learning activity. If the primary component of the blended learning program is an asynchronous learning activity, then the group program component of the blended learning program must incorporate a qualified assessment in which participants demonstrate achievement of the learning objectives of the program.

S11 – 04. Qualified assessment requirements. A qualified assessment must measure a representative number of learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program.

3.03 - Standards for CPE Program Presentation

Standard No. 12. CPE program sponsors must provide descriptive materials that enable CPAs to assess the appropriateness of learning activities. For CPE program sponsors whose courses are developed for sale and/or for external audiences (i.e., not internal training), CPE program sponsors must make the following information available in advance:

- Learning objectives.
- Instructional delivery methods.
- Recommended CPE credit and recommended field of study.
- Prerequisites.
- Program level.
- Advance preparation.
- Program description.
- Course registration requirements.
- Refund policy for courses sold for a fee/cancellation policy.
- Complaint resolution policy.

- Official NASBA sponsor statement, if an approved NASBA sponsor (explaining final authority of acceptance of CPE credits).

For CPE program sponsors whose courses are purchased or developed for internal training only, CPE program sponsors must make the following information available in advance:

- Learning objectives.
- Instructional delivery methods.
- Recommended CPE credit and recommended field of study.
- Prerequisites.
- Advance preparation.
- Program level (for optional internal courses only).
- Program description (for optional internal course only).

S12 – 01. Disclose significant features of program in advance. For potential participants to effectively plan their CPE, the program sponsor must disclose the significant features of the program in advance (e.g., through the use of brochures, website, electronic notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with non-educational activities, or when several CPE programs are offered concurrently, participants must receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration and attendance policies and procedures must be formalized, published, and made available to participants and include refund/cancellation policies as well as complaint resolution policies.

S12 – 02. Disclose advance preparation and/or prerequisites. CPE program sponsors must distribute program materials in a timely manner and encourage participants to complete any advance preparation requirements. All programs must clearly identify prerequisite education, experience, and/or advance preparation requirements, if any, in the descriptive materials. Prerequisites, if any, must be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

Standard No. 13. CPE program sponsors must ensure instructors are qualified with respect to both program content and instructional methods used.

S13 – 01. Qualifications of instructors. Instructors are key ingredients in the learning process for any group or blended learning program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group or blended learning programs. Qualified instructors are those who are capable, through training, education, or experience of communicating effectively and providing an environment conducive to learning. They must be competent and current in the subject matter, skilled in the use of the appropriate instructional methods and technology, and prepared in advance.

S13 - 02. Evaluation of instructor's performance. CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

Standard No. 14. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.

S14 - 01. Required elements of evaluation. The objectives of evaluation are to assess participant and instructor satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, must be solicited from participants and instructors for each program session, including self study and nano-learning programs, to determine, among other things, whether:

- Stated learning objectives were met.
- Stated prerequisite requirements were appropriate and sufficient.
- Program materials were relevant and contributed to the achievement of the learning objectives.
- Time allotted to the learning activity was appropriate.
- Individual instructors were effective. (Note: This topic does not need to be included in evaluations for self study and nano-learning programs.)

S14 - 02. Evaluation results. CPE program sponsors must periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

Standard No. 15. CPE program sponsors must ensure instructional methods employed are appropriate for the learning activities.

S15 - 01. Assess instructional method in context of program presentation. CPE program sponsors must assess the instructional methods employed for the learning activities to determine if the delivery is appropriate and effective.

S15 – 02. Facilities and technology appropriateness. Learning activities must be presented in a manner consistent with the descriptive and technical materials provided. Integral aspects in the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

3.04 - Standards for CPE Program Measurement

Standard No. 16. Sponsored learning activities are measured by actual program length, with one 50-minute period equal to one CPE credit. Sponsors may recommend one-fifth (0.20 credit equal to 10-minute period) and one-half (0.50 credit equal to 25-minute period) CPE credits under the following scenarios:

- Group – after the first credit has been earned.
- Self study – one-half increments (equal to 25 minutes) are permitted.
- Nano-learning – one-fifth increments (equal to 10 minutes) are permitted.

The CPA claiming CPE credits should refer to respective state board requirements regarding acceptability of one-fifth and one-half CPE credits.

Only learning content portions of programs (including pre-program, post-program and/or homework assignments when incorporated into a blended learning program) qualify toward eligible credit amounts. Time for activities outside of actual learning content including, for example, excessive welcome and introductions, housekeeping instructions, and breaks is not accepted toward credit.

S16 – 01. Learning activities with individual segments. For learning activities in which individual segments are less than 50 minutes, the sum of the segments would be considered one total program. For example, five 30-minute presentations would equal 150 minutes and would be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-fifth credit, if one-fifth credits are awarded. Thus, learning activities with segments totaling 140 minutes would be granted two and four-fifths CPE credits.

For learning activities in which segments are classified in multiple fields of study, the CPE credits granted should first be computed based on the content time of the total program. Next, the CPE credits granted should be allocated to the fields of study based on the field of study content time. If the sum of the individual segments by field of study content time does not equal the CPE credits computed based on the content

time for the total program, then the difference (positive or negative) should be allocated to the primary field of study for the program.

S16 – 02. Responsibility to monitor attendance. While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors must maintain a process to monitor individual attendance at group programs to assign the correct number of CPE credits. A participant's self-certification of attendance alone is not sufficient.

S16 – 03. Monitoring mechanism for group Internet based programs. In addition to meeting all other applicable group program standards and requirements, group Internet based programs must employ some type of real time monitoring mechanism to verify that participants are participating during the duration of the course. The monitoring mechanism must be of sufficient frequency and lack predictability to provide assurance that participants have been engaged throughout the program. The monitoring mechanism must employ at least three instances of interactivity completed by the participant per CPE credit. CPE program sponsors should verify with respective state boards on specific interactivity requirements.

S16 – 04. Small group viewing of group Internet based programs. In situations where small groups view a group Internet based program such that one person logs into the program and asks questions on behalf of the group, documentation of attendance is required in order to award CPE credits to the group of participants. Participation in the group must be documented and verified by the small group facilitator or administrator in order to authenticate attendance for program duration.

S16 – 05. University or college credit course. For university or college credit courses that meet these CPE Standards, each unit of college credit shall equal the following CPE credits:

- Semester System 15 credits
- Quarter System 10 credits

S16 – 06. University or college non-credit course. For university or college non-credit courses that meet these CPE standards, CPE credit shall be awarded only for the actual classroom time spent in the non-credit course.

S16 – 07. Participant preparation time. Credit is not granted to participants for preparation time, unless the program meets the criteria for blended learning in Standard No. 11.

S16 – 08. Committee or staff meetings qualification for CPE credits. Only the portions of committee or staff meetings that are designed as programs of learning and comply with these *Standards* qualify for CPE credit.

Standard No. 17 CPE credit for self study learning activities must be based on one of the following educationally sound and defensible methods:

Method 1: Pilot test of the representative completion time.

Method 2: Computation using the prescribed word count formula.

If a pre-program assessment is used, the pre-program assessment is not included in the CPE credit computation.

S17 – 01. Method 1 - Sample group of pilot testers. A sample of intended professional participants must be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group must consist of at least three qualified individuals who are independent of the program development group.

- For those courses whose target audience includes CPAs, the sample group must be licensed CPAs in good standing, holding an active license or its equivalent and possess the appropriate level of knowledge before taking the program.
- For those sponsors who are subject to various regulatory requirements that mandate a minimum number of CPE credits and offer courses to non-CPAs, those courses do not have to be pilot tested by licensed CPAs.
- For those courses whose target audience includes CPAs and non-CPAs, the sample group must be representative of the target audience and contain both CPAs, as defined above, and non-CPAs.

S17 – 02. Method 1 – CPE credit based on representative completion time. The sample does not have to ensure statistical validity; however, if the results of pilot testing are inconsistent, then the sample must be expanded or, if the inconsistent results are outliers, the inconsistent results must be eliminated. CPE credit must be recommended based on the representative completion time for the sample. Completion time includes the time spent taking the final examination and does not include the time spent completing the course evaluation or pre-program assessment. Pilot testers must not be informed about the length of time the program is expected to take to complete. If substantive changes are subsequently made to program materials, further pilot tests of the revised program materials must be conducted to affirm or amend, as appropriate, the representative completion time.

S17 – 03. Method 1 – Requirement for re-pilot testing. If, subsequent to course release, actual participant completion time warrants a change in CPE credit hours, re-pilot testing is required to substantiate a change in CPE credit prospectively.

S17 – 04. Method 1 – Pilot testing when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses where pilot tests were conducted and provided, CPE program sponsors must review results of the course developer's pilot test results to ensure that the results are appropriate. For purchased courses where no pilot tests were conducted or provided, CPE program sponsors must conduct pilot testing or perform the word count formula as prescribed in Method 2.

S17 – 05. Method 2 – Basis for prescribed word count formula. The prescribed word count formula begins with a word count of the number of words contained in the text of the required reading of the self study program and should exclude any material not critical to the achievement of the stated learning objectives for the program. Examples of information material that are not critical and therefore excluded from the word count are: course introduction; instructions to the participant; author/course developer biographies; table of contents; glossary; pre-program assessment; and appendices containing supplementary reference materials.

Again, only course content text that is critical to the achievement of stated learning objectives should be included in the word count formula. If an author/course developer determines, for example, that including the entire accounting rule or tax regulation is beneficial to the participant, the accounting rule or tax regulation should be included as an appendix to the course as supplementary reference material and excluded from the word count formula. Only pertinent paragraphs or sections of the accounting rule or tax regulation required for the achievement of stated learning objectives should be included in the actual text of the course and therefore included in the word count formula.

Review questions, exercises and qualified assessment questions are considered separately in the calculation and should not be included in the word count.

S17 – 06. Method 2 – Calculation of CPE credit using the prescribed word count formula. The word count for the text of the required reading of the program is divided by 180, the average reading speed of adults. The total number of review questions (including those above the minimum requirements), exercises and qualified assessment questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time (not narration of the text), if any,

are then added together and the result divided by 50 to calculate the CPE credit for the self study program. When the total minutes of a self study program are not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit.

$$[(\# \text{ of words}/180) + \text{actual audio/video duration time} + (\# \text{ of questions} * 1.85)] / 50 = \text{CPE credit}$$

S17 – 07. Method 2 – Consideration of audio and video segments in word count formula. If audio and video segments of a self study program constitute additional learning for the participant (i.e., not narration of the text), then the actual audio/video duration time may be added to the time calculation as provided in the prescribed word count formula. If the entire self study program constitutes a video, then the prescribed word count formula in S17 – 06 would consist of the actual video time plus the total number of review questions (including those above the minimum requirements), exercises and qualified assessment questions multiplied by 1.85 divided by 50 (i.e., there would be no word count for text used in the formula).

$$[\text{actual audio/video duration time} + (\# \text{ of questions} * 1.85)] / 50 = \text{CPE credit}$$

S17 – 08. Method 2 – Word count formula when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses where the word count formula was calculated, CPE program sponsors must review the results of the course developer's word count formula calculation to ensure that results are appropriate. For purchased courses where the word count formula calculation was not performed or provided, CPE program sponsors must perform the word count formula calculation or conduct pilot testing as described in Method 1.

Standard No. 18. CPE credit for nano-learning programs must be based on duration of the program plus the qualified assessment, which when combined should be a minimum of 10 minutes. However, one-fifth (0.20 credit) CPE credit is the maximum credit to be awarded for a single nano-learning program.

Standard No. 19. CPE credit for blended learning programs must equal the sum of the CPE credit determinations for the various completed components of the program. CPE credits could be determined by actual duration time (for example, audio/video duration time or learning content delivery time in a group program) or by a pilot test of the representative completion time as prescribed in S17-01 or word count formula as prescribed in S17-06 (for example, reading, games, case studies, simulations).

Standard No. 20. Instructors, discussion leaders or technical reviewers of learning activities may receive CPE credit for their preparation/review and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these Standards.

S20 – 01. Instructor CPE credit parameters. Instructors, discussion leaders, or speakers who present a learning activity for the first time may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the state boards. For example, for learning activities in which participants could receive 8 CPE credits, instructors may receive up to 24 CPE credits (16 for preparation plus 8 for presentation). For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research.

S20 – 02. Presenting a program. The CPA claiming CPE credits should refer to respective state board requirements.

S20 – 03. Technical reviewer CPE credit parameters. Technical reviewers who review a learning activity for the first time may receive CPE credit for actual review time up to the actual number of CPE credits for

the program, subject to regulations and maximums established by state boards. For repeat technical reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research.

Standard No. 21. Writers of published articles, books, or CPE programs may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence.

S21 – 01. Requirement for review from independent party. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed by an independent party. CPE credits should be claimed only upon publication.

S21 – 02. Authoring a program. As a general rule, receiving CPE credits for authoring and presenting the same program should not be allowed. The CPA claiming CPE credits should refer to respective state board requirements.

Standard No. 22. CPE credits recommended by a CPE program sponsor of independent study must not exceed the time the participant devoted to complete the learning activities specified in the learning contract.

S22 – 01. CPE credits agreed to in advance. The maximum credits to be recommended by an independent study CPE program sponsor must be agreed upon in advance and must be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

3.05 - Standards for CPE Program Reporting

Standard No. 23. CPE program sponsors must provide program participants at or after the conclusion of the program with documentation (electronic or paper) of their participation (certificate of completion), which includes the following:

- CPE program sponsor name and contact information.
- Participant's name.
- Course title.
- Course field of study.
- Date offered or completed.
- If applicable, location.
- Type of instructional/delivery method used.
- Amount of CPE credit recommended.
- Verification by CPE program sponsor representative.
- Sponsor identification number or registration number, if required by the state boards.
- NASBA time statement stating that CPE credits have been granted on a 50-minute hour.
- Any other statements required by state boards.

S23 – 01. Entity to award CPE credits and acceptable documentation. The CPE program sponsor is the individual or organization responsible for issuing the certificate of completion and maintaining the documentation required by these *Standards*. The entity whose name appears on the certificate of completion is responsible for validating the CPE credits claimed by a participant. CPE program sponsors must provide participants with documentation (electronic or paper) to support their claims of CPE credit. Acceptable evidence of completion includes:

- For group, blended learning and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For self-study and nano-learning programs, a certificate supplied by the CPE program sponsor after satisfactory completion of a qualified assessment.

- For instruction credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Standard 20 in Standards for CPE Program Measurement.
- For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college.
- For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the CPA as author or contributor, (2) a statement from the writer supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

S23-02. Certificate issuance for simultaneous delivery of a group live and group internet based program. In circumstances where the CPE program sponsor is providing simultaneous delivery of a group live and group Internet based program, the CPE program sponsor, at its discretion, may issue the certificate of completion to all program participants by awarding CPE credits under the instructional delivery method attended by the majority of the participants. The delivery and attendance monitoring requirements of the respective instructional delivery methods still apply.

Standard No. 24. CPE program sponsors must retain adequate documentation (electronic or paper) for a minimum of five years to support their compliance with these standards and the reports that may be required of participants.

S24 – 01. Required documentation elements. Evidence of compliance with responsibilities set forth under these standards which is to be retained by CPE program sponsors includes, but is not limited to:

- Records of participation.
- Dates and locations.
- Author/instructor, author/developer and reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer and reviewer for accounting, auditing or tax program(s), the state of licensure, license number and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.
- Number of CPE credits earned by participants.
- Results of program evaluations.
- Program descriptive materials (course announcement information).

Information to be retained by CPE program sponsors includes copies of program materials, evidence that the program materials were developed and reviewed by qualified parties, and a record of how CPE credits were determined.

S24 – 02. Maintenance of documentation as basis for CPE credit for self study programs. For CPE program sponsors using Method 1 (pilot tests) as the basis for CPE credit for self study programs, appropriate pilot test records must be retained regarding the following:

- When the pilot test was conducted.
- The intended participant population.
- How the sample of pilot testers was selected.
- Names and credentials and relevant experience of sample pilot test participants.
- A summary of pilot test participants' actual completion time.
- Statement from each pilot tester to confirm that the pilot tester is independent from the course development group and that the pilot tester was not informed in advance of the expected completion time.

For CPE program sponsors using Method 2 (word count formula) as the basis for CPE credit for self study programs, the word count formula calculation as well as the supporting documentation for the data used in

the word count formula (e.g., word count; number of review questions, exercises and final examination questions; duration of audio and/or video segments, if applicable; and actual calculation) must be retained.

Effective dates:

Unless otherwise established by state licensing bodies and/or other professional organizations, these Standards are to be effective upon Board approval except as follows:

1. For group live programs , instances of engagement per S7-01 must be incorporated during the next CPE program review/revision date.

Assessing the Quality of Employee Benefit Plan Audits

U.S. Department of Labor
Employee Benefits Security Administration
Office of the Chief Accountant
May 2015

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Executive Summary

The Office of the Chief Accountant (OCA), Employee Benefits Security Administration (EBSA), U.S. Department of Labor (DOL), has completed an assessment of the quality of audit work performed by independent qualified public accountants (IQPAs) with respect to financial statement audits of employee benefit plans covered under the Employee Retirement Income Security Act of 1974 (ERISA) for the 2011 filing year (plan year beginning in 2011).

Objectives and Scope

The primary objective of EBSA's review was to assess the level and quality of IQPAs' audits of ERISA-covered employee benefit plans.

EBSA's assessments involved a review of the Form 5500 Annual Return/Report filings and related audit reports for the 2011 filing year (plan years beginning in 2011). The Agency selected a statistically valid sample of 400 plan audits from a target population of 81,162 Form 5500 filings for 2011 in which an accountant's report/audit opinion was attached.

In the 2011 Form 5500 database there were 81,162 filings that contained CPA audit reports. Those 81,162 audits were performed by 7,330 different CPA firms. Because the population of plan auditors is so diverse and heavily skewed to those CPA firms that audit a small number of plans, the sample was designed to look at the relationship between auditor characteristics and audit quality. Historically, EBSA has found that CPAs with smaller employee benefit plan audit practices tended to have the most audit deficiencies. Therefore, the Agency divided the population of CPAs into six strata based on the number of plan audits that the CPA firm performed with the desire to more definitively determine where in the population deficient audit work predominated.

Findings

Overall, EBSA's review found that 61% of the audits fully complied with professional auditing standards or had only minor deficiencies under professional standards. However, 39% of the audits (nearly 4 out of 10) contained major deficiencies with respect to one or more relevant GAAS requirements which would lead to rejection of a Form 5500 filing, putting \$653 billion and 22.5 million plan participants and beneficiaries at risk. These figures reflect increases in the amount of plan assets and number of plan participants at risk compared with prior EBSA studies.

Additionally, the audit review supports the following findings:

- There is a clear link between the number of employee benefit plan audits performed by a CPA and the quality of the audit work performed. Analysis of the data indicates a wide disparity between those CPAs who perform the fewest plan audits and those firms that perform the largest number of plan audits. CPAs who performed the fewest number of employee benefit plan audits annually had a 76% deficiency rate. In contrast, the firms performing the most plan audits had a deficiency rate of only 12%.
- The accounting profession's peer review and practice monitoring efforts have not resulted in improved audit quality or improved identification of deficient audit

engagements. In 4 of the 6 audit strata, a substantial number of CPA firms received an acceptable peer review report, yet had deficiencies in the audit work that EBSA reviewed.

- CPA firms that were members of the American Institute of Certified Public Accountants' (AICPA) Employee Benefit Plan Audit Quality Center tended to produce audits that have fewer audit deficiencies. Overwhelmingly, most CPAs in the two smallest audit strata are not Employee Benefit Plan Audit Quality Center members.
- Training specifically targeted at audits of employee benefit plans (EBPs) may contribute to better audit work. As the level of EBP-specific training increased, the percentage of deficient audits decreased.
- Of the 400 plan audit reports reviewed, 67 (17%) of the audit reports failed to comply with one or more of ERISA's reporting and disclosure requirements.

Conclusion

It appears that the quality of employee benefit plan audits has not improved since EBSA's previous studies given an overall deficiency rate for plan audits of 39%.

Additionally, EBSA concludes that:

- Once again, the smaller the firm's employee benefit plan audit practice, the greater the incidence of audit deficiencies.
- Audit areas that are unique to employee benefit plans such as contributions, benefit payments, participant data and party-in-interest/prohibited transactions, continue to lead the list of audit deficiencies. As EBSA found in its two previous studies, CPAs often failed to consider these unique audit areas and, therefore, performed inadequate audit work.
- CPAs failed to comply with professional standards either because they were not adequately informed about employee benefit plan audits, or failed to properly utilize the technical materials that were in their possession. Audit partners in firms performing a greater number of plan audits tended to have a greater amount of employee benefit plan specific training. In a number of instances, however, even having the proper technical guidance did not ensure that a quality audit was performed.
- The Practice Monitoring Peer Review process established by the AICPA and administered by sponsoring state CPA societies does not appear to be an effective tool in identifying deficient plan audit work and ensuring compliance with professional standards. While selecting an employee benefit plan audit is a required part of the peer review process (where applicable), CPAs who performed deficient audits often received acceptable peer review reports.
- Members of the AICPA's Employee Benefit Plan Audit Quality Center (EBPAQC) tend to have fewer audits containing multiple GAAS deficiencies. Additionally, non EBPAQC member firms tend to have a larger number of GAAS deficiencies, per audit engagement, than EBPAQC members.

Recommendations

Based upon the findings of this report, EBSA makes the following eleven recommendations.

Enforcement

1. Revise case targeting to focus on:
 - a. CPA firms with smaller employee benefit plan audit practices that audit plans with large amounts of plan assets, and
 - b. CPA firms in the 25-99 plan audit strata given their high deficiency rates and the amount of plan assets (\$317.1 billion) and plan participants (9.3 million) at risk from deficient audits.
2. Work with the National Association of State Boards of Accountancy (NASBA) and the AICPA to improve the investigation and sanctioning process for those CPAs who perform significantly deficient audit work. Work with NASBA to get state boards of accountancy to accept the results of investigations performed by EBSA or the AICPA's Professional Ethics Division, in order to use those results in disciplining CPAs (at the state licensing board level).
3. Amend ERISA to make sure the annual reporting civil penalties focus on the responsible party. Under this proposal, the Secretary of Labor would be authorized to assess all or part of the current annual reporting civil penalty of up to \$1,100 per day against the accountant engaged to do an ERISA plan audit if the plan's annual report is rejected due to a deficient audit or because the accountant failed to meet the standards for qualification to perform an ERISA plan audit.
4. Work with the AICPA's Peer Review staff:
 - a. to streamline the peer review process and make it more responsive in helping to improve employee benefit plan audit quality.
 - b. to ensure that CPAs who are required to undergo a peer review have in fact had an acceptable peer review.
 - c. to identify those CPAs who have not received an acceptable peer review and refer those practitioners to the applicable state licensing boards of accountancy.

Regulatory/Legislative

5. Amend the ERISA definition of "qualified public accountant" to include additional requirements and qualifications necessary to ensure the quality of plan audits. The Secretary of Labor would be authorized to issue regulations concerning the qualification requirements.
6. Amend ERISA to repeal the limited-scope audit exemption. This exemption prevents accountants from rendering an opinion on the plans' financial statements for assets held

in regulated entities such as financial institutions. When auditors have to issue a formal and unqualified opinion, they have a powerful incentive to rigorously adhere to professional standards ensuring that their opinion can withstand scrutiny. The limited-scope audit exemption undermines this incentive by removing auditors' obligations to stand behind the plans' financial statements.

7. Amend ERISA to give the Secretary of Labor authority to establish accounting principles and audit standards that would protect the integrity of employee benefit plans and the benefit security of participants and beneficiaries. Under this approach, the Secretary of Labor would be authorized to establish standards that address financial reporting issues that are either unique to or have substantial impact upon employee benefit plans.

Outreach

8. Work with the NASBA to encourage state boards of accountancy to require specific licensing requirements for CPAs who perform employee benefit plan audits. This would include specific training and experience in the audits of employee benefit plans.
9. Continue and expand EBSA's outreach activities:
 - a. Continue the Agency's work with plan administrator organizations (e.g. ASPPA), to explain the importance of hiring competent CPAs to plan administrators and other plan fiduciaries with hiring authority.
 - b. Use information contained in the EFAST2 database to target correspondence to:
 - i. plan administrators in the 1-2 and 3-5 plan strata, highlighting the high deficiency rate among plan auditors and providing information about how to select a qualified plan auditor; and
 - ii. CPA firms in the 25-99 stratum, discussing the audit deficiencies found in the audit study and working with the firms to ensure that plan audits comply with professional standards.
10. Communicate with each of the state boards of accountancy (licensing boards) regarding the results of the study and the need to ensure that only competent CPAs are performing employee benefit plan audits.
11. Expand EBSA's outreach with individual state societies of CPAs who have a large number of plan audits performed by CPA firms in the 1-5 plan audit stratum. For those states that do not already do so, encourage them to create employee benefit plan audit training programs.

Background

ERISA was enacted by Congress to remedy abuses in the nation's private pension and welfare benefit plan system. ERISA covers pension and welfare benefits and is administered by three separate federal agencies: the Department of Labor (DOL), the Internal Revenue Service (IRS) and the Pension Benefit Guaranty Corporation (PBGC).

ERISA contains a number of provisions that were enacted in recognition of the need to establish an effective mechanism to protect the interests of plan participants and beneficiaries, and to establish an effective mechanism to detect and deter abusive practices. These provisions include the annual reporting of financial information and activities of employee benefit plans. The Secretary of Labor is principally responsible for enforcing the fiduciary and reporting and disclosure provisions that are contained in Title I of ERISA.

In enacting ERISA in 1974, Congress included a requirement for employee benefit plans to file an annual report of their financial condition and operations with the Department. Among other information, the plan's annual report must include an audit report issued by an independent qualified public accountant (IQPA)¹ stating whether the plan's financial statements (and other schedules required to be included in the annual report) are presented fairly in conformity with generally accepted accounting principles (GAAP). Almost all plans with over 100 participants² must be audited annually, and the plan administrator is responsible for engaging an IQPA to perform the required plan audit in accordance with generally accepted auditing standards (GAAS). Under ERISA, the Department plays no role in setting GAAP and GAAS standards. Such standards are set by institutions closely related to the accounting industry - the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA)³.

Audited financial statements and the CPA's report on the fairness and consistency of their presentation must generally be filed with the Form 5500 Annual Report within 210 days after the close of the plan year. The audit requirement is intended to ensure the integrity of financial information that is incorporated in the annual reports. Section 103 of ERISA specifically requires that these audits be conducted pursuant to the standards established by the accounting and auditing profession itself in the pronouncements which define GAAP and GAAS. While ERISA's auditing provisions have worked to provide DOL and plan participants and beneficiaries with information about the safety of plan operations, experience has shown that "plan" audits do not consistently meet professional standards.

¹ Almost all plan audits are now performed by Certified Public Accountants (CPAs); therefore, throughout the rest of the report we will broadly refer to plan auditors as CPAs.

² Beginning in April 2002, some small pension plans may also be required to have an annual audit pursuant to 29 CFR 2520.104-46.

³ The Public Company Accounting Oversight Board (PCAOB) is responsible for setting auditing standards for audits of public companies.

Objectives and Scope

The primary objective of this study was to assess whether the level and quality of audit work being performed by CPAs with respect to audits of employee benefit plans regulated by ERISA has improved since OCA's previous comprehensive study in 2004.

EBSA's assessments involved a review of the Form 5500 Annual Return/Report filings and related audit reports for the 2011 filing year (plan years beginning in 2011). OCA selected a statistically valid sample of 400 plan audits. The workpaper reviews, performed at OCA's office, were conducted during the period December 2013 through September 2014. The 400 selected audit reports and supporting workpapers were evaluated against AICPA's Audit and Accounting Guide, *Audits of Employee Benefit Plans (with conforming changes as of January 1, 2012)*.

Who Audits Employee Benefit Plans?

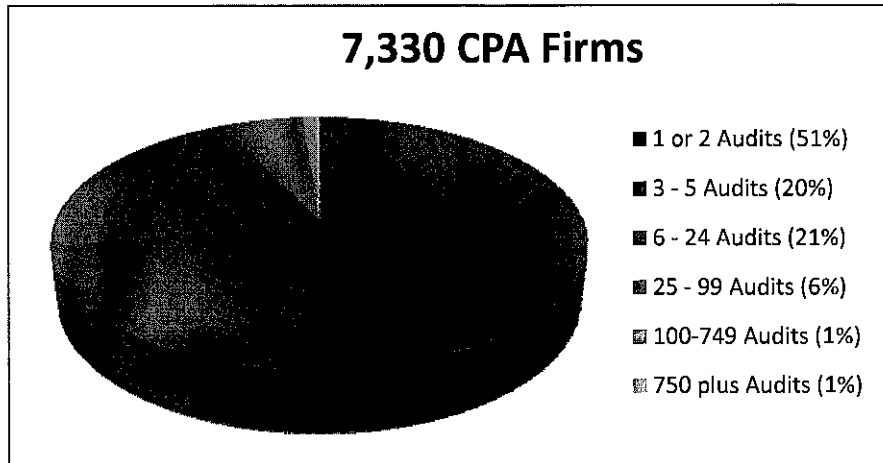
In 2011, there were 81,162 Form 5500 filings containing CPA audit reports. The audits were performed by 7,330 CPA firms. The following table summarizes the number of CPA firms grouped by the number of plans audited and the total number of audits performed. The number of CPA firms decreases rapidly with an increasing number of plans audited. Fifty percent of CPA firms audit 1 or 2 plans while only 0.2 percent of CPA firms audit 750 plans or more.

**2011 Form 5500 Database
CPA Firms Performing Plan Audits**

| Number of Plans Audited | Number of CPA Firms | Number of Audits Performed |
|-------------------------|---------------------|----------------------------|
| 1-2 | 3,664 | 4,841 |
| 3-5 | 1,519 | 3,779 |
| 6-24 | 1,003 | 17,747 |
| 25-99 | 451 | 18,910 |
| 100-749 | 77 | 15,416 |
| 750+ | 14 | 15,423 |
| Total | 7,330 | 81,162 |

As the following chart shows, 95% of the CPA firms that perform employee benefit plan audits audit less than 25 plans on an annual basis. Conversely, only 1% of the CPA firms audit 100 or more benefit plans annually.

Number of Audits Performed by CPA Firm
by Stratum



Why was the Sample of Employee Benefit Plan Audits Based on the Number of Audits Performed by the CPA Firm?

Previous assessments show that CPAs performing fewer employee benefit plan audits tended to have the highest proportion of deficient audits. As shown above, there is a large group of plan auditors, or CPA firms, that audit a small number of plans. The statistical sampling plan was designed to adequately represent the larger CPA firms as well as the smaller. The plan auditors were grouped into six strata based on the number of plan audits that the CPA firm performed in plan year 2011. The six CPA firm size strata were chosen to accurately characterize the quality of employee benefit plan audits. Randomly sampling the six strata ensures a representative sample from each subgroup of plan auditors.

Too Many Employee Benefit Plan Audits are Deficient

GAAS provides the framework for auditors' exercise of their professional responsibilities. These professional auditing standards establish the minimum requirements for performance of an audit engagement. The AICPA creates the auditing standards for employee benefit plans. When auditors depart from these standards they are obligated to acknowledge that fact in their report.

ERISA Section 103(a)(3)(A) requires that employee benefit plans with more than 100 participants retain an IQPA to perform an audit of the plan's financial statements. This section requires that the audit be performed in accordance with GAAS. Some small employee benefit pension plans may also be required to have an audit performed in accordance with GAAS.

OCA analyzed the work performed by plan auditors using the requirements contained in the AICPA's Audit and Accounting Guide, *Audits of Employee Benefit Plans (with conforming changes as of January 1, 2012)*⁴, issued by the AICPA. This guide represents the application of professional auditing and accounting standards that are unique to audits of employee benefit plans.

After OCA's review, the 400 audit engagements were classified as falling in one of the following categories:

| Audit Status | Explanation |
|---------------------|---|
| Acceptable | Audit does not contain any findings |
| Acceptable- minor | Audit is acceptable, with minor findings in certain areas of the audit |
| Unacceptable- minor | GAAS deficiencies noted; however, overall audit quality is not adversely affected |
| Unacceptable- major | GAAS findings noted and overall audit quality is adversely affected |

Based on these categories and sample results, EBSA estimates that 61% of the audits complied with professional auditing standards or had only minor deficiencies. However, 39% of the audits (nearly 4 out of 10) contained "Unacceptable-major" deficiencies with respect to one or more relevant GAAS requirements, putting \$653 billion dollars and 22.5 million plan participants and beneficiaries at risk. This reflects an increase in the amount of plan assets and number of plan participants at risk compared with prior EBSA studies. [EBSA's 2004 study estimated that a total of \$410 billion in assets held by plans had not been properly audited.]

The chart below, based on the four statistically based studies, shows the increase in the percentage of plan audits that do not comply with professional audit standards over the past 26 years.

Results of Prior Audit Quality Studies

| Audit Quality Study | 1988 | 1997 | 2004 | 2014 |
|-------------------------------|------|------|------|------|
| Audits With GAAS Deficiencies | 23% | 19% | 33% | 39% |

The increase in non-compliant audits corresponds with the increase in the number of limited-scope audits. As the following chart shows, the percentage of limited-scope audits (to the overall audit population) has increased from 48% in 2001 to 83% in 2013.

⁴ Applicable professional guidance for financial statement audits of plan year 2011 Form 5500 filings.

Limited-Scope Audits

| Filing Year | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Limited-Scope Audits | 40% | 27% | 24% | 24% | 12% | 12% | 12% | 17% | 12% | 12% | 10% | 11% | 11% |

As discussed later in this report, it appears that the increased number of limited-scope audits has contributed to declining audit quality. CPAs have less incentive to focus on relevant audit areas when they know the engagement will result in their issuance of “no opinion” on the plan’s financial statements.

Does Size of a CPA’s Employee Benefit Plan Practice Correlate with Audit Quality?

Yes. The results of this audit study clearly indicate a link between the number of employee benefit plan audits performed by a CPA and the quality of the audit work performed. Analysis of the data indicates a wide disparity between those CPAs who perform the fewest plan audits and those firms that perform the largest number of plan audits. As the following chart shows, CPAs who performed only one or two employee benefit plan audits annually had a 76% deficiency rate. In contrast, the deficiency rate at the stratum of firms performing the most plan audits was only 12%.

Major Deficiency Audit Rates

by Stratum

(95% Confidence Level; Statistically Significant Differences between Stratum)

| Strata | Audit Reviews | Audits With Deficiencies | Standard Error | Lower Bound | Upper Bound |
|----------------|---------------|--------------------------|----------------|-------------|-------------|
| 1-2 | 95 | 75.8% | 4.4% | 66.1% | 83.4% |
| 3-5 | 95 | 68.4% | 4.8% | 58.3% | 77.0% |
| 6-24 | 95 | 67.4% | 7.7% | 50.9% | 80.4% |
| 25-99 | 65 | 41.5% | 9.7% | 24.4% | 61.0% |
| 100-749 | 25 | 12.0% | 4.9% | 5.2% | 25.4% |
| 750+ | 25 | 12.0% | 8.0% | 3.0% | 37.8% |
| Total Reviewed | 400 | 38.8% | 3.5% | 32.2% | 45.9% |

Note: Statistics are calculated using sample weights, which account for the different amount of audits performed by each stratum. For this reason, the population average may be different from the un-weighted sample averages.

Not only did CPA firms with smaller employee benefit plan audit practices have significantly higher overall deficiency rates, but their audits also had an unacceptably high number of deficient audit areas. As seen in the table below, for the 1-2 plan audit stratum, 56% of the audits contained five or more deficient audit areas. Similarly, in the 3-5 plan audit stratum, about 42% of plan audits contained five or more deficiencies. Similar trends hold for the next two strata as well. In the two largest CPA firm audit strata, the audits that had five or more deficiencies (one in each stratum) presented unique audit situations not normally encountered in performing a routine plan audit.

Audits Containing Five or More Deficiencies by Strata

| CPA EBP Audits | # of Deficient Audits | Audits With 5 or More Deficiencies |
|----------------|-----------------------|------------------------------------|
| 1-2 Plans | 1,000 | 100 |
| 3-5 Plans | 2,000 | 200 |
| 6-24 Plans | 3,000 | 300 |
| 25-99 Plans | 4,000 | 400 |
| 100-749 Plans | 5,000 | 500 |
| 750+ Plans | 6,000 | 600 |

As shown in the table below, there were significant differences in deficiency rates across multiple plan audit strata, with the 1-2 Plans, 3-5 Plans, 6-24 Plans, and 25-99 Plans strata all having a significantly higher major deficiency rate than the 100-749 Plans and the 750+ Plans strata.

Differences in Major Audit Deficiency Rate by Strata

| Strata | 1-2 Plans | 3-5 Plans | 6-24 Plans | 25-99 Plans | 100-749 Plans | 750+ Plans |
|---------------|-----------|-----------|------------|-------------|---------------|------------|
| 1-2 Plans | 0% | -7% | -8% | -9% | -10% | -11% |
| 3-5 Plans | | 0% | -1% | -2% | -3% | -4% |
| 6-24 Plans | | | 0% | -1% | -2% | -3% |
| 25-99 Plans | | | | 0% | -1% | -2% |
| 100-749 Plans | | | | | 0% | 0% |
| 750+ Plans | | | | | | 0% |

Note: Significant differences across strata groups at the 95% confidence level are highlighted in red.

For example, a plan administrator who hires a CPA that performs only 1- 2 plan audits has a 64% greater chance of hiring someone whose audit contains deficiencies, as opposed to the administrator hiring a CPA with an annual plan audit practice of 100+ plan audits.

Are More Participants and Plan Assets at Risk with Certain Size CPA Firms?

The sample allows EBSA to estimate the number of participants and plan assets impacted by audits containing one or more GAAS deficiencies. Overall, \$653 billion dollars were held by plans with audits that contained GAAS deficiencies. As the chart below shows, 93% of the plan assets at risk were audited by CPAs performing fewer than 100 audits annually. Further scrutiny of the data indicates that 82% of the plan assets at risk were audited by CPAs in two strata, the 6-24 and 25-99 audit strata.

Plan Assets at Risk
by Stratum
(95% Confidence Level)

| Strata | Assets Held by Plans With Deficient Audits (Millions) | Standard Error | Lower Bound | Upper Bound |
|--------------|---|----------------|-------------|-------------|
| 1-2 | \$27,815 | \$6,124 | \$17,794 | \$41,819 |
| 3-5 | \$46,686 | \$18,161 | \$19,908 | \$88,977 |
| 6-24 | \$217,404 | \$101,632 | \$60,700 | \$444,807 |
| 25-99 | \$317,158 | \$234,512 | \$38,516 | \$854,795 |
| 100-749 | \$7,060 | \$5,012 | \$0 | \$17,650 |
| 750+ | \$37,098 | \$24,881 | \$0 | \$95,264 |
| Total Sample | \$653,221 | \$260,840 | \$263,940 | \$1,245,938 |

Note: Statistics are calculated using sample weights, which account for the different amount of audits performed by each stratum.

Based on the sample results, EBSA estimates that there were 22.5 million participants impacted by audits with one or more GAAS deficiencies. 70% of participants at risk were in the 6-24 and 25-99 plan audit strata.

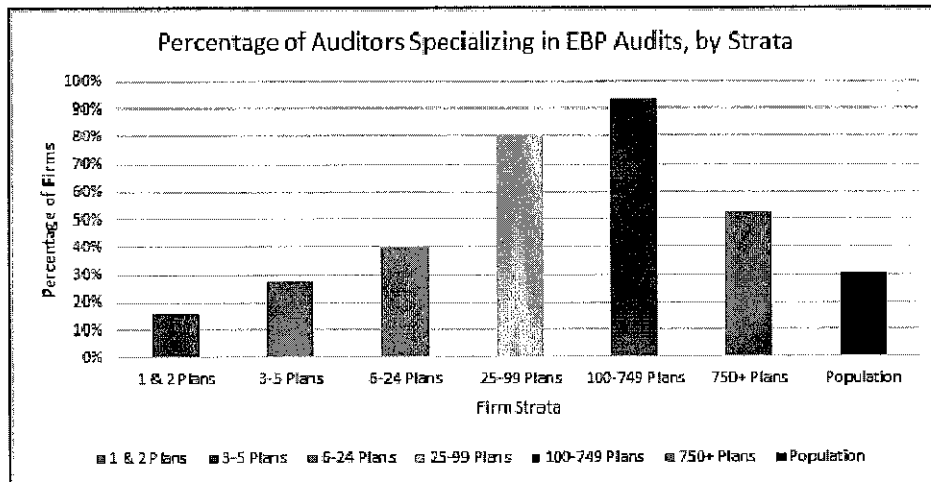
Plan Participants Impacted
by Stratum
(95% Confidence Level)

| Audit Strata | Participants in Plans With Deficient Audits (Millions) | Standard Error | Lower Bound | Upper Bound |
|--------------|--|----------------|-------------|-------------|
| 1-2 | 0.05 | 0.03 | 0.00 | 0.11 |
| 3-5 | 0.40 | 0.20 | 0.01 | 1.82 |
| 6-24 | 6.41 | 1.52 | 3.45 | 10.45 |
| 25-99 | 9.31 | 6.47 | 1.65 | 21.96 |
| 100-749 | 0.01 | 0.44 | 0.00 | 0.87 |
| 750+ | 0.65 | 0.45 | 0.00 | 1.73 |
| Total Sample | 16.83 | 3.55 | 5.11 | 28.87 |

Note: Statistics are calculated using sample weights, which account for the different amount of audits performed by each stratum.

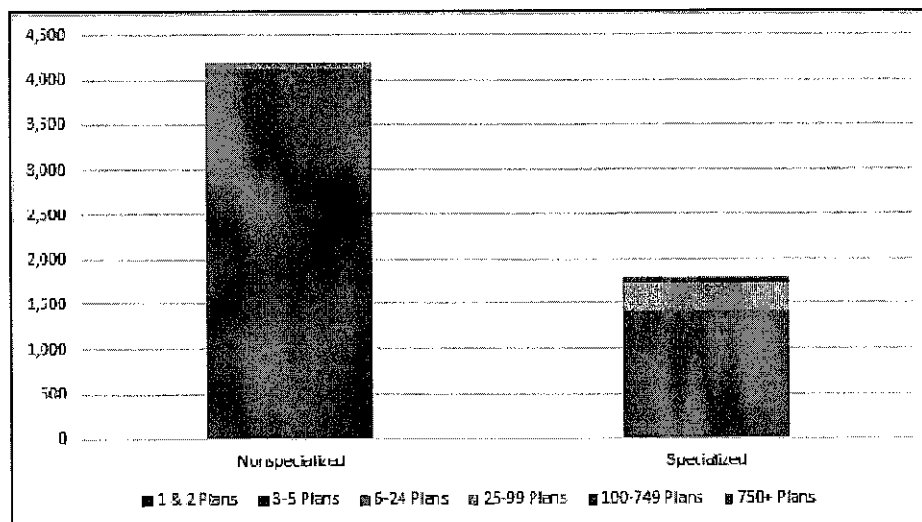
How Does the Quality of a Firm's Audits Relate to the Proportion of the Firm's Practice Devoted to EBP Audits?

The 400 audit engagements reviewed as part of the audit study were performed by 232 different CPA firms. For those 232 CPA firms, EBSA gathered information regarding the size of the EBP practice relative to the auditor's complete audit practice. The chart below shows that EBP specialization across the six auditor stratum varies widely. As the chart shows, most CPAs firms in the 1-2 and 3-5 audit strata do not specialize in EBP audits. For example, in the 1-2 strata, only 15% of the CPA firms are considered to be "specialized" with respect to employee benefit plan audits. Conversely, in the 100-749 strata over 90% of the firms are considered to be "specialized" firms. Generally, CPAs who do a larger amount of audit work report that they do specialize in EBP audits.



Note: A firm is considered to be specialized if its EBP practice accounts for at least 20% of the revenue for its total audit practice. Statistics are calculated using sample weights, which account for the different amount of audits performed by each stratum. For this reason, the population average may be different from the un-weighted sample averages.

With the wide variation of firms considered to be "specializing" in EBP audits, we looked at CPA firms which had an audit with at least one major GAAS deficiency. The chart below shows the distribution of "specialized" CPA firms with at least one major GAAS deficiency in their audit work. The chart clearly shows that the largest proportion of CPAs performing audits with at least one major GAAS deficiency are not EBP specialists. This is consistent with our finding that CPA firms with smaller EBP audit practices tended to have the highest deficiency rates.

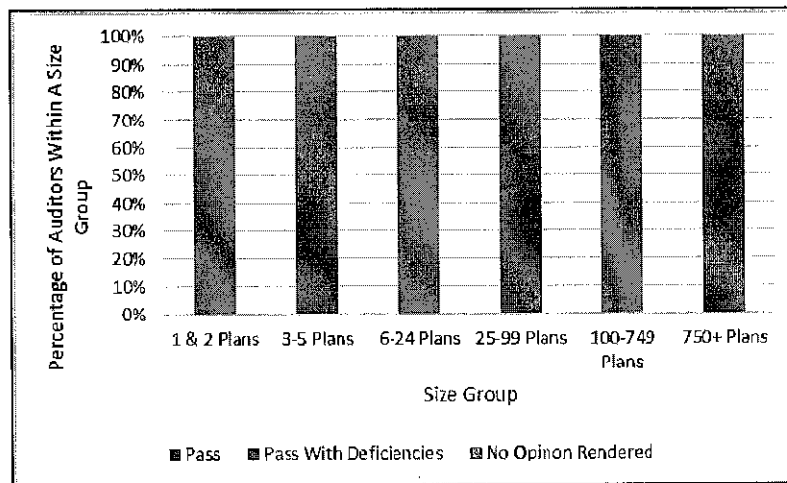


Are Practice Monitoring and Peer Review Activities Related to Improved Audit Quality?

For the 232 sampled CPA firms we obtained peer review information (where applicable). **The audit study showed that the accounting profession's peer review and practice monitoring efforts have not resulted in improved audit quality or in identifying deficient audit engagements.**

Most state licensing boards⁵ require that CPAs performing attest engagements participate in a qualifying peer review/practice monitoring program. The AICPA's Peer Review staff estimate that about 27,000 CPA firms are subject to peer review and that 9,000-10,000 peer reviews are performed on an annual basis.⁶

As part of its review, EBSA obtained peer review reports for the 232 CPA firms in the study. The distribution of results of these peer reviews are shown in the chart below. In general, it is estimated that a large portion of the peer reviews of the auditor population end with the auditor passing the peer review. In addition, smaller auditors have no opinion rendered more often than larger auditors, which may be due to a peer review not being performed.



EBSA found that in 4 of the 6 audit strata, a substantial number of CPA firms received an acceptable peer review report yet had deficiencies in the audit work that EBSA reviewed. As the table below highlights, in the 1-2 plan audit stratum, 52% of the deficient audits had received an unqualified or "clean" peer review report. Because these firms perform few employee benefit plan audits, there is a good chance that the audit engagement reviewed by EBSA was also the same audit engagement examined by the CPA firm's peer reviewer.

⁵ The Delaware and Puerto Rico licensing boards do not require CPAs to participate in a practice monitoring/peer review program. Florida, Hawaii and the U.S. Virgin Islands have passed a practice monitoring statute, but it is not yet effective.

⁶ Many CPA firms perform audit and attest engagements that do not involve employee benefit plans. The larger number of CPA firms subject to "peer review" includes those CPA firms.

Deficient Audits and Clean Peer Reviews by Stratum

| Strata (Audits) | Deficient Audits With Clean Peer Review Report |
|-----------------|--|
| 1-2 | 52% (49) |
| 3-5 | 58% (55) |
| 6-24 | 63% (60) |
| 25-99 | 40% (26) |
| 100-749 | 12% (3) |
| 750+ | 4% (1) |

Given the results showing that an alarming number of peer review reports fail to highlight employee benefit plan audit deficiencies, EBSA looked at the results of peer reviews that did not properly identify CPA firms that perform significantly deficient plan audits (chart below).

Audits Containing Multiple Deficiencies and Clean Peer Reports by Stratum

| Strata (Audits) | Deficient Audits With Five or More Deficiencies and a Clean Peer Review Report |
|-----------------|--|
| 1-2 | 35% (33) |
| 3-5 | 36% (34) |
| 6-24 | 37% (35) |
| 25-99 | 22% (14) |
| 100-749 | 4% (1) |
| 750+ | 4% (1) |

As reflected in the table above, even audits that had five or more deficiencies often received a clean peer review report. Indeed, in three of the six strata, over 35% of such deficient audits had received acceptable peer review reports.

Is Membership in the AICPA's Employee Benefit Plan Audit Quality Center (EBPAQC) Related to Audit Quality?

For those 232 sampled CPA firms, EBSA also gathered information regarding membership in the AICPA's Employee Benefit Plans Audit Quality Center (EBPAQC). The chart below shows the distribution of EBPAQC members spread out among the six audit strata.

EBPAQC Members by Stratum

| Strata | EBPAQC Member | Non-EBPAQC Member | Total Firms |
|---------|---------------|-------------------|-------------|
| 1-2 | 11 (12%) | 84 (88%) | 95 |
| 3-5 | 27 (28%) | 68 (72%) | 95 |
| 6-24 | 15 (79%) | 4 (21%) | 19 |
| 25-99 | 12 (92%) | 1 (8%) | 13 |
| 100-749 | 5 (100%) | 0 (0%) | 5 |
| 750+ | 5 (100%) | 0 (0%) | 5 |
| Total | 75 (32%) | 157 (68%) | 232 |

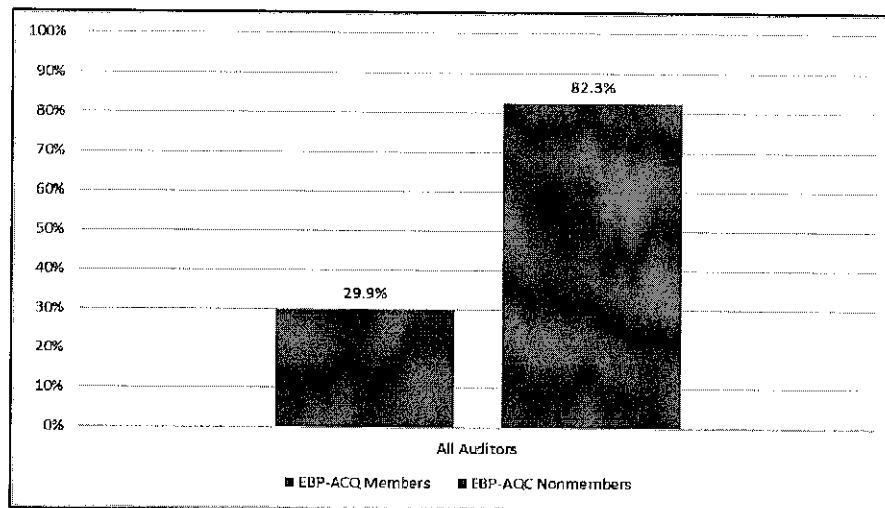
As the chart shows, overwhelmingly, most CPAs in the 1-2 and 3-5 audit strata are not EBPAQC members. These are the two strata that have the highest number of audits not in compliance with professional standards.

The following table and chart show the deficiency rates for both EBPAQC members and non-EBPAQC members, across multiple strata. For all strata, audits performed by EBPAQC members had a lower deficiency rate than audits performed by non-EBPAQC members.

Audit Deficiency Rate
by Stratum and EBPAQC Membership Status

| Auditor Size | EBP-ACQ Members | EBPAQC Nonmembers |
|--------------|-----------------|-------------------|
| 1-2 Firm | 25.00% | 70.00% |
| 3-5 Firm | 50.00% | 73.33% |
| 6-25 Firm | 30.00% | 50.00% |
| 26-99 Firm | 35.71% | 100.00% |
| 100-999 Firm | 30.00% | 65.00% |
| 750+ Firm | 17.14% | 75.00% |
| All Auditors | 29.9% | 67.6% |

Audit Deficiency Rate
by EBPAQC Membership Status



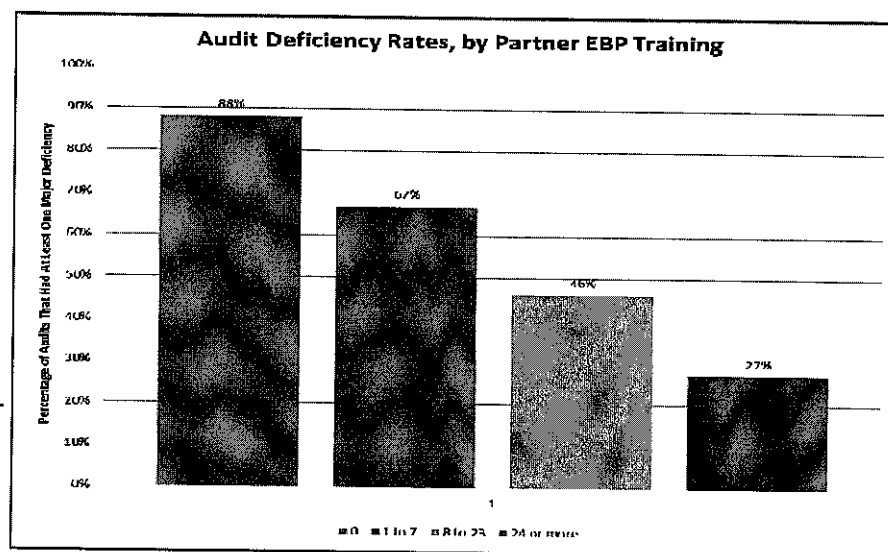
EBSA's analysis also shows that non EBPAQC member firms tend to have a larger number of GAAS deficiencies per audit engagement than EBPAQC members. For example, in the 1-2 audit stratum, 90% of the audits that contained five or more audit deficiencies were performed by CPA firms that are not EBPAQC members. Similar results exist in the 3-5 audit stratum where 77% of the audits with five or more deficiencies were performed by non EBPAQC member firms.

Does the Level of Employee Benefit Plan Specific Continuing Professional Education by Engagement Partners Have an Effect on Audit Quality?

Established professional standards require that auditors have the competence and capabilities necessary to perform professional audits. Employee benefit plan audits exist in an environment that is specialized, highly regulated, and subject to governmental oversight.

As a part of the audit quality study, EBSA gathered information regarding the number of hours of employee benefit plan (EBP) specific continuing professional education (CPE) taken within the three years preceeding the performance of the selected audit engagement. The information gathered showed the following:

- Audit partners in firms performing a greater number of plan audits tended to have taken more hours of EBP specific CPE.
- The level of EBP specific CPE was a contributing factor in audit quality as the percentage of audits containing one or more deficient areas of audit decreased as more EBP specific training was obtained.



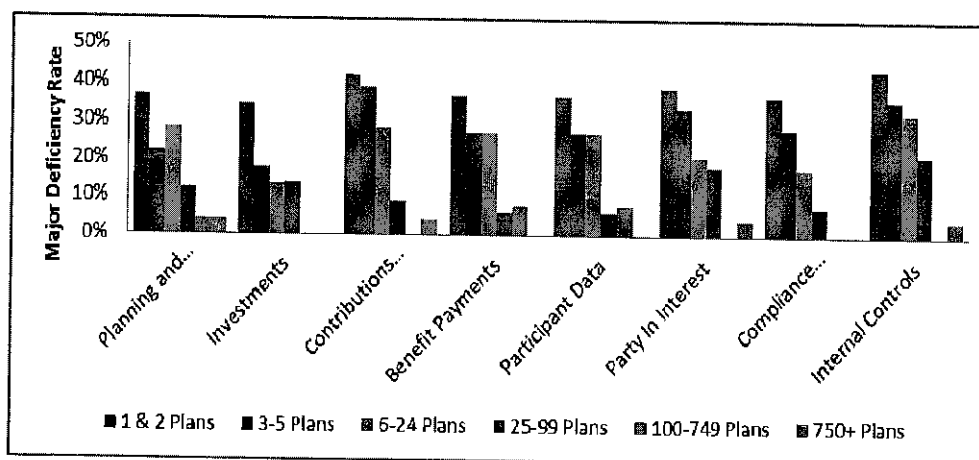
- The majority of engagement partners in firms performing 25 or more EBP audits annually indicated that they had obtained 8 or more hours of EBP specific training in the 3 years preceeding the audit engagement reviewed. In most cases, these engagement partners had obtained 24 or more hours of EBP specific CPE.
- In contrast, engagement partners performing 24 or fewer EBP audits annually had obtained less EBP specific CPE within the 3 years preceeding performance of the audit engagement and, in some cases, had received no training at all.
- While the overall responsibility for the audit engagement rests with the engagement partner, it is just as important for those assigned to and performing the detailed audit work to have EBP specific training.

Were There Specific Audit Areas that Resulted In More Deficiencies than Other Areas?

In reviewing the 400 audits in the sample, EBSA looked at sixteen different audit areas to determine if the engagement was conducted in accordance with professional standards. Consistent with previously discussed information, auditors in the two lower audit strata (1-2 plan audits and 3-5 plan audits) disproportionately accounted for deficient audits.

Moreover, when CPAs in these two audit strata performed deficient audits, the audits tended to be deficient in multiple areas. As can be seen in the chart below, CPAs in the 1-2 plan audit stratum had significantly high deficiency rates spanning numerous audit areas that are unique to employee benefit plans, most notably: contributions, planning & supervision, internal controls, participant data, investments, party-in-interest transactions and benefit payments. Similarly, the 3-5 plan audit stratum also contained high deficiency rates especially in the following audit areas: contributions, party-in-interest transactions, internal controls, benefit payments and participant data. Consistent with other findings in this report, the two strata containing CPAs with the largest employee benefit plan audit practices had the lowest deficiency rate in the various audit areas.

Deficiency Rates
by Audit Area



Appendix II contains a detailed breakdown of deficient audit areas by plan audit strata.

As previously noted, many of the audits in the sample were limited-scope audit engagements as permitted by ERISA and codified in 29 CFR 2520.103-8. This regulation allows plan administrators to exclude from the scope of the auditor's engagement investments held and investment-related transactions and income properly certified to by certain qualifying entities. A detailed review of audits disclosed that almost 60% of the limited-scope audits in this study contained major GAAS deficiencies in areas of audit not related to investments. In these audits, CPAs had deficiencies in non-investment-related critical areas such as contributions, participant data, benefit payments and internal controls. These audit deficiencies may have occurred because, knowing that a "limited-scope" audit was being performed, plan auditors were not as focused on all relevant audit areas.

Did Plan Audits Comply With ERISA and DOL Reporting Regulations?

In addition to conforming with and adhering to GAAP and GAAS, respectively, the report of the IQPA must also meet certain ERISA reporting and disclosure requirements. ERISA section 103(a)(3)(A) and DOL regulation 29 CFR 2520.103-1(b) set forth these reporting and disclosure requirements. These reporting and disclosure requirements were enacted to ensure that users (the federal government and plan participants and beneficiaries) were being provided with necessary information that may alert them to instances which could adversely impact the operation of the plan (e.g., fiduciary breaches) and/or its ability to pay plan benefits when due (e.g., losses from imprudent investments).

Of the 400 plan audit reports reviewed, 67 (17%) of the audit reports failed to comply with one or more of ERISA's reporting and disclosure requirements.

Of the 67 reports identified, the area(s) of non-compliance were as follows:

- In 11 (16%) instances, the supplemental schedule(s) required by ERISA reporting and disclosure requirements were not attached or prepared.
- In 11 (16%) instances, the footnotes to the plan's financial statements were either incomplete or missing entirely.
- In 8 (12%) instances, the CPA's audit report was not manually signed, as required by DOL regulations.
- In 7 (10%) instances, delinquent employee contributions were not properly reported or disclosed in the CPA's report or the plan's Form 5500 filing.

What has been Done to Improve Audit Quality in the Last 25 Years?

EBSA has performed two previous "baseline" studies to assess the progress being made in improving audit quality. The Agency's 1997 study indicated that 19% of plan audits contained one or more deficiencies. A second study, performed in 2004, concluded that audit quality had significantly declined and expressed concern that even the largest auditing firms were performing deficient audit work.

For over 25 years, EBSA has continued to take aggressive actions with respect to improving the quality of employee benefit plan audits. Since its creation in 1988, a main function of OCA within EBSA has been to provide compliance assistance and enforce the reporting and disclosure provisions of Title I of ERISA.

In addition, OCA continues to be responsible for establishing and maintaining liaison with private sector professional organizations and regulatory bodies regarding accounting and auditing issues for employee benefit plans. One of OCA's main goals is to improve the quality of employee benefit plan audits to ensure that participants and beneficiaries are receiving the statutory protections that these audits are intended to provide.

Reporting Compliance Activities

Since conducting its two previous studies, OCA has taken the following enforcement actions to ensure compliance with these provisions:

- Issuance of letters rejecting deficient/incomplete Form 5500 Annual Report filings that failed to meet the reporting and disclosure provisions of ERISA.

- Performance of approximately 5,000 workpaper reviews to evaluate the quality of the audit work underlying the CPA's report.
- Referral of practitioners to the AICPA's Professional Ethics Division and/or the respective state board of accountancy for potential disciplinary action due to significantly deficient audit work.
- Establishment of a system of inter-office referrals with EBSA's Office of Enforcement (OE). OE refers to OCA potential ERISA reporting and disclosure violations discovered during fiduciary investigations of employee benefit plans. Likewise, OCA refers potential fiduciary violations to OE.

Activities to Encourage Filer Compliance

Since the issuance of the 1997 report, EBSA has initiated or expanded upon several programs to encourage filer compliance:

- EBSA has created and conducted various national outreach programs aimed at heightening awareness and providing guidance to practitioners regarding the preparation of the Form 5500 Series Annual Report, current and emerging information regarding accounting and auditing issues impacting employee benefit plans, and general information regarding DOL's ongoing enforcement efforts. Additional outreach programs have been created and are aimed at front line state societies of CPAs to provide guidance and heightened awareness to independent auditors who conduct audits of employee benefit plans, especially those CPAs who perform only a limited number of plan audits.
- In March 2002, EBSA made major revisions to its "Delinquent Filer Voluntary Compliance Program." The purpose of the program changes was to encourage filer compliance with the annual reporting obligations under Title I of ERISA through significantly reduced civil penalties.
- The Form 5500 Series Annual Reports underwent major revisions to streamline the Form 5500 and make it easier to complete. At the same time, the instructions to the Form 5500 were clarified and reorganized to more closely track the organization of the revised Form 5500. Coincident with these major revisions to the Form 5500, EBSA participated in numerous technical conferences, webcasts and other public meetings intended to publicize release of the revised Form 5500 and educate plan filers about the changes.
- EBSA implemented the new "all electronic" Electronic Filing Acceptance System (EFAST), to process the Form 5500. The new all electronic processing system was designed to utilize state-of-the-art technologies to process the Form 5500 filings. This system gives filers immediate feedback about correcting reporting deficiencies prior to the filing being finalized.
- In conjunction with implementation of the revised Form 5500 and the new EFAST Processing System, EBSA also created a "Help Desk" function designed to answer filer questions and other technical inquiries. Since its inception in March 2000, the EBSA "Help Desk" has received over 500,000 requests for technical assistance and responded to other filer inquiries.

Work With Professional Organizations

In addition, DOL has worked closely with the AICPA and the Financial Accounting Standards Board (FASB) to update the guidance available to practitioners in this area. The following is a list of actions taken in an effort to address the findings and recommendations contained in EBSA's previous two studies:

- EBSA continues to work with the FASB on issuing revised accounting guidance for employee benefit plans.
- EBSA continues its active involvement with the AICPA's Employee Benefit Plans Technical Expert Panel.
- EBSA works with the AICPA on revisions to the AICPA's Audit and Accounting Guide, *Audits of Employee Benefits Plans*. Annual updates to the Guide have been issued since the Agency's previous studies, and the AICPA published a comprehensive revision to the audit guide in 2013.
- EBSA has provided technical assistance and input to the AICPA for the yearly issuance of *Audit Risk Alerts and Current Industry Developments* that are intended to provide information that may affect the annual audits performed on employee benefit plans.
- EBSA has continued to support the AICPA's annual *National Conference on Employee Benefit Plans*. This conference, created jointly by the DOL and the AICPA in 1990, has grown into one of the AICPA's largest conferences, with an average attendance of over 1,200 participants.
- In December 2001, the AICPA held the inaugural *Benefit Plans and DOL Update Conference*. This conference is designed to provide a "high level" overview of events in the employee benefit plan area for partners and senior managers prior to the start of the "audit season." A similar conference has been held annually since then.
- The AICPA continues to update its self-study continuing professional education programs for employee benefit plan professionals.
- The AICPA has incorporated, as part of one of its practice monitoring programs (peer review), the requirement that engagements selected for review "must" include an audit of an employee benefit plan.
- The AICPA operates a "Technical Hotline" that is available to answer member questions on accounting and auditing related issues.

AICPA Employee Benefit Plan Audit Quality Center

In October 2003, the AICPA Board of Directors approved the development and implementation of an Employee Benefit Plan Audit Quality Center ("Center") with the goal of improving the quality of employee benefit plan audits. The Center is composed of a community of CPA firms who, through voluntary membership, have made a commitment to audit quality by adhering to the Center's membership requirements affecting their management practices, including the designation of a partner-in-charge of the quality of the firm's employee benefit plan audit practice. The Center's membership requirements also include obtaining employee benefit plan specific training; establishing and maintaining quality control practices and procedures specific to the firm's employee benefit plan audit practice; self-monitoring of adherence to policies and procedures; and making the results of their external peer review of their audit practice publicly available. Through the Center, the AICPA offers its members an extensive range of

resources to help firms provide quality service to plans, including regulatory and legislative guidance, practice aids, training opportunities, tools, and research.

Over 2,300 CPA firms, employing 31% of plan auditors and representing all 50 states and the District of Columbia, have joined the AICPA's Employee Benefit Plan Audit Quality Center. It is estimated that the Center's member firms perform over 60% of all employee benefit plan audits annually.

Public Company Accounting Oversight Board (PCAOB)

The PCAOB is a private-sector, non-profit corporation, created by the *Sarbanes-Oxley Act of 2002* (Act), to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports. Section 103 of the Act directs the Board to establish auditing and related attestation, quality control, ethics, and independence standards and rules to be used by registered public accounting firms in the preparation and issuance of audit reports as required by the Act or the rules of the Securities and Exchange Commission.

The PCAOB has the authority to adopt auditing standards for public companies and to regularly inspect the operations of accounting firms registered with the Board. The PCAOB may discipline, fine, suspend, or bar firms where it finds that a registered accounting firm has engaged in any practice in violation of the Sarbanes-Oxley Act, securities law, or professional standards.

While the standards established by the PCAOB do not specifically apply to all firms auditing employee benefit plans, firms complying with the standards established by the PCAOB generally apply these standards to all of their audit engagements, including their non-public employee benefit plan audit clients.

Department of Labor – Office of Inspector General (OIG)

For almost thirty years, the OIG, with EBSA's support, has been recommending legislative changes to ERISA in order to strengthen the quality of employee benefit plan audits. The OIG has concluded that EBSA's efforts to improve the quality of employee benefit plan audits have been impaired by EBSA's current inability to take direct action against auditors who perform substandard audits. As a result, the OIG recommended that ERISA be amended to provide EBSA with the authority over registration, suspension and debarment of employee benefit plan auditors and that EBSA be given the ability to levy civil penalties against auditors performing substandard audits.

Conclusions

EBSA's 1997 audit study concluded that there had been no statistical change in the quality of plan audits when compared to the original study performed by the OIG in 1989. EBSA's 2004 audit quality study found that audit quality had gotten worse since the previous study and that the deficient audit work was starting to spread to the largest of the CPA firms. The original OIG study disclosed an audit deficiency rate of 23%. EBSA's 1997 follow-up study resulted in a 19% deficiency rate (not a big enough improvement in audit quality to be considered statistically valid). The Agency's more recent study in 2004 resulted in a 33% deficiency rate for the plan audits reviewed.

Based on the results of the current audit review, a 39% overall deficiency rate for plan audits, it appears that the quality of employee benefit plan audits has not improved. Instead, audit quality continues to trend in the opposite direction with almost 4 out of 10 plan audits failing to comply with professional accounting and auditing standards.

Based on additional analysis, EBSA also concludes that:

- Once again, the smaller the CPA firm's employee benefit plan audit practice, the greater the incidence of audit deficiencies.
- Audit areas that are unique to employee benefit plans such as contributions, benefit payments, participant data and party-in-interest/prohibited transactions, continue to lead the list of audit deficiencies. As found in the two previous studies, CPAs too often failed to consider these unique audit areas and, therefore, performed inadequate audit work.
- CPAs failed to comply with professional standards either because they were not adequately informed about employee benefit plan audits or failed to properly utilize the technical materials that were in their possession. Audit partners in firms performing a greater number of plan audits tended to have a greater amount of employee benefit plan specific training. However, in a number of instances, having the proper technical guidance did not ensure that a quality audit was performed.
- The Practice Monitoring Peer Review process established by the AICPA and administered by sponsoring state CPA societies does not appear to be an effective tool in identifying deficient plan audit work and ensuring compliance with professional standards. While selecting an employee benefit plan audit is a required part of the peer review process (where applicable), CPAs who performed deficient audits often received acceptable peer review reports.
- Members of the AICPA's Employee Benefit Plans Audit Quality Center (EBPAQC) tend to conduct fewer audits containing multiple GAAS deficiencies. Additionally, non EBPAQC member firms tend to have more GAAS deficiencies per audit engagement than EBPAQC members.

Recommendations

To address the deficiencies identified in this report, EBSA makes the following eleven recommendations.

Enforcement

1. Revise case targeting to focus on:
 - a. CPA firms with smaller employee benefit plan audit practices that audit plans with large amounts of plan assets, and
 - b. CPA firms in the 25-99 plan audit stratum given their high deficiency rates and the amount of plan assets (\$317.1 billion) and plan participants (9.3 million) at risk from deficient audits.
2. Work with the National Association of State Boards of Accountancy (NASBA) and the AICPA to improve the investigation and sanctioning process for those CPAs who perform significantly deficient audit work. Work with NASBA to get state boards of accountancy to accept the results of investigations performed by EBSA and the AICPA's Professional Ethics Division, in order to use those results in disciplining CPAs (at the state licensing board level).
3. Amend ERISA to make sure the annual reporting civil penalties focus on the responsible party. Under this proposal, the Secretary of Labor would be authorized to assess all or part of the current annual reporting civil penalty of up to \$1,100 per day against the accountant engaged to do an ERISA plan audit if the plan's annual report is rejected due to a deficient audit or because the accountant failed to meet the standards for being qualified to perform an ERISA plan audit.
4. Work with the AICPA's Peer Review staff:
 - a. to streamline the peer review process and make it more effective at improving employee benefit plan audit quality.
 - b. to ensure that CPAs who are required to undergo a peer review have in fact had an acceptable peer review.
 - c. to identify those CPAs who have not received an acceptable peer review and refer those practitioners to the applicable state licensing boards of accountancy.

Regulatory/Legislative

5. Amend the ERISA definition of "qualified public accountant" to include additional requirements and qualifications necessary to ensure the quality of plan audits. Under this proposal, the Secretary of Labor would be authorized to issue regulations concerning the qualification requirements.
6. Amend ERISA to repeal the limited-scope audit exemption. This exemption prevents accountants from rendering an opinion on the plans' financial statements for assets held in

regulated entities such as financial institutions. An alternative to the repeal of the limited-scope audit would be to provide the Secretary with the authority to define when a limited-scope audit would be an acceptable substitute for a full audit. When auditors have to issue a formal and unqualified opinion, they have a powerful incentive to rigorously adhere to professional standards ensuring that their opinion can withstand scrutiny. The limited scope audit exemption undermines this incentive by removing auditors' obligations to stand behind the plans' financial statements.

7. Amend ERISA to give the Secretary of Labor authority to establish accounting principles and audit standards that would protect the integrity of employee benefit plans and the benefit security of participants and beneficiaries. Under this approach, the Secretary of Labor would be authorized to establish standards that address financial reporting issues that are either unique to or have substantial impact upon employee benefit plans.

Outreach

8. Work with the NASBA to encourage state boards of accountancy to require specific licensing requirements for CPAs who perform employee benefit plan audits. This would include specific training and experience in the audits of employee benefit plans.
9. Expand EBSA's outreach activities to include:
 - a. plan administrator organizations (e.g. ASPPA), to explain to plan administrators and those with responsibility for hiring plan auditors, the importance of hiring competent CPAs.
 - b. Using information contained in the EFAST2 database, send targeted correspondence to:
 - i. plan administrators in the 1-2 and 3-5 plan strata highlighting the high deficiency rate among plan auditors and providing information about how to select a qualified plan auditor.
 - ii. CPA firms in the 25-99 stratum discussing the audit deficiencies found in EBSA's audit study and working with the firms to ensure that plan audits comply with professional standards.
10. Communicate with each of the state boards of accountancy (licensing boards) regarding the results of the audit study and the need to ensure that only competent CPAs are performing employee benefit plan audits.
11. Expand EBSA's outreach with individual state societies of CPAs who have a large number of plan audits performed by CPA firms in the 1-5 plan audit stratum. For those states that do not already do so, encourage them to create employee benefit plan audit training programs.

Appendix I

Objectives, Scope and Sample Composition

Objectives

The primary objective of this study was to assess whether the level and quality of audit work performed by CPAs with respect to audits of employee benefit plans regulated by ERISA has improved since OCA's previous comprehensive study in 2004.

Specific objectives of the review were to:

- assess whether plan audits were conducted in accordance with professional auditing and accounting standards;
- determine if the audit reports complied with ERISA reporting and disclosure requirements; and
- identify areas that may need improvement.

Scope

EBSA's assessments involved a review of the Form 5500 Annual Return/Report filings and related audit reports for the 2011 filing year (plan years beginning in 2011). EBSA selected a statistically valid sample of 400 plan audits from a target population of 81,162 Form 5500 filings for 2011 in which an accountant's report/audit opinion was attached. For the 400 plan audits selected, EBSA's assessment included:

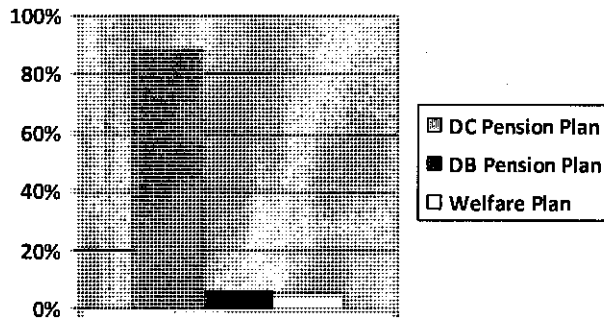
- a review of the plan year 2011 Form 5500 Annual Report and the related IQPA report;
- a detailed review of the audit workpapers for the 2011 plan year audit;
- determining whether the CPA was properly licensed by the applicable state licensing board;
- if applicable, reviewing the peer review report of the CPA's audit practice; and
- voluntary demographic questionnaires given to each of the CPAs in the audit sample.

The workpaper reviews, performed at EBSA's office, were conducted during the period December 2013 through September 2014. The 400 selected audit reports were evaluated based on the AICPA's Audit and Accounting Guide, *Audits of Employee Benefit Plans (with conforming changes as of January 1, 2012)*.

Sample Composition

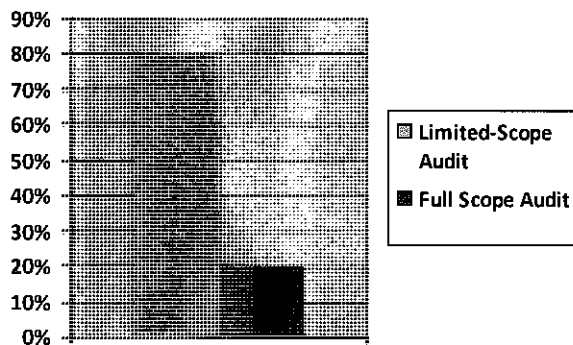
The following charts depict the composition of the sample of the 400 plan audits reviewed during this study.

Type of Plan



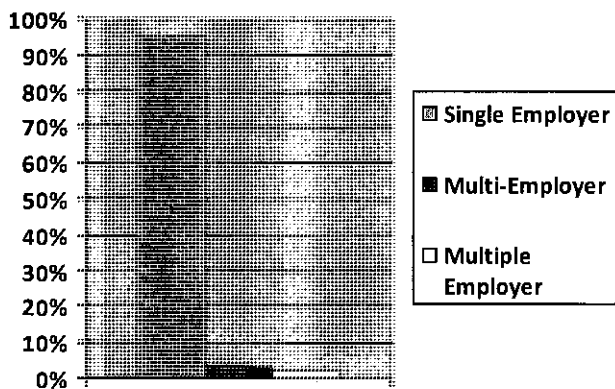
Of the 400 plan audits reviewed, 89% involved defined contribution (DC) pension plans, 6% defined benefit (DB) pension plans and 5% welfare plans.

Type of Audit



Of the 400 plan audits reviewed, 19% involved full-scope audits and 81% limited-scope audits.

Type of Plan Sponsor



Of the 400 plan audits reviewed, 95% involved single employer plans, 3% multi-employer plans, and 2% multiple employer plans.

Appendix II

Audit Deficiencies by Type of Deficiency

| Deficiency Type | Percentage of Audits With Deficiencies | Standard Error | Lower Bound | Upper Bound |
|-------------------------------|--|----------------|-------------|-------------|
| Planning and Supervision | 7.0% | 1.6% | 3.8% | 10.2% |
| Investments | 4.2% | 1.0% | 2.2% | 6.3% |
| Contributions Received | 8.1% | 1.6% | 4.9% | 11.3% |
| Benefit Payments | 7.8% | 1.5% | 4.8% | 10.8% |
| Participant Data | 7.8% | 1.5% | 4.8% | 10.8% |
| Plan Obligations | 3.7% | 1.4% | 0.9% | 6.6% |
| Party In Interest | 6.6% | 1.4% | 3.9% | 9.3% |
| Plan Tax Status | 4.4% | 1.1% | 2.2% | 6.7% |
| Commitments and Contingencies | 3.1% | 1.1% | 1.0% | 5.1% |
| Internal Controls | 18.3% | 2.5% | 13.8% | 23.7% |
| Administrative Expenses | 4.9% | 1.2% | 2.6% | 7.3% |
| Subsequent Events | 4.9% | 1.2% | 2.6% | 7.3% |
| Plan Representations | 4.9% | 1.2% | 2.6% | 7.3% |
| Compliance Reporting | 6.0% | 1.0% | 4.0% | 8.0% |
| Compliance with ERISA | 4.4% | 0.8% | 2.8% | 6.1% |
| Notes Receivable | 3.6% | 1.0% | 1.5% | 5.6% |
| All Deficiencies | 33.9% | 3.3% | 27.4% | 40.4% |

Note: Statistics are calculated using sample weights, which account for the different amount of audits performed by each stratum. For this reason, the population average may be different from the unweighted sample averages.

Planning & Supervision

| Audit Quality Study Review Results | | | | | |
|------------------------------------|--------------|---------------------|------------|--------------|-------|
| Strata | Unacceptable | Unacceptable, Major | Unassigned | Unacceptable | Total |
| 1-2 plans | 41 | 10 | 9 | 35 | 95 |
| 3-5 plans | 22 | 5 | 3 | 21 | 51 |
| 6-24 plans | 53 | 11 | 4 | 27 | 95 |
| 25-99 plans | 12 | 2 | 1 | 8 | 23 |
| 100-749 plans | 22 | 1 | 0 | 1 | 23 |
| 750+ plans | 10 | 1 | 0 | 0 | 11 |
| Totals | 244 | 44 | 19 | 93 | 440 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | | | |
|--|--------------|---------------------|------------|--------------|-------|
| Strata | Unacceptable | Unacceptable, Major | Unassigned | Unacceptable | Total |
| 1-2 plans | 3 | 1 | 1 | 3 | 8 |
| 3-5 plans | 0 | 0 | 0 | 0 | 0 |
| 6-24 plans | 12 | 1 | 1 | 7 | 21 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 1 | 0 | 0 | 1 | 2 |
| 750+ plans | 1 | 0 | 0 | 0 | 1 |
| Totals | 29 | 2 | 2 | 11 | 44 |

The following details the unacceptable major findings identified in planning and supervision and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed and report issued by an "unlicensed" auditor |
| 1 | No audit performed, auditor performed and issued a "review" report |
| 49 | No/insufficient review of plan documents/plan operations |
| 37 | No evidence of required communications (114/115) |
| 25 | No/lack of evidence of audit planning |
| 21 | No/inadequate evidence of planning analytics with developed expectations |
| 19 | No/insufficient audit program |
| 15 | No/inadequate assessment of fraud risk |
| 14 | No/inadequate procedures on initial/beginning balances |
| 8 | No evidence of planning materiality |
| 6 | No/inadequate review of audit workpapers or engagement not adequately supervised |
| 4 | Inadequate supervision - engagement partner review was completed after report issuance date |

- 3 Failure to document current developments affecting the plan
- 3 No/inadequate work related to predecessor auditor
- 2 No/incorrect engagement letter
- 2 Improper performance of limited scope audit
- 1 Missing plan documents in permanent file
- 1 No evidence of review of service provider agreements
- 1 Inadequate identification of parties in interest for planning
- 1 Unsigned plan adoption agreements and participant agreements
- 1 Incorrect industry audit guide was used which resulted in no identification of parties in interest
- 1 Failure to verify balances transferred from/to new custodian
- 1 No evidence \$1M insurance contract was obtained/reviewed for disclosure and accounting treatment
- 1 Audit firm was not properly licensed, however, the engagement partner was properly licensed
- 1 Audit planning did not address the \$4.7M rollover into this new plan in 2011
- 1 No planning documentation of prior year known issues
- 1 No evidence of planning inquiries
- 1 Failure to document and assess significant decrease in net assets and large amount of benefit payments
- 1 No evidence of IQPA consideration of plan termination in planning audit procedures for liquidation basis for investments and accumulated benefit obligations
- 1 Failure to gain an understanding of the plan
- 1 No evidence of planning related to testing of mid-year change in trustee/recordkeeper
- 1 Audit partner did not participate in engagement team fraud brainstorming discussion

Internal Controls

| Audit Quality Study Review Results | | | | | |
|------------------------------------|------------|--------------|----------------------|----------------------|-------|
| Strata | Acceptable | Unacceptable | Unacceptable - Major | Unacceptable - Minor | Total |
| 1-2 plans | 51 | 5 | 10 | 42 | 108 |
| 3-5 plans | 25 | 5 | 5 | 15 | 50 |
| 6-24 plans | 22 | 11 | 5 | 31 | 69 |
| 25-99 plans | 24 | 1 | 0 | 25 | 50 |
| 100-749 plans | 20 | 4 | 1 | 0 | 25 |
| 750+ plans | 13 | 5 | 0 | 0 | 18 |
| Totals | 210 | 45 | 21 | 122 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | |
|---|-----|----|-------|------------|--|
| Strata | Yes | No | Total | Percentage | |
| 1-2 plans | 3 | 40 | 43 | 7% | |
| 3-5 plans | 0 | 50 | 50 | 0% | |
| 6-24 plans | 21 | 48 | 69 | 30% | |
| 25-99 plans | 12 | 38 | 50 | 24% | |
| 100-749 plans | 1 | 0 | 1 | 100% | |
| 750+ plans | 1 | 17 | 18 | 6% | |
| Totals | 48 | 75 | 123 | 39% | |

The following details the unacceptable major findings identified in internal controls and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 1 | Possible fraud discussed in board minutes but engagement team did not inquire of legal counsel or include it as a fraud risk factor |
| 52 | No/inadequate documentation of internal control environment |
| 37 | Failure to assess/document control risk |
| 37 | No evidence of SOC1 report review and/or reliance |
| 29 | No/inadequate evidence of fraud "brainstorming" |
| 27 | Lack of documentation of risk assessment procedures |
| 22 | Failure to review internal controls of service provider(s) |
| 17 | Failure to document evaluation of internal control |
| 15 | No/inadequate evidence of fraud inquiries |
| 12 | No evidence of work performed |
| 4 | Failure to document assessment of user controls |

- 4 Failure to obtain bridge/gap letter for period not covered by SOC1 report
- 3 Failure to identify and document significant audit areas
- 2 Failure to document assessment of control risk below maximum
- 2 Inconsistency in documentation of risk assessments
- 2 SOC1 report does not cover significant period of plan year and no work performed to address such
- 1 Failure to obtain and review SOC1 report covering 6 months of the plan year
- 1 Failure to document risk of material misstatement
- 1 Unclear documentation of low & moderate inherent control risk was determined based on errors in prior years in contributions
- 1 Failure to identify and review user controls of third party service providers
- 1 Partner not involved in fraud brainstorming; Sole trustee and person responsible for governance not interviewed for fraud
- 1 Fraud brainstorming did not include in-charge who performed most audit work
- 1 Failure to identify audit risks related to liquidation basis of non-marketable investments and accumulated benefit obligations on the liquidation basis, nor benefit payments subsequent to plan termination
- 1 Failure to document inherent/control risk or combined risk for each significant audit area
- 1 Failure to document COSO (Committee on Sponsoring Organization) plan sponsor controls
- 1 Failure to document activity level internal controls at plan sponsor level
- 1 Inappropriate reliance on SSAE 16 to assess risk in significant audit areas
- 1 Lack of evidence to support reduction in control risk
- 1 No evidence of understanding of the plan's internal control environment at the cycle, account, transaction level
- 1 Inadequate assessment of control risk
- 1 Fraud brainstorming and inquiries made after audit report date
- 1 Control risk assessments do not conform with actual level of work performed

Investments – All Audit Combined

| Audit Quality Study Review Results | | | | |
|------------------------------------|------------|-----------------------|-----------------------|-------|
| Strata | Acceptable | Unacceptable Minor | Unacceptable Major | Total |
| 1-2 plans | 53 | 5 | 4 | 62 |
| 3-5 plans | 24 | 2 | 1 | 27 |
| 6-24 plans | 73 | 6 | 1 | 80 |
| 25-99 plans | 54 | 2 | 0 | 56 |
| 100-749 plans | 23 | 2 | 0 | 25 |
| 750+ plans | 14 | 0 | 0 | 14 |
| Totals | 238 | 23 | 7 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | |
|---|-----|----|-------|
| Strata | Yes | No | Total |
| 1-2 plans | 4 | 29 | 33 |
| 3-5 plans | 2 | 1 | 3 |
| 6-24 plans | 11 | 2 | 13 |
| 25-99 plans | 3 | 0 | 3 |
| 100-749 plans | 0 | 0 | 0 |
| 750+ plans | 0 | 0 | 0 |
| Totals | 21 | 47 | 72 |

Note: The detail breakout of investments full scope and limited scope following this combined chart does not include the one (1) plan selected where a "review" engagement was performed.

Investments – Full Scope Only

| Audit Quality Study: Review Results | | | | | |
|-------------------------------------|---------------------|---------------------|------------------------|------------|-------|
| Strata | Unacceptable, Minor | Unacceptable, Major | Unacceptable, Critical | Acceptable | Total |
| 1-2 plans | 3 | 1 | 0 | 15 | 19 |
| 3-5 plans | 18 | 1 | 0 | 24 | 43 |
| 6-24 plans | 7 | 1 | 0 | 6 | 14 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 0 | 1 | 0 | 0 | 1 |
| 750+ plans | 4 | 0 | 0 | 0 | 4 |
| Totals | 41 | 3 | 0 | 33 | 79 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | |
|---|---------------------|---------------------|------------------------|------------|-------|
| Strata | Unacceptable, Minor | Unacceptable, Major | Unacceptable, Critical | Acceptable | Total |
| 1-2 plans | 1 | 14 | 0 | 13 | 28 |
| 3-5 plans | 0 | 0 | 0 | 0 | 0 |
| 6-24 plans | 5 | 0 | 0 | 0 | 5 |
| 25-99 plans | 4 | 0 | 0 | 0 | 4 |
| 100-749 plans | 0 | 0 | 0 | 0 | 0 |
| 750+ plans | 3 | 0 | 0 | 0 | 3 |
| Totals | 13 | 14 | 0 | 13 | 40 |

The following details the unacceptable major findings identified in investments for full scope audits performed and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|--|
| 1 | Audit performed by an "unlicensed" auditor |
| 18 | Failure to test investment transactions |
| 14 | Failure to test investment income |
| 7 | Failure to test end of year asset values |
| 5 | No evidence of work performed |
| 4 | Inappropriate reliance on SOC1 report |
| 4 | Insufficient work performed |
| 4 | Failure to confirm investments - evidence of existence |
| 2 | No review/testing of investment valuation assumptions (ESOP) |
| 2 | Inadequate evidence of confirmation of investment ownership and existence with custodian |
| 2 | Failure to adequately test change in service provider |
| 1 | Failure to test assets transferred from the plan |

- 1 No assessment of valuation spec.'s qualifications
- 1 Failure to document work performed related to cash
- 1 Failure to address liquidation basis of non-marketable securities and insurance contracts
- 1 Failure to adequately test cost basis of non-participant directed investments
- 1 Failure to test end of year values for investments in self-directed brokerage accounts
- 1 Insufficient testing of dividend income (ESOP)
- 1 Investments per the financial statements did not agree to the confirmed trust statement
- 1 Failure to adequately identify plan's investment medium at the end of year
- 1 Principal IPG contract was excluded from plan's financial statements; there was no copy of the contract in the audit file; there was no accounting analysis supporting the conclusion for excluding the investment from the plan's financial statement reporting

Investments – Limited Scope Only

| Audit Quality Study Review Results | | | | | |
|------------------------------------|----------------------|---------------------|------------------------|-----------------------|-------|
| Strata | Acceptable Audits | Acceptable Plans | Unacceptable Audits | Unacceptable Plans | Total |
| 1-2 plans | 50 | 4 | 4 | 13 | 75 |
| 3-5 plans | 25 | 4 | 2 | 4 | 35 |
| 6-24 plans | 64 | 5 | 1 | 7 | 81 |
| 25-99 plans | 27 | 1 | 0 | 0 | 28 |
| 100-749 plans | 21 | 1 | 0 | 0 | 24 |
| 750+ plans | 13 | 2 | 0 | 0 | 15 |
| Totals | 257 | 13 | 7 | 24 | 320 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | | | |
|--|------------------------|-----------------------|------------------------|-----------------------|-------|
| Strata | Unacceptable Audits | Unacceptable Plans | Unacceptable Audits | Unacceptable Plans | Total |
| 1-2 plans | 2 | 0 | 0 | 0 | 2 |
| 3-5 plans | 0 | 0 | 0 | 0 | 0 |
| 6-24 plans | 3 | 0 | 2 | 0 | 5 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 0 | 0 | 0 | 0 | 0 |
| 750+ plans | 0 | 0 | 0 | 0 | 0 |
| Totals | 5 | 0 | 2 | 0 | 7 |

The following details the unacceptable major findings identified in investments for limited scope audits performed and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 2 | Audit performed by an "unlicensed" auditor |
| 10 | Audit workpapers do not contain the certification |
| 6 | Failure to adequately test change in service provider |
| 5 | Certifying entity does not qualify for limited scope |
| 3 | Certification not consistent with plan reporting period |
| 3 | Uncertified investments/transactions not audited |
| 3 | Unsigned certification |
| 3 | No list of plan investments and/or transactions certified included with the certification |
| 2 | Certification is not for the plan |
| 2 | No comparison/reconciliation of certified income to amount reported on financial statements |
| 2 | Certifying entity identified in report not consistent with certification |
| 1 | Inappropriate treatment of contract to fair value adjustment |

- 1 No audit program
- 1 Certification did not mention the plan name nor period covered
- 1 Failure to test assets transferred from plan
- 1 Certification obtained 3/21/14, audit report dated 10/5/12
- 1 Trust report prepared by and obtained from the recordkeeper
- 1 Investments per trust do not agree to financial statements
- 1 Failure to gain understanding of plan's common/collective trust and stable value funds
- 1 Inadequate evidence of evaluation of GIC for accounting and presentation
- 1 Failure to evaluate insurance contract, contract to fair value, and whether it was fully-benefit responsive
- 1 Failure to analyze pooled separate account for investments in common collective trust/stable value funds
- 1 Unexplained variance in certified participant loan total
- 1 Dividend income and net appreciation do not tie to financial statements
- 1 No documentation supporting fair value reported on 5500 - amount marked up to fair value without corresponding adjustment to contract value
- 1 Certification obtained from trustee for master trust – certification at plan level obtained from entity that was not a qualifying entity and was not an agent for the trustee

Notes Receivable

| Audit Quality Study Review Results | | | | | |
|------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-------|
| Strata | Acceptable Minor | Acceptable Major | Unacceptable Minor | Unacceptable Major | Total |
| 1-2 plans | 24 | 4 | 3 | 37 | 68 |
| 3-5 plans | 12 | 1 | 1 | 15 | 29 |
| 6-24 plans | 46 | 1 | 6 | 16 | 69 |
| 25-99 plans | 1 | 0 | 0 | 0 | 1 |
| 100-749 plans | 11 | 0 | 0 | 0 | 11 |
| 750+ plans | 18 | 0 | 0 | 0 | 18 |
| Totals | 173 | 12 | 14 | 51 | 300 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | |
|--|-----------------------|-----------------------|-------|
| Strata | Unacceptable Minor | Unacceptable Major | Total |
| 1-2 plans | 2 | 18 | 20 |
| 3-5 plans | 0 | 1 | 1 |
| 6-24 plans | 7 | 3 | 10 |
| 25-99 plans | 0 | 0 | 0 |
| 100-749 plans | 0 | 0 | 0 |
| 750+ plans | 0 | 0 | 0 |
| Totals | 9 | 21 | 30 |

The following details the unacceptable major findings identified in notes receivable and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 2 | Audit performed by an "unlicensed" auditor |
| 21 | No work performed |
| 30 | No/inadequate testing of compliance with plan |
| 7 | No review of supporting loan documentation |
| 5 | No/inadequate testing for determination of delinquent loans that should be reported as deemed distributions |
| 4 | No audit program |
| 3 | No listing of outstanding loans |
| 2 | No evidence of test of loan interest |
| 2 | No work performed on participant loans which were not covered by the limited scope certification |
| 1 | No testing of transfer to new custodian |
| 1 | Inadequate consideration of error in loan reporting on financial statements |

- 1 Inadequate documentation as to the source of listing of participant loans for completeness and accuracy

Contributions Received & Receivable

| Audit Quality Study Review Results | | | | | | |
|------------------------------------|------------|--------------|--------------|--------------|--------------|-------|
| Strata | Acceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable | Total |
| 1-2 plans | 44 | 5 | 5 | 40 | 0 | 54 |
| 3-5 plans | 52 | 1 | 1 | 50 | 0 | 54 |
| 6-24 plans | 51 | 10 | 5 | 66 | 2 | 92 |
| 25-99 plans | 52 | 1 | 1 | 50 | 1 | 55 |
| 100-749 plans | 23 | 1 | 1 | 0 | 0 | 25 |
| 750+ plans | 23 | 1 | 1 | 21 | 1 | 26 |
| Totals | 236 | 28 | 21 | 111 | 4 | 400 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | | | | |
|--|------------|--------------|--------------|--------------|--------------|-------|
| Strata | Acceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable | Total |
| 1-2 plans | 44 | 5 | 5 | 40 | 0 | 54 |
| 3-5 plans | 52 | 1 | 1 | 50 | 0 | 54 |
| 6-24 plans | 51 | 10 | 5 | 66 | 2 | 92 |
| 25-99 plans | 52 | 1 | 1 | 50 | 1 | 55 |
| 100-749 plans | 23 | 1 | 1 | 0 | 0 | 25 |
| 750+ plans | 23 | 1 | 1 | 21 | 1 | 26 |
| Totals | 236 | 28 | 21 | 111 | 4 | 400 |

The following details the unacceptable major findings identified in contributions received & receivable and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 1 | Failure to identify or inquire about potential missing contributions occurring in time period leading up to plan admin termination and his possible conversion, fraud and theft |
| 53 | Failure to test timely remittance of employee contributions |
| 35 | Failure to test compliance with plan compensation provisions |
| 24 | No/Inadequate testing of use of forfeitures |
| 10 | Failure to agree/reconcile contributions to plan sponsor payroll records, employee records, custodian/trust, and/or Schedule H |
| 10 | No/inadequate testing of rollover contributions (material amount) |
| 9 | No work performed |
| 7 | Failure to address testing errors and/or variance and their impact on financial statements |
| 5 | No/inadequate testing of contribution receivable(s) |

- 5 Inadequate testing/documentation of recalculation of contributions/deferrals
- 3 Failure to test rollovers for compliance with the plan document
- 2 Insufficient work performed of contributing employers (multi-employer plans)
- 2 No audit program
- 2 No schedule of contributions received &/or receivable
- 2 Failure to recognize untimely employee contributions
- 2 Failure to review criteria for contribution receivables and recording per GAAP
- 2 Inadequate documentation related to late remittances
- 1 Failure to agree contributions to actuarial report
- 1 Failure to adequately test timing of employee contributions
- 1 No testing of ROTH contributions
- 1 Inappropriate reliance on SOC1 Report
- 1 Failure to consider plan's funding status (DB plan)
- 1 No contributions withheld from a bonus and no testing to determine the propriety of such
- 1 Failure to verify employer discretionary percentage
- 1 No disclosure of corrective distributions in the plan's financial statements and notes
- 1 Failure to document recalculation of employer match
- 1 Failure to adequately communicate delinquent remittances to management
- 1 No schedule/listing of contributions
- 1 Testing of employer matching contribution did not adequately address the apparent failure by the sponsor the match the required 3% of compensation
- 1 Failure to evaluate any required employer receivable that might result from any unfunded accumulated benefit obligation resulting from plan termination
- 1 Failure to identify inconsistency in COBRA contributions
- 1 Failure to determine if reinsurance receivable was complete
- 1 Inadequate testing of recalculation of employee deferrals
- 1 Inadequate sample size
- 1 Receivable improperly accrued
- 1 Delinquent contributions reported on supplemental schedule differed to that reported in the workpapers and on Schedule H

- 1 Inadequate testing of employer contributions which appear to not be made in accordance with the plan
- 1 Failure to compare amount of employer contributions to amount approved by the Board of Directors
- 1 Eligibility testing did not include test of end of year employment requirement
- 1 Inadequate consideration of impact of non-correction of prior year errors on current year's work & financial statements
- 1 Lack of documentation for support of employer contribution formula
- 1 Lack of identification of improper use of forfeitures to offset employer contributions prior to plan expenses being paid

Benefit Payments

| Audit Quality Study Review Results | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------------|------------------------|-----------------------------|-------|
| Strata | Unacceptable, Minor | Unacceptable, Major | Unacceptable, Significant | Unacceptable, Critical | Unacceptable, Very Critical | Total |
| 1-2 plans | 44 | 11 | 5 | 35 | 0 | 95 |
| 3-5 plans | 24 | 1 | 1 | 31 | 0 | 56 |
| 6-24 plans | 51 | 4 | 1 | 28 | 1 | 85 |
| 25-99 plans | 34 | 1 | 1 | 21 | 0 | 56 |
| 100-749 plans | 21 | 0 | 0 | 1 | 0 | 22 |
| 750+ plans | 21 | 0 | 0 | 0 | 0 | 21 |
| Totals | 257 | 31 | 16 | 93 | 1 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | |
|---|---------------------|---------------------|-------|
| Strata | Unacceptable, Minor | Unacceptable, Major | Total |
| 1-2 plans | 2 | 13 | 15 |
| 3-5 plans | 1 | 1 | 2 |
| 6-24 plans | 1 | 1 | 2 |
| 25-99 plans | 1 | 1 | 2 |
| 100-749 plans | 1 | 0 | 1 |
| 750+ plans | 1 | 1 | 2 |
| Totals | 26 | 67 | 93 |

The following details the unacceptable major findings identified in benefit payments and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 41 | No recalculation of benefit payments |
| 38 | No/inadequate work regarding eligibility of individuals receiving benefit |
| 28 | No work performed |
| 19 | No/inadequate work regarding validity of claims |
| 10 | Inappropriate reliance on SOC1 report |
| 9 | No/inadequate work regarding forfeitures |
| 7 | Failure to trace benefit payments to individual participant's account |
| 6 | No/inadequate work regarding participant receipt of benefit payment |
| 6 | No/inadequate testing of hardship/in-service benefit payments |
| 3 | No testing of rollovers out of plan for compliance with plan document |
| 3 | No schedule/listing of benefit payments made |

- 2 Inappropriate application of limited scope audit
- 2 Total per financial statement was not reconciled to total per trust report
- 2 No review of supporting documents and approvals
- 2 No/inadequate testing for compliance with plan document
- 1 No testing of long outstanding benefit checks
- 1 Participant confirmation were not included in workpapers
- 1 No audit program
- 1 Inadequate follow up on error noted in benefit recalculation testing
- 1 Unreconciled difference in total benefit payments between distribution listing and that reported on the financial statements
- 1 No testing of corrective distributions
- 1 No reconciliation of total benefit payments to total participant accounts
- 1 No agreement of benefit payment recalculations for compliance with formula in plan document
- 1 Failure to identify inconsistency in COBRA contributions but lack of reporting of dental and vision claims
- 1 Inadequate testing of propriety of payee

Participant Data, Including Individual Participant Accounts

| Audit Quality Study Review Results | | | | | | | |
|------------------------------------|------------|--------------|---------------------|---------------------|---------------------|---------------------|-------|
| Strata | Acceptable | Unacceptable | Unacceptable, Major | Unacceptable, Minor | Unacceptable, Minor | Unacceptable, Minor | Total |
| 1-2 plans | 23 | 7 | 6 | 59 | 0 | 95 | |
| 3-5 plans | 4 | 0 | 0 | 3 | 0 | 7 | |
| 6-24 plans | 32 | 12 | 12 | 87 | 2 | 95 | |
| 25-99 plans | 1 | 0 | 0 | 1 | 0 | 2 | |
| 100-749 plans | 13 | 1 | 0 | 1 | 0 | 25 | |
| 750+ plans | 1 | 0 | 0 | 1 | 0 | 2 | |
| Totals | 73 | 20 | 18 | 151 | 2 | 400 | |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | | | |
|---|------------|--------------|---------------------|---------------------|---------------------|---------------------|-------|
| Strata | Acceptable | Unacceptable | Unacceptable, Major | Unacceptable, Minor | Unacceptable, Minor | Unacceptable, Minor | Total |
| 1-2 plans | 4 | 0 | 0 | 53 | 0 | 57 | |
| 3-5 plans | 0 | 0 | 0 | 0 | 0 | 0 | |
| 6-24 plans | 21 | 0 | 0 | 15 | 0 | 36 | |
| 25-99 plans | 1 | 0 | 0 | 1 | 0 | 2 | |
| 100-749 plans | 1 | 0 | 0 | 1 | 0 | 2 | |
| 750+ plans | 0 | 0 | 0 | 1 | 0 | 1 | |
| Totals | 27 | 0 | 0 | 71 | 0 | 98 | |

The following details the unacceptable major findings identified in participant data, including individual participant accounts, and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 89 | Failure to adequately test allocations to participant accounts |
| 73 | No/insufficient testing of payroll data |
| 68 | No/Inadequate testing of participant investment options |
| 41 | No reconciliation of total individual participant accounts to total plan assets |
| 35 | Failure to adequately test eligibility, terminations and forfeitures |
| 29 | Failure to test compliance with plan compensation provisions |
| 18 | No work performed |
| 10 | Failure to adequately test change in service provider |
| 10 | Inappropriate reliance on SOC1 report |
| 2 | No audit program |
| 2 | Inadequate testing of participant deferral percentage |

- 1 No testing of participant accounts at time of change in trustee/third party administrator
- 1 Failure to obtain or evaluate any census data based on premise that an actuarial report did not need to be obtained for a terminated plan
- 1 No testing for compliance with IRS deferral limits
- 1 Failure to test participant opening balances audited by another auditor
- 1 Failure to test payroll process
- 1 Inadequate evidence obtained of transfer of \$2.3M to an affiliated entity benefit plan
- 1 Failure to test that newly eligible employees were included in the plan
- 1 Failure to test the basic data used by the actuary
- 1 No evidence of testing of participant data provided to the plan's actuary
- 1 No alternative procedures performed on non-reply participant confirmations
- 1 No testing of employee withholdings for authorization
- 1 No evidence of work performed on individual participant accounts
- 1 Detail tests of data samples incomplete
- 1 Inadequate work performed, most standard participant data substantive audit procedures not performed
- 1 No evidence of recalculation of employee deferral percentage
- 1 No evidence of testing opening participant balances from plan inception to 12/31/2010
- 1 No testing for inclusiveness
- 1 No testing of health coverage/plan selected by participant
- 1 No recalculation of employee contributions

Plan Obligations

| Audit Quality Study Review Results | | | | | | |
|------------------------------------|------------|-------|--------------|----------------------|----------------------|-------|
| Strata | Acceptable | Minor | Unacceptable | Unacceptable - Major | Unacceptable - Minor | Total |
| 1-2 plans | 1 | 0 | 0 | 1 | 0 | 2 |
| 3-5 plans | 1 | 0 | 0 | 1 | 0 | 2 |
| 6-24 plans | 5 | 0 | 1 | 2 | 0 | 8 |
| 25-99 plans | 2 | 0 | 0 | 1 | 0 | 3 |
| 100-749 plans | 4 | 0 | 0 | 2 | 0 | 6 |
| 750+ plans | 1 | 0 | 0 | 1 | 0 | 2 |
| Totals | 24 | 0 | 1 | 5 | 0 | 30 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | |
|--|----|-----|-------|
| Strata | No | Yes | Total |
| 1-2 plans | 0 | 1 | 1 |
| 3-5 plans | 0 | 0 | 0 |
| 6-24 plans | 2 | 0 | 2 |
| 25-99 plans | 0 | 1 | 1 |
| 100-749 plans | 3 | 0 | 3 |
| 750+ plans | 0 | 1 | 1 |
| Totals | 5 | 3 | 8 |

The following details the unacceptable major findings identified in plan obligations and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|---|--|
| 7 | No/insufficient testing of census data (defined benefit pension plans) |
| 3 | No work performed |
| 1 | No/inadequate testing of IBNR |
| 2 | Failure to assess specialist's qualifications |
| 2 | Failure to test insurance premiums paid |
| 1 | Failure to assess whether actuary used plan's provisions and considered amendment effective 1/1/2011 |
| 1 | Failure to obtain liquidation basis actuarial report for the terminated plan |
| 1 | Failure to review/assess specialist's assumptions |
| 1 | No evidence of testing of plan's funding status |

Parties In Interest/Prohibited Transactions

| Audit Quality Study Review Results | | | | | |
|------------------------------------|------------|-------|--------------|--------------------|-------|
| Strata | Acceptable | Minor | Unacceptable | Unacceptable/Total | Total |
| 1-2 plans | 12 | 15 | 5 | 37 | 95 |
| 3-5 plans | 4 | 12 | 5 | 26 | 31 |
| 6-24 plans | 41 | 20 | 14 | 39 | 95 |
| 25-99 plans | 45 | 4 | 1 | 50 | 50 |
| 100-749 plans | 20 | 4 | 1 | 0 | 25 |
| 750+ plans | 18 | 5 | 1 | 14 | 24 |
| Totals | 130 | 61 | 27 | 102 | 400 |

| Unacceptable, Major Membership in AIFCA Employee Benefit Plan Audit Quality Center | | | |
|---|----|-----|-------|
| Strata | No | Yes | Total |
| 1-2 plans | 4 | 33 | 37 |
| 3-5 plans | 2 | 24 | 26 |
| 6-24 plans | 17 | 3 | 20 |
| 25-99 plans | 2 | 1 | 3 |
| 100-749 plans | 0 | 0 | 0 |
| 750+ plans | 1 | 1 | 2 |
| Totals | 36 | 69 | 105 |

The following details the unacceptable major findings identified in parties in interest/prohibited transactions and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|--|
| 3 | Audit performed by an "unlicensed" auditor |
| 46 | No work performed |
| 39 | Failure to document related parties/parties in interest |
| 29 | Failure to document results of inquiries of management |
| 17 | Inadequate work |
| 3 | Failure to properly disclose prohibited transactions in notes to financial statements |
| 3 | No/inadequate evidence of consideration of effect of prohibited transactions/party in interest transactions on plan financial statements |
| 3 | Incomplete listing of parties in interest |
| 2 | No audit program |
| 1 | Failure to adequately and accurately identify accounting and reporting with parties in interest |

- 1 No procedures performed to verify major areas regarding parties in interest
- 1 Inadequate documentation of management inquiries
- 1 Inadequate work regarding transactions with plan sponsor of money going from plan to the sponsor
- 1 Inadequate work, overall conclusion of no non-exempt transactions was not supported by evidence of procedures performed and parties in interest portion of audit program was not completed

Plan Tax Status

| Audit Quality Study Review Results | | | | | |
|------------------------------------|------------|-------|--------------|---------------------|-------|
| Strata | Acceptable | Minor | Unacceptable | Unacceptable, Major | Total |
| 1-2 plans | 51 | 10 | 10 | 24 | 95 |
| 3-5 plans | 12 | 1 | 1 | 2 | 16 |
| 6-24 plans | 65 | 15 | 5 | 12 | 97 |
| 25-99 plans | 15 | 0 | 0 | 0 | 15 |
| 100-749 plans | 23 | 0 | 2 | 0 | 25 |
| 750+ plans | 34 | 1 | 0 | 0 | 35 |
| Totals | 201 | 31 | 28 | 58 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | |
|---|-----|----|-----|----|-------|
| Strata | Yes | No | Yes | No | Total |
| 1-2 plans | 0 | 0 | 24 | 24 | 24 |
| 3-5 plans | 0 | 0 | 2 | 2 | 2 |
| 6-24 plans | 11 | 0 | 1 | 12 | 12 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 0 | 0 | 0 | 0 | 0 |
| 750+ plans | 0 | 0 | 0 | 0 | 0 |
| Totals | 11 | 0 | 40 | 58 | 58 |

The following details the unacceptable major findings identified in plan tax status and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 27 | No work performed |
| 20 | No evidence IRS tax compliance tests were reviewed |
| 8 | No tax determination letter obtained |
| 7 | Failure to document results of inquiries with management |
| 4 | Inadequate work |
| 2 | No audit program |
| 1 | Compliance tests indicate data integrity issues that could affect the results of the testing, but no indication this was considered |
| 1 | Incorrect tax letter |
| 1 | Plan document is outdated |
| 1 | Footnotes do not match plan document |
| 1 | Footnotes do not address tax uncertainties |

- 1 IRS determination letter not reviewed or which was for the correct plan
- 1 Inconsistent documentation regarding compliance tests
- 1 No evidence of work performed in support of the prior year testing results which resulted in the current year return of excess contributions
- 1 No evidence of IRS tax compliance tests
- 1 No work performed other than obtaining an IRS determination letter

- 1 Plan failed ADP & ACP testing which required \$48,257 in corrective distributions, but no evidence of work performed

Commitments & Contingencies

| Audit Quality Study Review Results | | | | | |
|------------------------------------|--------------|------------|--------------|------------|-------|
| Strata | Unacceptable | Acceptable | Unacceptable | Acceptable | Total |
| 1-2 plans | 65 | 7 | 1 | 16 | 89 |
| 3-5 plans | 65 | 1 | 1 | 15 | 82 |
| 6-24 plans | 67 | 16 | 1 | 9 | 93 |
| 25-99 plans | 65 | 2 | 0 | 0 | 67 |
| 100-749 plans | 21 | 1 | 1 | 0 | 23 |
| 750+ plans | 25 | 0 | 1 | 1 | 27 |
| Totals | 301 | 27 | 5 | 41 | 374 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | | | |
|--|-----|----|-----|----|-------|
| Strata | Yes | No | Yes | No | Total |
| 1-2 plans | 1 | 25 | 1 | 15 | 26 |
| 3-5 plans | 1 | 12 | 1 | 13 | 24 |
| 6-24 plans | 1 | 1 | 1 | 9 | 12 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 0 | 0 | 0 | 0 | 0 |
| 750+ plans | 0 | 3 | 0 | 1 | 4 |
| Totals | 2 | 41 | 3 | 38 | 83 |

The following details the unacceptable major findings identified in commitments & contingencies and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|--|
| 3 | Audit performed by an "unlicensed" auditor |
| 33 | No work performed |
| 12 | Failure to document results of inquiries with management |
| 8 | Inadequate work |
| 2 | No audit program |

Administrative Expenses

| Audit Quality Study Review Results | | | | | | | |
|------------------------------------|-----|------------|--------------|--------------|--------------|--------------|--------------|
| Strata | | Acceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable |
| 1-2 plans | 33 | 9 | 1 | 15 | 6 | 95 | |
| 3-5 plans | 54 | 1 | 1 | 15 | 14 | 35 | |
| 6-24 plans | 60 | 9 | 1 | 15 | 6 | 95 | |
| 25-99 plans | 19 | 1 | 1 | 15 | 14 | 35 | |
| 100-749 plans | 16 | 4 | 0 | 1 | 1 | 15 | |
| 750+ plans | 1 | 1 | 0 | 1 | 1 | 15 | |
| Totals | 261 | 33 | 10 | 66 | 38 | 490 | |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | | | |
|--|----|------------|--------------|--------------|--------------|--------------|--------------|
| Strata | | Acceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable | Unacceptable |
| 1-2 plans | 33 | 2 | 23 | 15 | 14 | 35 | |
| 3-5 plans | 54 | 1 | 1 | 15 | 14 | 35 | |
| 6-24 plans | 60 | 1 | 1 | 15 | 14 | 35 | |
| 25-99 plans | 19 | 1 | 1 | 15 | 14 | 35 | |
| 100-749 plans | 16 | 1 | 0 | 1 | 1 | 15 | |
| 750+ plans | 1 | 1 | 0 | 1 | 1 | 15 | |
| Totals | 18 | 4 | 44 | 66 | 58 | 490 | |

The following details the unacceptable major findings identified in administrative expenses and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|--|
| 3 | Audit performed by an "unlicensed" auditor |
| 55 | No work performed |
| 7 | Inadequate work performed |
| 1 | Area classified as immaterial but no other work or audit program |
| 1 | Expenses deemed immaterial but amount is above materiality threshold |
| 1 | Fees netted against forfeitures with negative fee reported as other income & not analyzed for possible related party transaction |

Subsequent Events

| Audit Quality Study Review Results | | | | | |
|------------------------------------|-------------------|---------------------|---------------------|-----------------------|-------|
| Strata | Acceptable No. | Acceptable Ratio | Unacceptable No. | Unacceptable Ratio | Total |
| 1-2 plans | 46 | 9 | 6 | 12 | 52 |
| 3-5 plans | 15 | 3 | 2 | 4 | 17 |
| 6-24 plans | 58 | 12 | 8 | 14 | 66 |
| 25-99 plans | 12 | 2 | 3 | 5 | 15 |
| 100-749 plans | 22 | 2 | 0 | 0 | 22 |
| 750+ plans | 13 | 2 | 0 | 0 | 13 |
| Totals | 266 | 44 | 20 | 76 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | |
|---|-----|-----|-----|-----|-------|
| Strata | No. | No. | No. | No. | Total |
| 1-2 plans | 2 | 30 | 30 | 32 | 64 |
| 3-5 plans | 2 | 2 | 2 | 2 | 8 |
| 6-24 plans | 9 | 5 | 5 | 14 | 23 |
| 25-99 plans | 2 | 2 | 2 | 4 | 6 |
| 100-749 plans | 1 | 0 | 0 | 1 | 2 |
| 750+ plans | 0 | 0 | 0 | 0 | 0 |
| Totals | 20 | 36 | 36 | 76 | 102 |

The following details the unacceptable major findings identified in subsequent events and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 42 | No work performed |
| 14 | Failure to review interim financial information |
| 13 | Failure to document results of inquiries with management |
| 9 | Inadequate work performed |
| 2 | No audit program for this area of audit |
| 2 | Inadequate documentation of inquiries |
| 2 | Inadequate audit evidence that work was performed |
| 1 | Inadequate documentation - unable to determine accounting records or data reviewed, with whom inquiries were made, and result of such inquiries |
| 1 | Failure to obtain evidence of complete liquidation of the plan by 7/25/12 |

- 1 Audit documentation did not indicate subsequent event of plan asset transfer to a successor plan in 2012
- 1 No review of subsequent plan amendments
- 1 No indication whether receivables were subsequently received
- 1 Inadequate review through 10/1/12 of final 5500 filing in which benefits paid were materially greater than the accumulated benefit obligation reflected on the 12/31/11 statement of accumulated plan benefits
- 1 No inquiries of plan administrator or trustee, inquiries were only made of controller who was not a plan official
- 1 Audit documentation submitted pertained to the 2010 plan year

Plan Mergers & Terminating Plans

| Audit Quality Study Review Results | | | | | | |
|------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-------|-------|
| Strata | Acceptable Plans | Acceptable Plans | Unacceptable Minor | Unacceptable Major | Total | Total |
| 1-2 plans | 6 | 0 | 0 | 0 | 60 | 65 |
| 3-5 plans | 1 | 0 | 0 | 0 | 10 | 10 |
| 6-24 plans | 1 | 0 | 0 | 1 | 90 | 91 |
| 25-99 plans | 0 | 0 | 0 | 0 | 0 | 0 |
| 100-749 plans | 1 | 1 | 0 | 1 | 21 | 23 |
| 750+ plans | 2 | 0 | 0 | 0 | 10 | 12 |
| Totals | 11 | 1 | 0 | 1 | 371 | 373 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | |
|---|-----|----|-------|
| Strata | Yes | No | Total |
| 1-2 plans | 0 | 0 | 0 |
| 3-5 plans | 0 | 0 | 0 |
| 6-24 plans | 0 | 1 | 1 |
| 25-99 plans | 0 | 0 | 0 |
| 100-749 plans | 1 | 0 | 1 |
| 750+ plans | 0 | 0 | 0 |
| Totals | 1 | 1 | 2 |

The following details the unacceptable major findings identified in plan mergers & terminating plans and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|---|--|
| 1 | Failure to obtain liquidation basis actuarial report |
| 1 | Failure to evaluate potential employer contribution on liquidation basis |
| 1 | Failure to perform audit procedures on plan liquidation occurring during subsequent events time period |
| 1 | Inadequate documentation of audit work on subsequent events/pending dissolution of the plan |
| 1 | Failure to test plan assets transferred at 12/31/2011 (plan year end) to another plan at the detailed participant level until 2013 |

Plan Representations

| Audit Quality Study Review Results | | | | | |
|------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-------|
| Strata | Acceptable Minor | Acceptable Major | Unacceptable Minor | Unacceptable Major | Total |
| 1-2 plans | 27 | 4 | 2 | 3 | 36 |
| 3-5 plans | 25 | 2 | 3 | 2 | 32 |
| 6-24 plans | 24 | 7 | 4 | 0 | 35 |
| 25-99 plans | 15 | 0 | 0 | 0 | 15 |
| 100-749 plans | 23 | 2 | 0 | 0 | 25 |
| 750+ plans | 12 | 2 | 0 | 0 | 14 |
| Totals | 147 | 25 | 12 | 16 | 400 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | | | | |
|---|-----|----|-------|--|--|
| Strata | Yes | No | Total | | |
| 1-2 plans | 1 | 7 | 8 | | |
| 3-5 plans | 0 | 2 | 2 | | |
| 6-24 plans | 0 | 0 | 0 | | |
| 25-99 plans | 0 | 1 | 1 | | |
| 100-749 plans | 0 | 0 | 0 | | |
| 750+ plans | 0 | 1 | 1 | | |
| Totals | 1 | 11 | 12 | | |

The following details the unacceptable major findings identified in plan representations and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|---|--|
| 3 | Audit performed by an "unlicensed" auditor |
| 1 | No audit performed, auditor performed and issued a "review" report |
| 4 | No client representation letter obtained |
| 6 | Inadequate representations obtained |
| 5 | Client representations were not appropriately tailored to the plan |
| 2 | Inappropriate client representation letter date |
| 1 | Unsigned client representation letter |
| 1 | Failure to evaluate numerous representations that were inconsistent with information known by the auditor |
| 1 | Client representation letter was not on letterhead of the plan or plan sponsor & the signer was identified as "office manager". Signer also signed as the plan administrator on the Form 5500. |
| 1 | Representation letter contains the language for a full scope audit but a limited scope audit was performed |

Compliance with GAAS & GAAP

| Audit Quality Study Review Results | | | | | |
|------------------------------------|-----------|---------------------|---------------------|------------------------|-------|
| Strata | Compliant | Unacceptable, Minor | Unacceptable, Major | Unacceptable, Critical | Total |
| 1-2 plans | 25 | 12 | 9 | 35 | 81 |
| 3-5 plans | 15 | 12 | 5 | 27 | 59 |
| 6-24 plans | 61 | 11 | 6 | 17 | 95 |
| 25-99 plans | 15 | 1 | 0 | 0 | 16 |
| 100-749 plans | 21 | 1 | 0 | 0 | 22 |
| 750+ plans | 15 | 1 | 0 | 0 | 16 |
| Totals | 249 | 40 | 20 | 54 | 363 |

| Unacceptable, Major Membership in AIPCA Employee Benefit Plan Audit Quality Center | | |
|---|-----|----|
| Strata | Yes | No |
| 1-2 plans | 4 | 21 |
| 3-5 plans | 3 | 26 |
| 6-24 plans | 10 | 27 |
| 25-99 plans | 0 | 9 |
| 100-749 plans | 0 | 0 |
| 750+ plans | 0 | 0 |
| Totals | 24 | 54 |

The following details the unacceptable major findings of established professional standards (GAAS & GAAP) in audit reports issued and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 1 | No audit performed, auditor performed and issued a "review" report |
| 57 | Inadequate footnote disclosures |
| 28 | Inappropriate presentation of financial information on financial statements |
| 16 | No/lack of ASC 820 Fair Value Measurement disclosures |
| 4 | Report not modified for lack of ERISA schedules |
| 3 | Incorrect/incomplete ASC 820 Fair Value Measurement disclosures |
| 4 | Opinion does not extend to all financial statements and/or years presented |
| 4 | Failure to refer to supplemental information (e.g., ERISA required schedules) |
| 2 | Delinquent employee contributions not reported/disclosed |
| 2 | Inappropriate presentation of participant loans |

- 2 No adjustment from fair value to contract value for fully-benefit responsive contract
- 2 Audit opinion does not contain the appropriate language required by SAS 58 (e.g., reference to U.S. GAAP)
- 2 No FAS 157 Subsequent Events disclosure
- 1 Plan failed to present its financial statements on the liquidation basis of accounting and the auditor failed to evaluate and/or report on this departure from GAAP
- 1 Audit report does not contain the "independent" title
- 1 Audit workpapers did not document sufficient appropriate audit evidence to support an unqualified opinion
- 1 Failure to modify full scope, unqualified report for a material omission from the schedule of reportable transactions
- 1 Failure to present benefit responsive insurance contract at contract value and to make necessary footnote disclosures
- 1 Improper reporting in auditor's report of benefit responsive and non-benefit-responsive contracts
- 1 Incorrect footnote disclosures
- 1 Opinion only, no financial statements attached to 5500
- 1 Required 5% investment disclosure is for the incorrect plan year
- 1 Inappropriately presented benefit payments as refunds of contributions
- 1 Inadequate footnote disclosure for investments
- 1 Inappropriate report date
- 1 Investment amount on financial statements not consistent with footnote disclosures
- 1 Incomplete schedule of assets
- 1 Limited scope audit inappropriately applied
- 1 Reportable transaction schedule presented but should not have one
- 1 Principal IPG contract of \$4.5 million excluded from the plan's financial statements
- 1 Lack of consideration of report modification for significant uncertainty for rehabilitation of plan to avoid insolvency
- 1 Financial statements inappropriately presented on the liquidation basis, liquidation basis does not apply to frozen plans
- 1 No reference to the other comprehensive basis of accounting used in the auditor's report
- 1 Inappropriately indicated limited scope covered benefit payments

Compliance with Department of Labor Rules and Regulations For Reporting and Disclosure

| Audit Quality Study Review Results | | | | | |
|------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-------|
| Strata | Acceptable Plans | Acceptable Plans | Unacceptable Plans | Unacceptable Plans | Total |
| 1-2 plans | 49 | 6 | 5 | 35 | 95 |
| 3-5 plans | 25 | 2 | 1 | 16 | 44 |
| 6-24 plans | 25 | 3 | 4 | 13 | 45 |
| 25-99 plans | 25 | 3 | 3 | 23 | 54 |
| 100-749 plans | 25 | 0 | 0 | 0 | 25 |
| 750+ plans | 20 | 2 | 0 | 3 | 25 |
| Totals | 209 | 19 | 15 | 67 | 400 |

| Unacceptable, Major Membership in APCA Employee Benefit Plan Audit Quality Center | | | |
|--|-----|----|-------|
| Strata | Yes | No | Total |
| 1-2 plans | 2 | 11 | 13 |
| 3-5 plans | 0 | 0 | 0 |
| 6-24 plans | 8 | 5 | 13 |
| 25-99 plans | 0 | 0 | 0 |
| 100-749 plans | 0 | 0 | 0 |
| 750+ plans | 0 | 0 | 0 |
| Totals | 10 | 11 | 21 |

The following details the unacceptable major findings in audit reports issued related to compliance with Department of Labor Rules and Regulations for Reporting and Disclosure and the number of occurrences.

| # | Description of Unacceptable, Major Finding |
|----|---|
| 3 | Audit performed by an "unlicensed" auditor |
| 1 | No audit performed, auditor performed and issued a "review" report |
| 1 | Audit performed by an auditor who lacked independence |
| 11 | No/inadequate footnote disclosures |
| 11 | Required supplemental schedules not prepared/attached |
| 9 | Incomplete Schedule of Assets Held for Investment (e.g., does not include all investments, missing participant loans, no indication of parties in interest, etc.) |
| 8 | Unsigned audit report |
| 7 | Delinquent employee contributions not reported/disclosed |
| 6 | No/Incomplete audit report attached to the plan's Form 5500 |

- 5 Financial statements do not agree to the Schedule H
- 4 Schedule H, Line 3, audit opinion type not properly completed
- 4 Limited scope audit incorrectly applied
- 3 Statement of Net Assets not presented comparatively
- 1 Audit report contains an unacceptable qualification
- 1 Administrative fees not separately disclosed from benefit payments
- 1 Certification provided by third-party not supported by evidence of Agency relationship with trustee
- 1 Plan Form 5500 contained Schedule A's for welfare benefits but no evidence of review to determine whether a separate plan & filing should have been made
- 1 Incorrect format of schedule of assets
- 1 No certification to support limited scope audit disclaimer opinion in the audit report
- 1 Inappropriate reference to certifying entity
- 1 Opinion does not extend to all required supplemental schedules
- 1 Reference made to an incorrect, non-qualifying, certifying entity in the audit opinion
- 1 Schedule of Reportable Transactions did not disclose common stock shares purchased from officers of the sponsor company
- 1 Schedule of Assets Held for Investment does not break out self-directed brokerage accounts
- 1 Total investments per schedule of assets does not reconcile to total assets presented on the plan's financial statements
- 1 Inappropriate items included on the schedule of assets held
- 1 Incorrect schedule of assets held
- 1 Auditor unable to explain \$21,530 in deemed distribution loans, principal and interest
- 1 Audit report is not for the plan

Appendix III

Appendix III Overview

The following chart presents, among strata, the number of audits with an unacceptable major review result, by the number of affected audit areas. For example, in the 1-2 plan stratum, there were 2 audits with an unacceptable major review result with one affected audit area. The remainder of Appendix III provides the detail findings of the 234 audits with an unacceptable major review result.

| Number of Audits by Stratum by Number of Deficient Areas of Audit for Engagements With an Unacceptable Major Review Result | | | | | | | | | | | | | | | | |
|--|------|------|------|-------|-------|------|------|------|------|------|------|------|------|------|------|-------|
| Strata | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | Total |
| 1 - 2 plans | 2 | 4 | 8 | 5 | 7 | 3 | 7 | 2 | 5 | 7 | 3 | 6 | 4 | 4 | 5 | 72 |
| 3 - 5 plans | 3 | 7 | 7 | 8 | 11 | 3 | 2 | 1 | 7 | 3 | 6 | 2 | 4 | 0 | 1 | 65 |
| 6 - 24 plans | 7 | 9 | 4 | 7 | 5 | 8 | 2 | 9 | 4 | 4 | 3 | 0 | 2 | 0 | 0 | 64 |
| 25 - 99 plans | 2 | 1 | 4 | 6 | 6 | 0 | 3 | 2 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 27 |
| 100 - 749 plans | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| 750+ plans | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Totals | 16 | 22 | 23 | 27 | 30 | 14 | 14 | 15 | 17 | 16 | 12 | 8 | 10 | 4 | 6 | 234 |
| | 6.8% | 9.4% | 9.8% | 11.5% | 12.8% | 6.0% | 6.0% | 6.4% | 7.3% | 6.8% | 5.1% | 3.4% | 4.3% | 1.7% | 2.6% | 100% |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 1 | No | 15 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" No review of internal control of service provider(s) |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures Inadequate documentation of recalculation of contributions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/ Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No documentation of results of inquiries with management |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No review of interim financial data No documentation of results of inquiries with management |
| | | | | | Minor Item(s): Planning & Supervision | No evidence of required communications (114/115) Audit report dated under old standards when substantial audit work was completed rather than under the new standards of when work had been reviewed |
| | | | | | Investments & Investment Transactions | Uncertified investments/transactions not audited No agreement of certified investment income to financial statements |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Plan Representations | Inadequate representations |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| 2 | No | 15 | Limited | DC 401(k) | All relevant areas of audit | Unlicensed auditor |
| | | | | | Compliance with GAAS & GAAP | Unlicensed auditor |
| | | | | | Compliance with ERISA & DOL Rules | Unlicensed auditor |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 3 | No | 15 | Full | DC | Planning & Supervision | No/lack of lack of evidence of audit planning No/insufficient audit program Improper performance of limited scope audit No/inadequate assessment of fraud risk |
| | | | | | Internal Controls | No work performed |
| | | | | | Investments & Investment Transactions | No work performed Audit workpapers did not contain the certification for a limited scope audit |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Plan Representations | No plan representation letter |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Report does not refer to prior year presented |
| | | | | | Compliance with ERISA & DOL Rules | Limited scope audit incorrectly applied Financial statements did not agree to Form 5500, Schedule H Schedule H, Line 3, opinion type incorrectly indicated |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 4 | No | 15 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" No review of internal control of service provider(s) |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures Inadequate documentation of recalculation of contributions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No review of interim financial data No documentation of results of inquiries with management |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| | | | | | Minor Item(s): Planning & Supervision | No evidence of required communications (114/115) Audit report dated under old standards when substantial audit work was completed rather than under the new standards of when work had been reviewed |
| | | | | | Investments & Investment Transactions | Uncertified investments/transactions not audited No agreement of certified investment income to financial statements |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Plan Representations | Inadequate representations |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| 5 | No | 15 | Full | DC 401(k) | All relevant areas of audit | Unlicensed auditor |
| | | | | | Compliance with GAAS & GAAP | Unlicensed auditor |
| | | | | | Compliance with ERISA & DOL Rules | Unlicensed auditor |
| 6 | Yes | 14 | Limited | DC 403b | Planning & Supervision | No/insufficient audit program |
| | | | | | Internal Controls | Lack of documentation of risk assessment procedures No assessment/documentation of control risk No SOC1 report bridge letter |
| | | | | | Investments & Investment Transactions | No audit program for this area of audit |
| | | | | | Notes Receivable | No work performed No audit program for this area of audit |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | Inadequate work - documentation submitted pertained to the 2010 plan year |
| | | | | | Plan Representations | Inadequate representations Representation letter inappropriately contains wording for a full scope audit |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Incorrect format for schedule of assets |
| 7 | No | 14 | Limited | DC | All relevant areas of audit | Unlicensed auditor |
| | | | | | Compliance with GAAS & GAAP | Unlicensed auditor |
| | | | | | Compliance with ERISA & DOL Rules | Unlicensed auditor |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 8 | No | 14 | Full | DC | Planning & Supervision | No/lack of evidence of audit planning |
| | | | | | Internal Controls | No work performed |
| | | | | | Investments & Investment Transactions | No work performed |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed Incomplete identification of parties in interest/related parties |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Non-compliance with SAS 58 - no reference to U.S. GAAP and GAAS |
| | | | | | Compliance with ERISA & DOL Rules | Statement of net assets not comparative IQPA opinion contains an unacceptable qualification Schedule of investments does not break out self-directed brokerage accounts Schedule H, Line 3, opinion type incorrectly indicated |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 9 | No | 14 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of planning inquiries No analytical procedures |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No evidence of SOC1 report review reliance No review of internal control of service provider(s) No documentation to support assessment of control risk below maximum Fraud brainstorming did not include in-charge who performed most of the audit work |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification The trust report prepared by and obtained from the recordkeeper |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions which were material |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding forfeitures No testing to ensure participant receipt of distribution |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/ terminations/ forfeitures No testing of compliance with compensation provisions No reconciliation of participant accounts to total assets |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | Inadequate evidence that work was performed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 10 | No | 13 | Full | DC 403b | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | Inadequate evidence that work was performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| | | | | | Minor Item(s): Plan Representations | Three representations in the template were omitted from the client signed representation letter, but there was no documentation of any follow up by the IQPA |
| | | | | | Planning & Supervision | No/insufficient audit program No evidence of required communications (114/115) |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No evidence of SOC1 report review reliance |
| | | | | | Investments & Investment Transactions | No work performed |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No tracing of benefit payments to participant accounts |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 11 | No | 13 | Full | DC 401(k) | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Report not modified for lack of ERISA schedules |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures Required schedules not attached/prepared |
| | | | | | Planning & Supervision | No/lack of lack of evidence of audit planning No/insufficient audit program |
| | | | | | Internal Controls | No work performed |
| | | | | | Investments & Investment Transactions | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Plan Representations | Inadequate representations Representations not appropriately tailored to plan |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 12 | No | 13 | Full | Health | Compliance with GAAS & GAAP | Inadequate footnote disclosures Report did not refer to supplemental information Inappropriately presented benefit payments as refunds of contributions |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete schedule of assets |
| | | | | | Planning & Supervision | No/insufficient audit program No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) No/inadequate assessment of fraud risk |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud inquiries |
| | | | | | Investments & Investment Transactions | No testing of end of year asset values No testing of investment transactions Insufficient work performed |
| | | | | | Contributions Received & Receivable | Insufficient work performed of contributing employers (multi-employer plans) No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data | No work performed |
| | | | | | Plan Obligations | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No review of interim financial data |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|----------------|-----------|---|--|
| 13 | No | 13 | Other "Review" | DC | Compliance with GAAS & GAAP | Opinion only, no financial statements attached to 5500 |
| | | | | | Compliance with ERISA & DOL Rules | Opinion only, no financial statements attached to 5500 |
| | | | | | All relevant areas of audit | No audit performed |
| | | | | | Compliance with GAAS & GAAP | No audit performed |
| 14 | No | 12 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules | No audit performed |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning No evidence of required communications (114/115) No/insufficient review of plan documents/operation |
| | | | | | Internal Controls | No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No/inadequate evidence of fraud inquiries No evidence of SOC1 report review reliance |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inappropriate reliance on SOC1 report |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | | |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 15 | No | 12 | Limited | DC 401(k) | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures Incomplete schedule of assets |
| | | | | | Minor Item(s): Plan Tax Status | No tax determination letter obtained |
| | | | | | Investments & Investment Transactions | Certifying entity identified in report was not consistent with certification Certification did not have financial information attached |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding eligibility No test of receipt of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/ terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work Identification of a related party as a trustee who does not appear to be a trustee |
| | | | | | Subsequent Events | No review of interim financial data No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Report not modified for lack of ERISA schedules |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| | | | | | Minor Item(s): Planning & Supervision | Engagement letter contains full scope language for limited scope audit Expectations memo identified significant changes - one identified & one was not, both were not addressed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 16 | No | 12 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control Control risk assessed at low for all areas was not supported |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Plan Tax Status | No evidence US tax compliance tests were reviewed |
| | | | | | Plan Representations | Representations not appropriately tailored to plan |
| | | | | | Planning & Supervision | No audit materiality determined No indication of supervisory review of workpapers |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control No/inadequate evidence of fraud "brainstorming" |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| 17 | No | 1 | Limited | DC 401(k) | Participant Interest Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 17 | No | 12 | Limited | DC 401(k) | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Financial statements did not agree to Schedule H |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning No/insufficient audit program No/inadequate assessment of fraud risk No/insufficient review of plan documents/operations |
| | | | | | Internal Controls | No work performed No/inadequate documentation of internal control environment No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" |
| | | | | | Investments & Investment Transactions | No list of plan investments |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 18 | No | 12 | Full | DC | Commitments & Contingencies | Inadequate work |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Investments & Investment Transactions | No testing of investment transactions Investments per the financial statements did not agree to the confirmation trust statement |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant eligibility/terminations/forfeitures No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | Inadequate work |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Delinquent employee contributions not reported/disclosed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Minor Item(s): Internal Controls | No/inadequate documentation of internal control environment |
| 19 | No | 12 | Limited | DC 401(k) | Planning & Supervision | No/lack of evidence of audit planning No/insufficient audit program No/inadequate assessment of fraud risk No/insufficient review of plan documents/operations |
| | | | | | Internal Controls | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| 20 | No | 11 | Limited | DC 401(k) | Planning & Supervision | Auditor lacked independence No/lack of evidence of audit planning No/insufficient audit program No evidence of required communications (1/14/1/15) |
| | | | | | Internal Controls | No/inadequate evidence of fraud "brainstorming" No evidence of SOC1 report review reliance |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Investments & Investment Transactions | No audit program for this area of audit |
| | | | | | Notes Receivable | No work performed No audit program for this area of audit |
| | | | | | Contributions Received & Receivable | No work performed No audit program for this area of audit |
| | | | | | Benefit Payments | No work performed No audit program for this area of audit |
| | | | | | Participant Data & Participant Accounts | No work performed No audit program for this area of audit |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No audit program for this area of audit No identification of parties in interest/related parties |
| | | | | | Plan Tax Status | No work performed No audit program for this area of audit |
| | | | | | Commitments & Contingencies | No work performed No audit program for this area of audit |
| | | | | | Subsequent Events | No work performed No audit program for this area of audit |
| 21 | No | 11 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/operations No/inadequate procedures on initial/beginning balances No/inadequate work related to predecessor auditors |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures Inconsistent evidence of review of SOC1 report |
| | | | | | Investments & Investment Transactions | Certification not consistent with plan reporting period Inadequate testing of change in service provider Uncertified investments and/or transactions not audited |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document Participant loans were not certified and full scope procedures were not performed No schedule of loans reconciling to financial statements Insufficient work to determine if total amount was proper |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions Inadequate testing of use of forfeitures No contributions withheld from a bonus and no testing to determine the propriety of such |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | No documentation of results of inquiries with management No tax determination letter obtained No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared Statement of net assets not comparative |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 22 | No | 11 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/operations No/inadequate work related to predecessor auditors No evidence of required communications (114/115) Firm is not licensed but individual is licensed |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance Inconsistency in risk assessment for contributions |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | Insufficient documentation to enable re-performance Insufficient work related to possible late submission of employee contributions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate testing of hardship/in-service payments Un-reconciled difference in total benefit payments between distribution listing and that reported on the financial statements |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/ terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Administrative Expenses | Expenses deemed immaterial but amount is above materiality threshold Fees netted against forfeitures with negative fee reported as other income & not analyzed for possible related party transaction |
| | | | | | Subsequent Events | No review of interim financial data No documentation of results of inquiries with management |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 23 | No | 10 | Limited | DC 401(k) | Minor Item(s): Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to financial statements Inadequate work |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management Inadequate work |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Delinquent employee contributions not reported/disclosed |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No resolution of variances in calculations Lack of documentation for support of employer contribution formula Lack of identification of improper use of forfeitures to offset employer contribution prior to plan expenses being paid |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures No/insufficient testing of payroll data |
| | | | | | Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to financial statements Inadequate work |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Limited scope audit incorrectly applied Required schedules not attached/prepared |
| | | | | | Minor Item(s): Internal Controls | Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" No review of internal control of service provider(s) |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 24 | No | 10 | Full | DC 401(k) | Investments & Investment Transactions | 3 of 4 insurance policies were not available and no documentation supporting estimated value of the cash surrender value of the policies |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits Lack of follow-up on inconsistencies in reporting of distributions to participants who appear to be related parties |
| | | | | | Subsequent Events | No documentation evidencing what subsequent accounting records were reviewed and the results of examinations |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No evidence of SOC1 report review reliance Lack of evidence to support reduction in control risk |
| | | | | | Investments & Investment Transactions | No assessment of valuation specialist's qualifications No testing of investment transactions No testing of investment income Inadequate testing of change in service provider Inadequate identification of plan's investment medium(s) at end of year |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of change in service provider |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Plan Representations | Representations not appropriately tailored to plan Inappropriate representation letter date |
| | | | | | Compliance with ERISA & DOL Rules | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared Incorrect schedule of assets held for investment |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 25 | No | 10 | Full | DC 401(k) | Minor Items: Planning & Supervision | Lack of planning analytical procedures |
| | | | | | Contributions Received & Receivable | No reconciliation of employer & employee contribution amounts |
| | | | | | Benefit Payments | No reconciliation of distributions |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk |
| | | | | | Investments & Investment Transactions | No confirmation of investments No testing of investment transactions |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed Incomplete list of parties in interest |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Opinion does not extend to all financial statements Inadequate footnote disclosures |
| | | | | | Minor Item(s): Planning & Supervision | No analytics No evidence of supervisory review |
| | | | | | Compliance with ERISA & DOL Rules | Incorrect opinion disclosed on Schedule H, Part III |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 26 | No | 10 | Limited | DC 401(k) | Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate work recalculating employer and employee contributions Circular employee contribution testing Eligibility testing did not include test of end of year employment requirement |
| | | | | | Benefit Payments | Inadequate follow up on errors noted in benefit recalculation testing No testing of participant receipt |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of participant investment options No reconciliation of total participant accounts to total assets |
| | | | | | Minor Item(s): Planning & Supervision | Report dated prior to partner review sign off date Management letter dated for date prior to sponsor signature date |
| | | | | | Internal Controls | No/inadequate evidence of fraud inquiries No/inadequate documentation of internal control environment No evidence of SOC1 report review reliance Control risk below maximum but no evidence of test of controls |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed Unclear if determination letter was for the plan Eligibility period for pretax and rollover contributions was waived but there were no amendments to support this |
| | | | | | Subsequent Events | No review interim financial data |
| | | | | | Plan Representations | Inappropriate representation letter date |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| 27 | No | 10 | Full | Health | Planning & Supervision | No/insufficient review of plan documents/plan operations |
| | | | | | Internal Controls | No review of internal control of service providers |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate work regarding validity of claims No recalculation of benefit payments |
| | | | | | Participant Data | No work performed Inadequate testing of participant eligibility/terminations/forfeitures |
| | | | | | Plan Obligations | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| 28 | No | 10 | Full | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations Lack of preliminary analytics |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk Lack of documentation of risk assessment procedures No evidence of SOC1 report review reliance SOC1 report does not cover entire period and no work performed to address such |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Investments & Investment Transactions | No testing of end of year asset values No testing of investment transactions No testing of investment income |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Statement of net assets not comparative |
| 29 | No | 10 | Limited | DC 401(k) | Planning & Supervision | No planning analytics |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions No test of rollovers No reconciliation to trust report and sponsor records Inadequate testing of forfeitures |
| | | | | | Benefit Payments | Inadequate work No list of benefit payments made No reconciliation to trust and participant accounts No test of corrective distributions No review of supporting documents & approvals No tracing of payment to participant's account |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No evidence of work performed on individual participant accounts |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No evidence of work performed in support of prior year testing results which resulted in current year return of excess contributions |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures No subsequent events disclosure |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete schedule of assets Participant loans not disclosed on schedule of assets |
| 30 | No | 9 | Limited | DC 401(k) | Planning & Supervision | No evidence of required communications(114/115) |
| | | | | | Internal Controls | No documentation of SOC1 report controls relied upon No documentation of an assessment of user controls |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No recalculation of employee contributions based upon participant election No evidence supporting receipt of contributions & whether receivables should be recognized |
| | | | | | Benefit Payments | Participant confirmations not included in workpapers |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total plan assets |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 31 | No | 9 | Full | DC 401(k) | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| | | | | | Planning & Supervision | IQPA did not address the \$4.7M rollover into this new plan in 2011 |
| | | | | | Internal Controls | Lack of documentation of risk assessment procedures |
| | | | | | Investments & Investment Transactions | No testing of end of year asset values No testing of investment transactions No testing of investment income |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of rollover contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding eligibility No/inadequate testing of hardship/in-service payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| 32 | No | 9 | Full | DC 401(k) | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Opinion does not extend to all supplemental schedules |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No understanding of internal control environment for third party recordkeeper & accounting services |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Investments & Investment Transactions | No testing of investment transactions No testing of investment income No testing of end of year fair values for investments held in self-directed brokerage accounts |
| | | | | | Contributions Received & Receivable | No audit program for this area of audit No agreement of contributions to trust records No testing/reconciliation of contribution receivable |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Financial statements did not agree to Schedule H Inappropriate items included on the schedule of assets |
| | | | | | Minor Item(s): Plan Tax Status | No tax determination letter obtained |
| | | | | | Plan Representations | Representations not appropriately tailored to plan |
| 33 | No | 9 | Limited | DC | Planning & Supervision | No/lack of evidence of audit planning No/insufficient audit program No/insufficient review of plan documents/operations |
| | | | | | Internal Controls | No work performed No evidence of fraud "brainstorming" |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 34 | No | 9 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud "brainstorming" No/inadequate evidence of fraud inquiries |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No testing of rollover and Roth contributions Inadequate testing of forfeitures |
| | | | | | Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report Inadequate testing of participant investment options Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Minor Items Highlighted & Significant | Engagement letter language is for a full scope audit but a limited scope audit was performed Engagement letter is not for the plan |
| | | | | | Benefit Payments | No/inadequate work regarding hardship/in-service payments |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 35 | No | 8 | Full | DC | Planning & Supervision | No/insufficient audit program Inadequate documentation of plan operations/administration Inadequate preliminary analytic review Inadequate review of workpapers |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control No review of internal control of service providers |
| | | | | | Investments & Investment Transactions | Inappropriate reliance on SOC1 report Inadequate evidence of confirmation of investment ownership and existence with custodian |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Minor Item(s): Commitments & Contingencies | No work performed - IQPA indicated "n/a" |
| 36 | No | 8 | Limited | DC 401(k) | Subsequent Events | Inadequate evidence of review of subsequent financial information Inadequate evidence of specific inquiries |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 37 | No | 7 | Limited | DC 403b | Minor Item(s): Internal Controls | SOC1 reports did not cover entire period and no review of controls outside of the SOC1 report period No evidence of review of payroll internal controls or SOC1 report of payroll provider |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Subsequent Events | No review interim financial data |
| | | | | | Planning & Supervision | No/inadequate procedures on initial/beginning balances |
| | | | | | Internal Controls | No/inadequate evidence of fraud brainstorming" |
| 38 | Yes | 7 | Limited | DC 403b | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Investments & Investment Transactions | Uncertified investments/transactions not audited No reconciliation of investment income to financial statements |
| | | | | | Contributions Received & Receivable | No testing of compliance with compensation provisions No reconciliation of contributions per sponsor records to custodian records |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|---------------|-----------|--|---|
| | | | | | Minor Item(s): Planning & Supervision | No/insufficient review of plan documents/plan operations |
| | | | | | Notes Receivable | Inadequate documentation of testing of participant loans for compliance with plan document |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| 39 | No | 7 | Limited-Scope | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations |
| | | | | | Internal Controls | No assessment/documentation of control risk No evidence of SOC1 report review reliance |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions No reconciliation of participant accounts to total assets |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| 40 | Yes | 7 | Limited | DC 401(k) | Planning & Supervision | No/inadequate procedures on initial/beginning balances No verification of balances transferred from/to new custodian |
| | | | | | Investments & Investment Transactions | No/inadequate testing of change in service provider No testing of assets transferred from plan |
| | | | | | Notes Receivable | No evidence of work performed |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 41 | No | 7 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/inadequate testing of change in service provider Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties IQPA did not adequately and accurately identify accounting and reporting with parties in interest |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance No documentation of an assessment of user controls |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document No review of supporting loan documents No listing of outstanding loans |
| | | | | | Benefit Payments | No work performed Total per financial statements was not reconciled to total per the trust report |
| | | | | | Participant Data & Participant Accounts | No reconciliation of participant accounts to total assets No evidence of testing of allocation of investment income to participant accounts |
| 42 | No | 7 | Limited | DC | Subsequent Events | No review of interim financial data |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No tax determination letter obtained |
| | | | | | Plan Tax Status | |
| 42 | No | 7 | Limited | DC | Planning & Supervision | No/inadequate procedures on initial/beginning balances No audit work on opening balances of participant accounts No/insufficient review of plan documents/operation |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Minor Item(s): Internal Controls | No evidence of SOC1 report review reliance No identification of initial audit engagement risks No evidence of review of SOC1 report user controls IQPA did not address internal controls over participant accounts from plan inception thru 12/31/2010 |
| | | | | | Investments & Investment Transactions | No documentation of any audit procedures on opening investment balances for initial plan audit |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions Inadequate testing of use of forfeitures Unclear how employer & employee contributions were tested Unclear how census data was tested for proper inclusion/exclusion Unclear how forfeiture amount and disposition tested |
| | | | | | Benefit Payments | Inadequate evidence regarding amount or propriety of approval for payment Unclear how benefit was recalculated for accuracy, how vesting was tested or how forfeitures were tested |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No evidence of testing opening participant balances from plan inception to 12/31/2010 |
| 43 | No | 7 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding eligibility No/inadequate work regarding validity of claims |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with ERISA & DOL Rules | Filing contained Schedules A for welfare benefits but there was no evidence of review to determine whether a separate filing should be made for a welfare plan |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | Inadequate work |
| 44 | No | 6 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of participant investment options |
| | | | | | Compliance with ERISA & DOL Rules | Delinquent employee contributions were not reported/disclosed |
| | | | | | Minor Item(s): Internal Controls | No review of internal control of service providers Control risk assessed at moderate/low with no supporting documentation |
| | | | | | Contributions Received & Receivable | Documentation issues make it unclear as to whether proper compensation was used & whether employee contributions were recalculated IQPA concluded timely remittance when evidence supports they were untimely |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No testing to determine receipt of payment |
| | | | | | Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to the financial statements No/inadequate documentation of effect of party in interest/prohibited transactions on financial statements |
| 45 | No | 6 | Limited | DC | Internal Controls | No review of internal control of service providers |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Minor Item(s): Subsequent Events | No review of interim financial data |
| 46 | No | 6 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No/inadequate assessment of control risk Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No tax determination letter obtained |
| 47 | Yes | 5 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) No evidence of determination of audit materiality |
| | | | | | Internal Controls | No documentation of evaluation of internal control Lack of documentation of risk assessment procedures IQPA did not obtain and review SOC1 report covering 6 months of the plan year |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Subsequent Events | No review of interim financial data |
| 48 | No | 5 | Limited | DC 401(k) | Planning & Supervision | No/inadequate procedures on initial/beginning balances |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | Incomplete list of parties in interest |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Interest income from participant loans not segregated from investment income 5% investment disclosure incorrectly includes participant loans |
| 49 | No | 5 | Limited | DC 401(k) | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures IQPA unable to explain \$21,530 in deemed distribution loans, principal and interest |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 50 | No | 5 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations Inadequate supervision, governance communications, preliminary analytical review and risk assessments |
| | | | | | Contributions Received & Receivable | Inadequate testing of participant deferrals Inadequate documentation related to late remittances |
| | | | | | Minor Item(s): Internal Controls | No/inadequate documentation of internal control environment Inadequate documentation of sponsor payroll system Inappropriate communication that no significant deficiencies were identified |
| | | | | | Notes Receivable Participant Data & Participant Accounts | Inappropriately presented as investments Lack of documentation of census and demographic information |
| 51 | No | 5 | Limited | DC 401(k) | Benefit Payments | No tracing of benefit payment to participant's account |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Commitments & Contingencies Administrative Expenses | No documentation of results of inquiries with management No work performed |
| 52 | No | 5 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/inadequate testing of change in service provider Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Subsequent Events | No review of interim financial data |
| | | | | | Minor Item(s): Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared Missing schedule of reportable transactions Inaccurate footnote wording Schedule of assets does not identify parties in interest |
| 53 | No | 5 | Full | DC 401(k) | Investments & Investment Transactions | No testing of investment transactions No testing of investment income |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed Incomplete list of parties in interest |
| | | | | | Minor Item(s): Internal Controls | No/inadequate evidence of fraud "brainstorming" |
| | | | | | Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| 54 | No | 4 | Limited | DC 401(k) | Investments & Investment Transactions | Unsigned certification |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with ERISA & DOL Rules | Schedule H, Line 3, audit opinion type not properly completed |
| | | | | | Minor Item(s): Compliance with GAAS & GAAP | Limited scope audit disclosure incorrectly includes contributions and benefit payments |
| 55 | No | 4 | Limited | DC 401(k) | Planning & Supervision | No/lack of lack of evidence of audit planning No/inadequate assessment of risk No/inadequate review of plan documents/operations No evidence of required communications (114/115) |
| | | | | | Internal Controls | No evidence of work performed No/inadequate evidence of fraud "brainstorming" No/inadequate documentation of internal control environment No assessment/documentation of control risk |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 56 | No | 4 | Limited | DC 401(k) | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Planning & Supervision | No engagement letter |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| 57 | No | 4 | Limited | DC | Compliance with GAAS & GAAP | Audit report did not contain the "independent" title |
| | | | | | Compliance with ERISA & DOL Rules | Unsigned IQPA report |
| | | | | | Internal Controls | No/inadequate evidence of fraud "brainstorming" |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| 58 | Yes | 4 | Limited | DC | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Unsigned IQPA report Limited scope audit incorrectly applied |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Administrative Expenses | Inadequate work |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 59 | No | 3 | Limited | DC | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Minor Item(s): Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| 60 | Yes | 3 | Limited | DC 401(k) | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| 61 | No | 3 | Limited | DC | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| 62 | No | 3 | Limited | DC | Investments & Investment Transactions | Audit workpapers did not contain the certification Certification obtained was dated 3/21/14, subsequent to audit report date of 10/5/12 |
| | | | | | Minor Item(s): Contributions Received & Receivable Participant Data & Participant Accounts | No recalculation of employer and/or employee contributions No/insufficient testing of payroll data Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 63 | No | 3 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts |
| | | | | | Minor Item(s): Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| 64 | No | 3 | Full | DC | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Administrative Expenses | No work performed |
| 65 | No | 3 | Limited | DC 401(k) | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Minor Item(s): Contributions Received & Receivable | Failure to document the reason for no contributions being made |
| 66 | No | 3 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules | Unsigned IQPA report |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate documentation of testing individual account income postings |
| | | | | | Compliance with GAAS & GAAP | Supplemental schedules not referenced in paragraphs 1 and 3 of audit report |
| 67 | No | 2 | Limited | DC 401(k) | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Minor Item(s): Compliance with GAAS & GAAP | Inadequate footnote disclosures |

1-2 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 68 | Yes | 2 | Full | DB | Investments & Investment Transactions | IPG contract excluded from plan's financial statements No accounting analysis supporting conclusion for excluding IPG contract from financial statement reporting No copy of IPG contract in file |
| | | | | | Compliance with GAAS & GAAP | IPG contract of \$4.5M excluded from the financial statements Lack of consideration of report modification for significant uncertainty for rehabilitation plan to avoid insolvency Inadequate footnote disclosures |
| 69 | No | 2 | Limited | DC | Investments & Investment Transactions | Audit workpapers did not contain the certification |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| 70 | No | 2 | Limited | DC | Internal Controls | No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification |
| 71 | No | 1 | Limited | DC 401(k) | Investments & Investment Transactions | Unsigned certification |
| 72 | No | 1 | Limited | DC | Compliance with GAAS & GAAP | Inadequate footnote disclosures Incomplete schedule of assets |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 1 | No | 15 | Full | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) No evidence of preliminary analytics Partner sign-off date was 3 days after audit report date |
| | | | | | Investments & Investment Transactions | No work performed |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | Inadequate documentation - unable to determine accounting records or data reviewed, with whom inquiries were made, and result of such inquiries |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Audit report did not refer to supplemental information |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete audit report attached to Form 5500 Schedule of assets did not indicate parties in interest |
| | | | | | Minor Item(s): Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 2 | No | 13 | Limited | DC 401(k) | Notes Receivable | Inadequate testing of existence No participant confirmations No evidence of examination of promissory notes No test of interest income |
| | | | | | Plan Tax Status | Tax compliance testing was for 2010, not 2011, and impact was not posted nor accumulated in the summary of uncorrected misstatements |
| | | | | | Commitments & Contingencies | Inadequate work |
| | | | | | Plan Representations | Inappropriate representation letter date Representations not appropriately tailored to plan |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning No evidence of required communications (114/115) |
| | | | | | Internal Controls | No assessment/documentation of control risk Lack of documentation of risk assessment procedures |
| | | | | | Investments & Investment Transactions | Improper reference to and reliance on certifying entity |
| | | | | | Notes Receivable | No work performed No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Reinvestments | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | Inadequate work No evidence IRS tax compliance tests were reviewed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 3 | No | 13 | Full | Health | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inappropriate presentation of participant loans No adjustment from fair value to contract value for fully-benefit responsive contract |
| | | | | | Compliance with ERISA & DOL Rules | Inappropriate reference to certifying entity Incomplete schedule of assets |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) Insufficient analytical procedures |
| | | | | | Investments & Investment Transactions | Insufficient work performed |
| | | | | | Contributions Received & Receivable | IQPA did not identify inconsistency in COBRA contributions IQPA did not determine if reinsurance receivable was complete |
| | | | | | Benefit Payments | Inappropriate reliance on SOC1 report No/inadequate work regarding validity of claims IQPA did not identify inconsistency in COBRA contributions and the lack of reporting of dental and vision claims |
| | | | | | Subsequent Events Compliance with GAAS & GAAP | Inadequate work Inappropriate presentation of financial information on financial statements Report not modified for lack of ERISA schedules |
| | | | | | Compliance with ERISA & DOL Rules | Report is not for the plan |
| | | | | | Minor Item(s): Participant Data | Inadequate testing of participant eligibility/terminations/forfeitures Inadequate resolution and conclusion on errors noted |
| | | | | | Plan Obligations | No/inadequate testing of IBNR |
| | | | | | Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to financial statements Inadequate documentation regarding large claims for a related party to support conclusion |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Administrative Expenses | Inadequate work |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 4 | No | 13 | Limited | DC 401(k) | Plan Representations | Representations not appropriately tailored to plan |
| | | | | | Planning & Supervision | No/lack of lack of evidence of audit planning No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) Inadequate supervision/untimely partner review |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No evidence of SOC1 report review reliance No/inadequate evidence of fraud" brainstorming" Lack of documentation of risk assessment procedures |
| | | | | | Investments & Investment Transactions | Unexplained variance in certified participant loan total |
| | | | | | Notes Receivable | No evidence of work performed No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate reconciliation of contributions received and receivable Inadequate resolution of variance in deferral percentages and participant elections |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate testing of hardship/in-service payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | Incorrect tax determination letter Plan document is outdated Footnotes did not match plan document Footnotes did not address tax uncertainties |
| | | | | | Commitments & Contingencies | Inadequate work |
| | | | | | Subsequent Events | Inadequate work No review of interim financial data |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Delinquent employee contributions not reported/disclosed |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures Delinquent employee contributions not reported/disclosed |
| | | | | | | |
| | | | | | | |
| 5 | No | 13 | Limited | DC 401(k) | Internal Controls | No documentation of evaluation of internal control No/inadequate evidence of fraud "brainstorming" No review of internal control of service provider(s) |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification Inadequate testing of change in service provider No comparison/reconciliation of certified income to amount reported on financial statements |
| | | | | | Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate testing of timely remittance of employee contributions Inadequate testing of employer contributions which appear to have not been made in accordance with the plan document |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments Inadequate work regarding participant receipt |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/ terminations/forfeitures Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Plan Tax Status | IRS determination letter was not reviewed or which was for the correct plan Inconsistent documentation regarding compliance tests No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | Inadequate work Insufficient documentation of inquiries and procedures performed |
| | | | | | Compliance with ERISA & DOL Rules | Delinquent employee contributions not reported/disclosed Required schedules not attached/prepared Some assets on Schedule of Assets did not indicate parties in interest |
| | | | | | Minor Item(s): Planning & Supervision | No/insufficient audit program Ineffective analytics did not identify potential misstatements Partner signoffs after audit report date |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | Inadequate work |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Report not modified for lack of ERISA schedules |
| 6 | Yes | 12 | Full | DB | Planning & Supervision | No/insufficient review of plan documents/operation No evidence of IQPA consideration of plan termination in planning audit procedures for a liquidation basis for investments and accumulated plan benefit obligations |
| | | | | | Internal Controls | IQPA did not identify audit risks related to a liquidation basis for non-marketable investments, accumulated plan benefit obligations, nor benefit payments subsequent to plan termination |
| | | | | | Investments & Investment Transactions | No verification of existence of investments, IQPA relied on SOC1 report IQPA did not address liquidation basis for non-marketable securities and insurance contracts |
| | | | | | Contributions Received & Receivable | No evaluation of any required employer contribution receivable that might result from any unfunded accumulated benefit obligation resulting from plan termination |
| | | | | | Benefit Payments | No recalculation of benefit payments |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data | IQPA did not obtain or evaluate any census data based on the premise that an actuarial report did not need to be obtained for a terminated plan |
| | | | | | Plan Obligations | No liquidation basis actuarial report obtained for the terminated plan |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Mergers & Terminations | No liquidation basis actuarial report obtained No evaluation of potential employer contribution on liquidation basis No audit procedures performed on plan liquidation occurring during the subsequent events time period |
| | | | | | Subsequent Events | IQPA did not obtain evidence of complete liquidation of the plan by 7/25/12 |
| | | | | | Plan Representations | No evaluation of numerous representations that were inconsistent with information known by the auditor |
| | | | | | Compliance with GAAS & GAAP | Audit workpapers did not document sufficient appropriate audit evidence to support the unqualified opinion |
| 7 | No | 12 | Limited | DC | Planning & Supervision | No/lack of evidence of audit planning No/insufficient audit program No/inadequate procedures on initial/beginning balances |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No review of internal control of service provider(s) |
| | | | | | Investments & Investment Transactions | Audit workpapers did not contain the certification Certification was not consistent with the plan reporting period |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | Inadequate work No evidence IRS tax compliance tests were reviewed No tax determination letter obtained |
| | | | | | Commitments & Contingencies | Inadequate work |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| 8 | No | 11 | Limited | DC 403b | Internal Controls | Lack of documentation of risk assessment procedures No evidence of SOC1 report review reliance |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of rollovers for compliance with plan document |
| | | | | | Benefit Payments | No testing of approvals, proper payee, proper distribution amount, proper payment to proper payee, and rollovers for compliance with plan document |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosure for investments Improper reporting in auditor's report of benefit responsive and non-benefit-responsive contracts |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 9 | No | 11 | Full | DC | Minor Item(s): Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations No preliminary analytics with expectations documented Unsigned IQPA report |
| | | | | | Compliance with ERISA & DOL Rules | |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/operations No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud "brainstorming" |
| | | | | | Investments & Investment Transactions | Insufficient work performed No testing of investment transactions No testing of investment income |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions No schedule of contributions received & receivable |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant eligibility/terminations/forfeitures No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Plan Representations | Representations not appropriately tailored to plan Inadequate representations |
| 10 | No | 11 | Full | Health | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | | No/inadequate assessment of fraud risk No evidence of required communications (114/115) No evidence of review of workpapers |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk Lack of documentation of risk assessment procedures No/inadequate evidence of fraud inquiries No SOC1 report review, reliance, or test of user controls |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions No consideration of plan funding status |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate work regarding validity of claims No recalculation of benefit payments |
| | | | | | Participant Data | No testing for inclusiveness No testing of health coverage plan selected for compliance with participant election |
| | | | | | Plan Obligations | No/inadequate testing of IBNR No testing of insurance premiums paid |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No work performed other than obtaining an IRS determination letter |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 11 | Yes | 11 | Limited | DC | Planning & Supervision | No evidence of required communications (114/115) |
| | | | | | Internal Controls | No evidence of planning analytics Lack of documentation of risk assessment procedures No SOC1 report bridge letter |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No evidence of the performance of substantive audit procedures |
| | | | | | Participant Data & Participant Accounts | Inadequate work performed, most standard participant data substantive audit procedures not performed |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No tax determination letter obtained |
| | | | | | Subsequent Events | No documentation of results of inquiries with management No review of interim financial data |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Limited scope audit incorrectly applied Net income per Form 5500 does not agree to financial statements |
| 12 | No | 11 | Limited | DC 401(k) | Planning & Supervision | No evidence of required communications (114/115) Inadequate supervision, partner review completed after report date |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Inadequate documentation of risk assessment No/inadequate evidence of fraud "brainstorming" No/inadequate evidence of fraud inquiries Fraud brainstorming and inquiries made after audit report date |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Contributions Received & Receivable | Inadequate testing of recalculation of employee deferrals Inadequate testing of use of forfeitures No testing of compliance with compensation provisions Non-receipt of employer contribution for 1 sample selection Inadequate testing of rollovers Inadequate sample size |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management Inadequate work |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Plan Representations | Inappropriate representation letter date Representation letter was not on letterhead of the plan or plan sponsor and signer only identified as "office manager" who is also the signer as plan administrator on the Form 5500 |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inappropriate report date Not all investments were presented in the fair value measurement disclosure Investment amount on financial statements not consistent with footnote disclosures |
| | | | | | Minor Item(s): Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No evidence of testing of receipt of payment |
| | | | | | Compliance with GAAS & GAAP | Required schedules not attached/prepared |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 13 | No | 11 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/operations No evidence of required communications (114/115) No analytics |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No/inadequate evidence of fraud inquiries |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions Inadequate testing of use of forfeitures No contribution listing No agreement of contributions per plan sponsor to trust statements |
| | | | | | Benefit Payments Participant Data & Participant Accounts | No work performed No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | Plan failed ADP & ACP discrimination testing which required \$48,257 in corrective distributions - no evidence of work performed |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No documentation of results of inquiries with management No review of interim financial data |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 14 | No | 10 | Limited | DC 403b | Planning & Supervision | No/insufficient review of plan documents/operations No evidence of required communications (114/115) No preliminary analytics No evidence of planning related to testing of mid-year change in trustee/recordkeeper |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud inquiries No evidence of SOC1 report review reliance IQPA did not identify and document all significant audit areas |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions (13% of total assets) |
| | | | | | Benefit Payments | No work performed Inappropriate reliance on SOC1 report |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts No testing of participant accounts at time of change in trustee/third party recordkeeper No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures No ASC 820 fair value measurement disclosure Delinquent employee contributions not reported/disclosed |
| | | | | | Compliance with ERISA & DOL Rules | Form 5500 financial information did not agree with auditor's report |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 15 | No | 10 | Limited | DC 403b | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations No preliminary analytics with developed expectations |
| | | | | | Internal Controls | No assessment/documentation of control risk No identification of significant audit areas |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions No testing of rollovers for compliance with plan document |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of change in service provider Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Participant Investment Transactions | No work performed No documentation of parties in interest related parties |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| 16 | No | 10 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan document/plan operations No evidence of required communications (114/115) No preliminary analytical review procedures Partner review over a month after audit report date |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions IQPA did not identify and conclude on effects of errors in contributions |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No/inadequate evidence of consideration of effect of prohibited transactions/party in interest transactions on financial statements No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Minor Item(s): Internal Controls | Lack of documentation of risk assessment procedures Inadequate documentation of SOC1 report |
| | | | | | Administrative Expenses | Inadequate work |
| | | | | | Compliance with GAAS & GAAP | Delinquent employee contributions not reported/disclosed |
| | | | | | Compliance with ERISA & DOL Rules | Delinquent employee contributions not reported/disclosed |
| 17 | No | 9 | Limited | DC 401(k) | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations |
| | | | | | Internal Controls | No review of internal control of service providers |
| | | | | | Investments & Investment Transactions | Certification not consistent with plan reporting period No/inadequate testing of change in service provider |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document No testing of delinquent loans No testing of transfer to another custodian |
| | | | | | Contributions Received & Receivable | Total contributions per custodian not tied to payroll records Inadequate testing of forfeitures |
| | | | | | Benefit Payments | No work performed |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | No/inadequate testing of change in service provider Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Report not modified for lack of ERISA schedules |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| 18 | Yes | 9 | Limited | DC 401(k) | Planning & Supervision | No/insufficient review of plan documents/plan operations No materiality determination No preliminary analytics |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud inquiries |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Plan Representations | Unsigned plan representation letter Inadequate representations, approximately 10 total representations |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning Improper performance of limited scope audit |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No evidence of SOC1 report review reliance |
| 19 | Yes | 9 | Limited | DC 401(k) | Planning & Supervision | No/lack of evidence of audit planning Improper performance of limited scope audit |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No evidence of SOC1 report review reliance |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning Improper performance of limited scope audit |
| | | | | | Internal Controls | No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No evidence of SOC1 report review reliance |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 20 | No | 9 | Limited | DC 401(k) | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions Inadequate testing of use of forfeitures Inappropriate reliance on SOC1 report |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | Inadequate work No evidence IRS tax compliance tests were reviewed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Planning & Supervision | No evidence of required communications (114/115) No documentation of determination of materiality levels |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No verification of subsequent receipt of contributions receivable |
| | | | | | Benefit Payments | No tracing/comparison of benefit payment with participant's account |
| | | | | | Participant Data & Participant Accounts | No testing of whether newly eligible employees were included in the plan |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 21 | No | 9 | Limited | DC | Planning & Supervision Internal Controls | No documentation of current developments and analytics No/inadequate documentation of internal control environment No assessment/documentation of control risk No evidence of SOC1 Report review reliance No/lack of documentation of risk assessment procedures |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions No testing of the posting of contributions per employer records to employee records |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| 22 | No | 9 | Full | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No documentation of an understanding & operation of the 5 elements of internal control |
| | | | | | Investments & Investment Transaction | No testing of investment income |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document No testing of loan documents No testing of loan interest |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No tracing/comparison of benefit payment with participant's account No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Minor Item(s): Administrative Expenses | Although classified as immaterial, no other work performed |
| 23 | No | 9 | Full | DC | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk |
| | | | | | Investments & Investment Transactions | No testing of end of year asset values No testing of investment transactions No testing of investment income No documentation of work performed related to cash accounts |
| | | | | | Contributions Received & Receivable | Insufficient work performed of contributing employers (multi-employer plans) No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding forfeitures No tracing of payments to individual participant accounts No evidence of tests of participant receipt |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No audit program for this area of audit |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 24 | No | 8 | Limited | DC 401(k) | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No audit program for this area of audit |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management No audit program for this area of audit |
| | | | | | Subsequent Events | No work performed No audit program for this area of audit |
| | | | | | Planning & Supervision | No evidence of required communications (114/115) Incorrect engagement letter Partner did not participate in team "brainstorming" discussion |
| | | | | | Internal Controls | Lack of documentation of risk assessment procedures No evidence of SOCI report review reliance No/inadequate evidence of fraud "brainstorming" |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate work regarding validity of claims No/inadequate testing of hardship/in-service payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| 2 | No | 2 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Representations | Inadequate representations Representations not appropriately tailored to plan |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 25 | No | 7 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud inquiries |
| | | | | | Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate testing of use of forfeitures Inadequate follow up and conclusion on variances IQPA did not recognize untimely contributions |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No/inadequate evidence of consideration of effect of prohibited transactions/parties in interest on financial statements |
| | | | | | Compliance with ERISA & DOL Rules Minor Item(s): Notes Receivable | Delinquent employee contributions not reported/disclosed No/inadequate testing of compliance with plan document No evidence of determination of delinquent loans that should be reported as deemed distributions |
| | | | | | Compliance with GAAS & GAAP | Delinquent employee contributions not reported/disclosed Inadequate footnote disclosures |
| 26 | No | 7 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud inquiries |
| | | | | | Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate testing of use of forfeitures Inadequate follow up and conclusion on variances IQPA did not recognize untimely contributions |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 27 | Yes | 6 | Limited | DC 403b | Parties in Interest/Prohibited Transactions | No/inadequate evidence of consideration of effect of prohibited transactions/parties in interest on financial statements |
| | | | | | Compliance with ERISA & DOL Rules | Delinquent employee contributions not reported/disclosed |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document No evidence of determination of delinquent loans that should be reported as deemed distributions |
| | | | | | Compliance with GAAS & GAAP | Delinquent employee contributions not reported/disclosed Inadequate footnote disclosures |
| | | | | | Internal Controls | No review of internal control of service providers Unclear documentation of low & moderate inherent control risk was determined based on errors in prior years in contributions |
| 28 | No | 6 | Limited | DC 401(k) | Notes Receivable | No/inadequate testing of compliance with plan document No testing for determination of delinquent loans that should be reported as deemed distributions |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions which were over the materiality threshold |
| | | | | | Investments & Investment Transactions | Certified investment income does not tie to the financial statements and there was no documentation of a reconciliation of the variance |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties Audit program steps marked "n/a" with no explanation of why |
| 28 | No | 6 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules | Reference made to incorrect, non-qualifying, certifying entity in audit opinion |
| | | | | | Minor Item(s): Contributions Received & Receivable | No audit evidence of testing of rollover contributions |
| | | | | | Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| 29 | Yes | 6 | Limited | DC 401(k) | Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Participant Data & Participant Accounts | Failure to test compliance with plan compensation provisions Inappropriate reliance of SOC1 report Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets Inadequate testing of employee authorizations for deferral amounts & investment elections |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Subsequent Events | No work performed |
| | | | | | Minor Item(s): Contributions Received & Receivable | No testing of rollovers for compliance with plan document |
| | | | | | Administrative Expenses | Inadequate work |
| 30 | No | 5 | Limited | DC 401(k) | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 31 | No | 5 | Limited | DC | Internal Controls | No/inadequate documentation of internal control environment No bridge letter obtained for financial statement period not covered by the SOC1 report |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | Incomplete list of parties in interest |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| 32 | No | 5 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud "brainstorming" |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions which were nearly 4.5 times the materiality threshold |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions |
| | | | | | Minor Item(s): Planning & Supervision | No/insufficient review of plan documents/plan operations Inadequate evidence of timely partner review of workpapers and audit issues |
| | | | | | Administrative Expenses | Inadequate work |
| 33 | No | 5 | Limited | DC | Compliance with ERISA & DOL Rules | Total investments per schedule of assets did not reconcile to total assets per financial statements |
| | | | | | Minor Item(s): Contributions Received & Receivable | Audit workpapers did not include a copy of the executed plan amendment in support of the suspension of the employer safe harbor matching contribution |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate consideration of prohibited/party in interest transactions due to suspension of the employer safe harbor match where a copy of executed plan amendment was not obtained |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Plan Tax Status | Inadequate consideration of IRC discrimination tests due to suspension of the employer safe harbor match where a copy of the executed plan amendment was not obtained |
| 34 | No | 5 | Full | DB | Participant Data | Inadequate testing of eligibility/terminations/forfeitures |
| | | | | | Plan Obligations | No assessment of specialist's qualifications |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | Inadequate review through 10/1/12 of final 5500 filing in which benefits paid were materially greater than the accumulated benefit obligation reflected on the 12/31/11 statement of accumulated plan benefits |
| | | | | | Compliance with GAAS & GAAP | Plan failed to report on the liquidation basis of accounting and the IQPA failed to evaluate and/or report on this departure from GAAP |
| 35 | No | 5 | Limited | DC 401(k) | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Related Transactions | No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| 36 | No | 5 | Full | Health | Internal Controls | No review of internal control of service providers |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | Plan Obligations | No test of insurance premiums paid |
| | | | | | Administrative Expenses | Inadequate work |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 37 | Yes | 5 | Limited | DC 401(k) | Investments & Investment Transactions | No evaluation of insurance contract; contract value to fair value; whether insurance contract is fully-benefit responsive; and failure to analyze pooled separate account for investments in common collective trust/stable value funds |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document No listing of outstanding loans |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Inadequate footnote disclosures |
| | | | | | Minor Item(s): Contributions Received & Receivable | No testing of material rollover contributions |
| 38 | No | 5 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment SOC1 report does not cover last 11 months of the plan year |
| | | | | | Minor Item(s): Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate testing of rollover contributions Improper presentation of forfeitures on the statement of net assets |
| | | | | | Benefit Payments | Unclear how premature distribution was tested for compliance with ERISA, how vesting of terminated participants was tested, and why an apparent deficient pay-out computation did not result in expansion of audit testing Inadequate consideration/communication of internal control deficiencies |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options Inadequate documentation of testing of sponsor payroll process Inadequate testing of eligible compensation |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 39 | Yes | 5 | Limited | DC | Internal Controls | No/inadequate documentation of internal control environment |
| | | | | | Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | No work performed Area classified as immaterial but no other work or audit program |
| | | | | | Minor Item(s): Compliance with GAAS & GAAP | Interest income on notes receivable not segregated from investment income |
| 40 | No | 5 | Limited | Health | Investments & Investment Transactions | Certifying entity does not qualify for limited scope |
| | | | | | Plan Obligations | No work performed |
| | | | | | Administrative Expenses | Inadequate work |
| | | | | | Plan Representations | No plan representation letter |
| 41 | Yes | 4 | Limited | DC | Compliance with GAAS & GAAP | Failure to refer to supplemental info. (e.g., ERISA required schedules) |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Subsequent Events | Inadequate work |
| 42 | No | 4 | Limited | DC 401(k) | Investments & Investment Transactions | Audit workpapers did not contain the certification No/inadequate testing of change in service provider Uncertified investments and/or transactions not audited |
| | | | | | Contributions Received & Receivable | No testing of contributions receivable |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | No/inadequate testing of change in service provider Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| 43 | Yes | 4 | Limited | DC 401(k) | Internal Controls | No assessment/documentation of control risk No documentation of inherent/control risk or combined risk for each significant audit area |
| | | | | | Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete schedule of assets |
| 44 | No | 4 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control No assessment/documentation of control risk Lack of documentation of risk assessment procedures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures |
| 45 | No | 4 | Limited | DC 401(k) | Planning & Supervision | No/inadequate procedures on initial/beginning balances |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate testing of hardship/in-service payments No/inadequate work regarding validity of claims |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures Limited scope audit inappropriately applied Opinion does not contain the appropriate language |
| 46 | No | 4 | Limited | DC 403b | Investments & Investment Transactions | Inappropriate treatment of contract to fair value adjustment |
| 47 | Yes | 4 | Limited | DC 401(k) | Notes Receivable Contributions Received & Receivable | No evidence of work performed No test of timely remittance of employee contributions |
| | | | | | Compliance with GAAS & GAAP | Inadequate or incorrect footnote disclosures |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work No documentation of results of inquiries with management |
| 48 | No | 4 | Limited | DC 401(k) | Plan Tax Status | Inadequate work No documentation of results of inquiries with management No evidence of review of IRS compliance test results |
| | | | | | Subsequent Events | Inadequate work No documentation of results of inquiries with management No evidence of review of interim financial data and plan minutes |
| | | | | | Minor Item(s): Commitments & Contingencies | Inadequate work No documentation of results of inquiries with management |
| 48 | No | 4 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 49 | Yes | 3 | Limited | DC 401(k) | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefit No/inadequate work regarding validity of claims No recalculation of benefit payments |
| | | | | | Compliance with ERISA & DOL Rules | Unsigned IQPA report |
| | | | | | Minor Item(s): Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| 50 | No | 3 | Full | Health | Participant Data | No/insufficient testing of payroll data |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures No FAS 165 subsequent events disclosure Inadequate footnote disclosures |
| 51 | No | 3 | Limited | DC 403b | Notes Receivable | No/inadequate testing of compliance with plan document No review of loan documentation No review of deemed distributions |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions Inadequate work on receivables |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions |
| 52 | No | 3 | Limited | DC 401(k) | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| 53 | No | 3 | Limited | DC 401(k) | Investments & Investment Transactions | Certifying entity does not qualify for limited scope |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | No/insufficient testing of payroll data |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Incomplete fair value measurement footnote disclosure No plan amendment disclosure Who pays administrative expenses not disclosed |
| 54 | No | 3 | Limited | DC 401(k) | Internal Controls | No/Inadequate assessment of control risk Lack of documentation of risk assessment procedures |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Administrative Expenses | No work performed |
| 55 | No | 3 | Limited | DC 403b | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements No adjustment on financial statements for fully-benefit responsive investment contract fair value to contract value |
| 56 | No | 2 | Limited | DC 401(k) | Internal Controls | No review of internal control of service provider(s) No/insufficient testing of payroll data |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | |
| 57 | No | 2 | Full | Health | Benefit Payments | No work performed Inappropriate reliance on SOC1 report |
| | | | | | Minor Item(s): Contributions Received & Receivable | Unclear documentation regarding review of timely remittance of employee contributions |
| 58 | No | 2 | Full | DC 401(k) | Participant Data | No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets No alternative procedures performed on non-reply participant confirmations |

3-5 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Minor Item(s): Internal Controls | No assessment/documentation of control risk Lack of documentation of risk assessment procedures |
| 59 | No | 2 | Limited | DC | Compliance with GAAS & GAAP | Failure to present benefit responsive insurance contract at contract value and make necessary footnote disclosures |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inappropriate reliance on SOC1 report |
| 60 | No | 2 | Limited | DC 401(k) | Plan Tax Status Compliance with GAAS & GAAP | No tax determination letter obtained Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| 61 | Yes | 2 | Full | Health | Administrative Expenses | No work performed |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | Incomplete list of parties in interest |
| 62 | Yes | 2 | Limited | DC 401(k) | Contributions Received & Receivable Plan Tax Status | No test of timely remittance of employee contributions No evidence IRS tax compliance tests were reviewed |
| 63 | Yes | 1 | Full | DB | Compliance with GAAS & GAAP | Opinion does not extend to all financial statements Auditor did not report on prior year financial statements presented |
| 64 | No | 1 | Limited | DC 401(k) | Benefit Payments | No work performed |
| 65 | No | 1 | Full | DB | Investments & Investment Transactions | No testing of end of year asset values No testing of investment transactions No testing of investment income |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 1 | Yes | 13 | Full | DC 401(k) | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No documentation of evaluation of internal control No evidence of SOC1 report review reliance |
| | | | | | Investments & Investment Transactions Notes Receivable | No testing of end of year asset values No testing of investment transactions No testing of investment income No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions Inappropriate reliance on SOC1 report |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate testing of hardship/in-service payments No/inadequate work regarding validity of claims |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Commitments & Contingencies | Inadequate work performed No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Participant loan interest and administrative fees not separately disclosed on financial statements |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 2 | No | 13 | Limited | DC 403b | Compliance with ERISA & DOL Rules | Administrative fees not separately presented from benefit payments |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No evidence of SOC1 report review reliance |
| | | | | | Notes Receivable | No work performed No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No testing for compliance with plan document No testing of posting of disbursement at individual account level |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Commitments & Contingencies | Inadequate work No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures 5% investment disclosure note is for the incorrect plan years |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete schedule of assets |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Minor Item(s): Plan Representations | Representations not appropriately tailored to plan |
| 3 | Yes | 11 | Limited | DC 401(k) | Internal Controls | No assessment/documentation of control risk Lack of documentation of risk assessment procedures No evidence of SOC1 report review reliance |
| | | | | | Notes Receivable | No work performed No audit program for this area of audit |
| | | | | | Contributions Received & Receivable | No testing of compliance with compensation provisions Inadequate testing of use of forfeitures No verification of employer discretionary contribution percentage |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | Inadequate work No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management Inadequate work |
| | | | | | Compliance with GAAS & GAAP | Incorrect ASC 820 fair value measurement disclosure Inadequate footnote disclosures |
| | | | | | Minor Item(s): Benefit Payments | No/inadequate work regarding forfeitures |
| | | | | | Plan Representations | Inappropriate representation letter date |

6-24 Plan Stratum

| Review # | FBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 4 | No | 11 | Limited | DC | Planning & Supervision | No/insufficient review of plan documents/operations No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No evidence of SOC1 report review reliance |
| | | | | | Benefit Payments | Inappropriate application of limited scope audit No testing of rollovers out of plan for compliance with plan document |
| | | | | | Participant Data & Participant Accounts | No testing of employee withholdings for authorization Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Auditor's report not included with Form 5500 filing |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of rollovers into plan for compliance with plan document |
| | | | | | Subsequent Events | No review interim financial data |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 5 | No | 11 | Limited | DC 401(k) | Investments & Investment Income | Dividend income and net appreciation did not tie to financial statements No documentation supporting fair value reported on 5500 - amount marked up to fair value without corresponding adjustment to contract value |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document Certification did not cover loans - no testing done on ending values or payments made during the year |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No review of interim financial data No inquiries of plan administrator and/or trustee - inquiries were only made of the controller who was not a plan official |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Minor Item(s): Planning & Supervision | No evidence of required communications (114/115) Inadequate documentation showing proper supervision and timely partner review |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No tax uncertainty footnote disclosure |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Compliance with ERISA & DOL Rules | Notes receivable from participants were not reflected as parties in interest on schedule of assets |
| 6 | Yes | 10 | Limited | DB | Planning & Supervision | No/insufficient review of plan documents/operations No/inadequate assessment of fraud risk No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud inquiries |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No testing of receipt by participants |
| | | | | | Participant Data | No work performed |
| | | | | | Plan Obligations | No/insufficient testing of census data No assessment of specialist's qualifications No review/assessment of specialist's assumptions |
| | | | | | Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to financial statements No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Financial statements were inappropriately presented on the liquidation basis - liquidation basis does not apply to frozen plans No reference to the "other comprehensive basis of accounting" used in the report Inappropriately indicated the limited scope covered benefit payments Inadequate footnote disclosures No related party note |
| 7 | Yes | 10 | Limited | DC 401(k) | Internal Controls | No assessment/documentation of control risk No/inadequate evidence of fraud inquiries No evidence of SOC1 report review reliance |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | Inadequate work |
| | | | | | Subsequent Events | No work performed |
| | | | | | Minor Item(s): Planning & Supervision | No evidence of review of workpapers |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions for compliance with plan document |
| | | | | | Benefit Payments | No/inadequate work regarding forfeitures |
| | | | | | Plan Tax Status | No tax determination letter obtained |
| | | | | | Commitments & Contingencies | Inadequate work |
| | | | | | Planning & Supervision | No/inadequate procedures on initial/beginning balances No/inadequate work related to predecessor auditors No evidence of required communications (114/115) Inadequate evidence of partner involvement/review No evidence that \$1M insurance contract documentation was obtained and reviewed for disclosure and accounting treatment |
| 8 | No | 10 | Limited | DC 401(k) | Investments & Investment Transactions | Certification is not for the plan Inadequate evidence of evaluation of insurance contract (GIC) for accounting treatment and presentation |
| | | | | | Plan Mergers & Terminations | Inadequate documentation of audit work on subsequent events/pending dissolution of the plan |
| | | | | | Subsequent Events | Audit documentation did not indicate subsequent event of plan asset transfer to a successor plan in 2012 |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Disclosure omissions: dissolution of plan, subsequent probable distributions/transfers; incomplete tax compliance testing; party in interest transactions, insurance (GIC) contract terms, and improper presentation/disclosure of notes receivable |
| | | | | | Minor Item(s): Notes Receivable | Presented as investments on the plan's financial statements and in the ASC 820 fair value measurement disclosures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No evaluation of omission of party in interest disclosure in the financial statements |
| | | | | | Commitments & Contingencies | Pending dissolution of plan in 2012 and transfer to another plan not identified in commitment & contingencies audit workpapers |
| 9 | Yes | 10 | Limited | DC 401(k) | Plan Representations | Inconsistent representations regarding tax compliance testing and intention to dissolve plan in 2012 |
| | | | | | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/operations No/inadequate assessment of fraud risk |
| | | | | | Internal Controls | No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No review of internal control of service providers No evidence of SOC1 report review reliance |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan |
| | | | | | Contributions Received & Receivable | Failure to test rollovers to the plan |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | Inadequate work performed No evidence IRS tax compliance tests were reviewed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | Inadequate work |
| 10 | No | 9 | Limited | DC 401(k) | Subsequent Events | No work performed |
| | | | | | Planning & Supervision | Inadequate gaining of an understanding of the plan No/inadequate assessment of fraud risk No planning analytics |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" No/inadequate evidence of fraud inquiries |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | | |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 11 | Yes | 9 | Full | DC 401(k) | Compliance with ERISA & DOL Rules | Incomplete schedule of assets |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations No/inadequate assessment of fraud risk |
| | | | | | Internal Controls | No work performed |
| | | | | | Investments & Investment Transactions | No testing of assets transferred from the plan No/inadequate testing of change in service provider No testing of investment transactions |
| | | | | | Notes Receivable | No schedule of participant loans No evidence of review of loan documents No evidence of testing of loan interest |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No/inadequate work regarding validity of claims No recalculation of benefit payments No/inadequate work regarding use of forfeitures |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| 12 | Yes | 9 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| | | | | | Planning & Supervision | No evidence of required communications(114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| | | | | | Benefit Payments | Inappropriate reliance on SOC1 report No/inadequate work regarding forfeitures No testing of rollovers out of plan for compliance with plan document Inadequate testing of propriety of payee |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete IQPA report attached to Form 5500 |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document First year audit, no testing of detail at individual participant level |
| | | | | | Administrative Expenses | Inadequate work |
| 13 | No | 9 | Limited | DC 401(k) | Planning & Supervision | No/lack of lack of evidence of audit planning No/inadequate assessment of fraud risk |
| | | | | | Internal Controls | No work performed |
| | | | | | Notes Receivable | No work performed |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions No disclosure of corrective distributions in the financial statements & footnotes |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding eligibility No/inadequate work regarding forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 14 | Yes | 8 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management No procedures performed to verify major areas with parties in interest No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | Inadequate work |
| | | | | | Planning & Supervision | No/inadequate procedures on initial/beginning balances No/insufficient review of plan documents/operation |
| | | | | | Contributions Received & Receivable | Receivables inappropriately accrued Delinquent contributions on schedule differed to that reported on Schedule H and in the related workpapers |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Minor Item(s): Benefit Payments | No/inadequate work regarding forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts |
| | | | | | Subsequent Events | Inadequate work |
| | | | | | Plan Representations Compliance with GAAS & GAAP | Representations not appropriately tailored to plan Inadequate footnote disclosures Minor presentation items on financial statements |
| 15 | Yes | 8 | Full | DC ESOP | Planning & Supervision | No/lack of evidence of audit planning No/insufficient review of plan documents/plan operations No/inadequate assessment of fraud risk No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No/inadequate evidence of fraud inquiries No evidence of SOC1 report review reliance |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| | | | | | Investments & Investment Transactions | No review of investment valuation assumptions Insufficient work performed |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts No reconciliation of participant accounts to total assets |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| 16 | Yes | 8 | Limited | DC 403b | Minor Item(s): Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions No comparison of amount of employer contributions to that approved by the Board of Directors No review of criteria for contribution receivables and proper recording in accordance with GAAP |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding validity of claims |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of allocations to participant accounts |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Minor Item(s): Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Subsequent Events | No review of interim financial data |
| 17 | Yes | 8 | Limited | DC 401(k) | Planning & Supervision | No/insufficient audit program |
| | | | | | Contributions Received & Receivable | No testing of rollover contributions |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Subsequent Events | No work performed |
| 18 | Yes | 8 | Limited | DC 403b | Internal Controls | No documentation of evaluation of internal control No review of internal control of service providers Inconsistent documentation of risk assessment Lack of documentation supporting lowering control risk |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions Inadequate testing of rollover contributions IQPA did not address testing errors and the impact on the financial statements |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding validity of claims |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of participant investment options |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 19 | No | 8 | Limited | DC 401(k) | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Inappropriate financial statement presentations |
| | | | | | Planning & Supervision | No/insufficient audit program |
| | | | | | Internal Controls | Inadequate planning analytical review |
| | | | | | Benefit Payments | Inadequate assessment of control risk |
| | | | | | | No/inadequate work regarding eligibility of individuals receiving benefits |
| | | | | | | No/inadequate work regarding validity of claims |
| | | | | | | No/inadequate work regarding forfeitures |
| | | | | | | Inadequate review to ensure compliance with plan document |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | | Inadequate testing of participant investment options |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements |
| | | | | | | Inadequate footnote disclosures |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No evidence of testing rollovers |
| 20 | Yes | 8 | Limited | DC 401(k) | | Inadequate testing of forfeitures |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | | No test of timely remittance of employee contributions |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | | No testing of long outstanding benefit checks |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | | Inadequate testing of allocations to participant accounts |
| | | | | | | Inadequate testing of participant investment options |
| | | | | | | No reconciliation of participant accounts to total assets |
| | | | | | | |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 21 | No | 8 | Limited | DC 403b | Plan Tax Status | No evidence IRS tax compliance tests were reviewed No tax determination letter obtained |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Minor Item(s): Investments & Investment Transactions | IQPA did not note fully benefit responsive contract and adjustment to contract value |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations Missing permanent file with vital plan documents |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document Inadequate review of loans issued to participants |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding validity of claims No/inadequate work regarding eligibility No schedule of benefits paid to participants provided |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of eligibility/terminations/forfeitures Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 22 | No | 8 | Limited | DC | Planning & Supervision | No/lack of evidence of audit planning No evidence of required communications (114/115) No evidence of supervisory review |
| | | | | | Internal Controls | No work performed |
| | | | | | Notes Receivable | No work performed |
| | | | | | Benefit Payments | No work performed |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Compliance with ERISA & DOL Rules | Unsigned IQPA report |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Compliance with GAAS & GAAP | No/lack of ASC 820 fair value measurement disclosures |
| 23 | No | 7 | Limited | DC 401(k) | Planning & Supervision | No documentation of significant conditions and effects on operations No analytics |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document No review of loan documents No review of deemed distributions No testing of receivables |
| | | | | | Contributions Received & Receivable | |
| | | | | | Benefit Payments | Inappropriate reliance on SOC1 report No/inadequate work regarding eligibility No/inadequate work regarding validity of claims No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Subsequent Events | Inadequate work |
| | | | | | | |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 24 | Yes | 7 | Limited | DC 401(k) | Planning & Supervision | No/lack of evidence of audit planning No/insufficient audit program No/insufficient review of plan documents/operations No assessment of fraud risk |
| | | | | | Internal Controls | No evidence of work performed |
| | | | | | Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Participant Data & Participant Accounts Plan Tax Status | No/insufficient testing of payroll data Inadequate testing of participant investment options No evidence IRS tax compliance tests were reviewed No tax determination letter obtained |
| 25 | Yes | 6 | Limited | DB | Minor Item(s): Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Internal Controls | No/Inadequate assessment of control risk No/inadequate evidence of fraud "brainstorming" No/inadequate documentation of internal control environment No documentation of risk of material misstatement |
| | | | | | Participant Data | No testing of the basic data used by the actuary |
| | | | | | Plan Obligations Parties in Interest/Prohibited Transactions | No/insufficient testing of census data Inadequate work |
| | | | | | Plan Tax Status Commitments & Contingencies | No work performed No work performed |
| 26 | Yes | 6 | Limited | DC | Internal Controls | No/inadequate documentation of internal control environment No review of internal control of service providers |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| | | | | | Participant Data & Participant Accounts | No/inadequate testing of change in service provider No/insufficient testing of payroll data No reconciliation of participant accounts to total assets |
| | | | | | Plan Tax Status | Compliance tests indicate data integrity issues that could affect the results of the testing, but no indication this was considered No tax determination letter obtained |
| | | | | | Minor Item(s): Notes Receivable | No/inadequate testing of compliance with plan document |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| 27 | Yes | 6 | Full | DC | Internal Controls | No review of internal control of service providers Partner not involved in fraud "brainstorming" Sole trustee and person responsible for governance not interviewed for fraud |
| | | | | | Investments & Investment Transactions | No testing of investment transactions Insufficient testing of investment income No evidence of testing for existence |
| | | | | | Subsequent Events | No documentation of results of inquiries with management No review of interim financial data |
| | | | | | Minor Item(s): Benefit Payments | Insufficient 103 documentation of tests of vesting, eligibility, taxes, rollover distribution |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | | |
| 28 | No | 6 | Limited | DC 401(k) | Planning & Supervision Contributions Received & Receivable | No/insufficient review of plan documents/plan operations No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions Inadequate testing of use of forfeitures |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits No recalculation of benefit payments No/inadequate work regarding validity of claims |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/forfeitures No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Administrative Expenses | No work performed |
| 29 | No | 6 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment |
| | | | | | Notes Receivable | No evidence of work performed |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| | | | | | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete IQPA report attached to Form 5500 No/inadequate footnote disclosures |
| | | | | | Minor Item(s): Administrative Expenses | No work performed |
| 30 | Yes | 6 | Limited | Health | Investments & Investment Transactions | Audit workpapers did not contain the certification |
| | | | | | Benefit Payments | Inappropriate reliance on SOC1 report Complete reliance placed on SOC1 report to the exclusion of audit work |
| | | | | | Compliance with ERISA & DOL Rules | No certification to support the limited scope audit disclaimer opinion in the audit report |
| | | | | | Minor Item(s): Planning & Supervision | Engagement letter was for full scope but limited scope was issued Workpapers indicated confusion regarding scope of audit work |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 31 | Yes | 6 | Limited | DC 403b | Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Plan Obligations | No/inadequate testing of IBNR Inadequate testing of claims payable |
| | | | | | Internal Controls | No/Inadequate assessment of control risk No evidence of SOC1 report review reliance |
| | | | | | Benefit Payments | Inappropriate application of limited scope audit Inappropriate reliance on SOC1 report No/inadequate work regarding eligibility |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions No testing for compliance with IRS deferral limits No reconciliation of participant accounts to total assets Inadequate testing of participant investment options |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |
| 32 | Yes | 6 | Limited | DC 401(k) | Minor Item(s): Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations No/inadequate assessment of fraud risk No evidence of required communications (114/115) |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance No/inadequate evidence of fraud "brainstorming" |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |

6-24 Plan Stratum

| Review # | FBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 33 | No | 5 | Limited | DC 401(k) | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Notes Receivable | No evidence of work performed No/inadequate testing of compliance with plan document |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions |
| 34 | Yes | 5 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Planning & Supervision | No/lack of lack of evidence of audit planning No audit program or insufficient audit program No evidence of review of service provider agreements Inadequate identification of parties in interest for planning |
| | | | | | Internal Controls | No assessment/documentation of control risk Lack of documentation of risk assessment procedures No evidence of SOC1 report review reliance No review of internal control of service providers |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions No/insufficient testing of payroll data No reconciliation of total participant accounts to total assets |
| 35 | No | 5 | Limited | DC 403b | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Administrative Expenses | Inadequate work |
| | | | | | Benefit Payments | Inappropriate reliance on SOC1 report |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 36 | Yes | 5 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| | | | | | Subsequent Events | No review of interim financial data |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations |
| 37 | Yes | 5 | Full | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | Incomplete documentation of parties in interest/related parties |
| | | | | | Subsequent Events | Inadequate work |
| 38 | No | 4 | Limited | DC 401(k) | Investments & Investment Transactions | No testing of investment transactions No testing of investment income |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Subsequent Events | No documentation of results of inquiries with management |
| 38 | No | 4 | Limited | DC 401(k) | Minor Item(s): Participant Data | Inadequate testing of eligibility/terminations/forfeitures |
| | | | | | Planning & Supervision | No/inadequate procedures on initial/beginning balances |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| 38 | No | 4 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 39 | Yes | 4 | Limited | DC 401(k) | Planning & Supervision Notes Receivable Contributions Received & Receivable Commitments & Contingencies | Conditions that affect the plan Preliminary analytics No/inadequate testing of compliance with plan document Inadequate testing of reclassified distributions and loan documentation No test of timely remittance of employee contributions No communication of delinquent remittances to management No work performed |
| 40 | Yes | 4 | Limited | DC 401(k) | Planning & Supervision Internal Controls Minor Item(s): Benefit Payments Participant Data & Participant Accounts | No planning analytical review No documentation of significant decrease in net assets and large amount of benefit payments No documentation of activity level internal controls at plan sponsor level No/inadequate work regarding forfeitures No documentation of consideration of partial plan termination which could have resulted in 100% vesting of participants No testing of compliance with compensation provisions Relied on sponsor payroll for completeness and accuracy |
| 41 | Yes | 4 | Limited | DC 401(k) | Internal Controls Investments & Investment Transactions Participant Data & Participant Accounts Minor Item(s): Plan Tax Status | No documentation of evaluation of internal control No/inadequate testing of change in service provider No/inadequate testing of change in service provider Inadequate testing of allocations to participant accounts No tax determination letter obtained |
| 42 | Yes | 4 | Limited | DC 401(k) | Investments & Investment Transactions Contributions Received & Receivable Benefit Payments | Certifying entity does not qualify for limited scope No test of timely remittance of employee contributions No testing that contributions were received by the plan Inappropriate reliance on SOC1 report No recalculation of benefit payments No/inadequate work regarding eligibility |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 43 | Yes | 4 | Limited | DC 401(k) | Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/forfeitures No/insufficient testing of payroll data Inappropriate reliance on SOC1 report |
| | | | | | Investments & Investment Transactions | Certification is not for the plan Certification obtained was for the master trust Certification obtained from third party but third party is not a qualifying entity and is not an agent for the trustee/custodian |
| | | | | | Contributions Received & Receivable | Testing of employer matching contribution did not adequately address the apparent failure by the sponsor the match the required 3% of compensation |
| | | | | | Compliance with ERISA & DOL Rules | Certification by third party of the investments at the plan level is not supported by evidence of an Agency relationship between the third party and the trustee/custodian |
| 44 | Yes | 4 | Full | DC | Minor Item(s): Benefit Payments | Testing of benefit payments was unclear as to specific procedures performed |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment Lack of documentation of risk assessment procedures No review of internal control of service providers |
| | | | | | Investments & Investment Transactions | No testing of investment transactions Inadequate documentation of confirmation of certain assets |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of participant investment options |
| 45 | Yes | 3 | Limited | DC 401(k) | Minor Item(s): Contributions Received & Receivable | Inadequate documentation regarding potential errors in profit sharing contribution |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Reportable transaction schedule presented but should not have one |
| | | | | | Minor Item(s): Compliance with ERISA & DOL Rules | Reportable transaction schedule presented but should not have one |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 46 | Yes | 3 | Full | DC 401(k) | Contributions Received & Receivable Compliance with GAAS & GAAP Compliance with ERISA & DOL Rules | No test of timely remittance of employee contributions Inadequate testing of use of forfeitures Inadequate footnote disclosures Delinquent employee contributions not reported/disclosed |
| 47 | No | 3 | Limited | DC | Planning & Supervision Minor Item(s): Benefit Payments Participant Data & Participant Accounts | Insufficient audit programs Inadequate planning analytics No evidence of required communications (114/115) Inadequate evidence of accuracy and propriety of withdrawals/in-service partial withdrawals No/insufficient testing of payroll data Inadequate documentation of testing of income allocations No testing of participant investment elections (SOC1 reliance) |
| 48 | Yes | 3 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules Minor Item(s): Internal Controls Subsequent Events | Unsigned IQPA report No/inadequate evidence of fraud brainstorming" No review of interim financial data |
| 49 | Yes | 2 | Limited | DC 401(k) | Internal Controls Contributions Received & Receivable | No/inadequate documentation of internal control environment No test of timely remittance of employee contributions |
| 50 | Yes | 2 | Limited | DC 401(k) | Investments & Investment Transactions Participant Data & Participant Accounts | Certifying entity does not qualify for limited scope Unsigned certification No/inadequate testing of change in service provider No reconciliation of participant accounts to total assets |
| 51 | No | 2 | Limited | DC 401(k) | Contributions Received & Receivable Participant Data & Participant Accounts | No recalculation of employer and/or employee contributions No test of timely remittance of employee contributions No/insufficient testing of payroll data Inappropriate reliance on SOC1 report Inadequate testing of participant investment options Inadequate testing of allocations to participant accounts |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 52 | Yes | 2 | Limited | DC 401(k) | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Administrative Expenses | Inadequate work |
| 53 | Yes | 2 | Limited | DC 401(k) | Compliance with GAAS & GAAP | Inadequate footnote disclosures Inappropriate presentation of financial information on financial statements |
| | | | | | Minor Item(s): Internal Controls | No documentation of COSO (Committee of Sponsoring Organizations) controls at the plan sponsor |
| 54 | Yes | 2 | Full | DB | Internal Controls | No review of internal control of service provider(s) |
| | | | | | Benefit Payments | No/inadequate work regarding eligibility of individuals receiving benefits |
| 55 | Yes | 2 | Limited | DC | Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Unsigned audit report |
| 56 | No | 2 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inappropriate reliance on SOC1 report Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| 57 | No | 2 | Limited | DC 401(k) | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| 58 | Yes | 1 | Limited | DC 401(k) | Planning & Supervision | No/inadequate procedures on initial/beginning balances |

6-24 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 59 | Yes | 1 | Limited | DC 401(k) | Internal Controls | No/inadequate documentation of internal control environment |
| 60 | Yes | 1 | Limited | DC | Contributions Received & Receivable | No documentation of recalculation of employer match |
| 61 | Yes | 1 | Limited | DC 401(k) | Benefit Payments | No recalculation of benefit payments No/inadequate work regarding eligibility of individuals receiving benefits |
| 62 | Yes | 1 | Full | DC 401(k) | Participant Data & Participant Accounts | No reconciliation of participant accounts to total assets Inadequate testing of allocations to participant accounts |
| 63 | Yes | 1 | Full | Health | Benefit Payments | No recalculation of benefit payments |
| 64 | Yes | 1 | Limited | DC 401(k) | Participant Data & Participant Accounts | No reconciliation of participant accounts to total assets Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 1 | Yes | 10 | Limited | DC | Internal Controls | No evidence of understanding of the plan's internal control environment at the cycle, account and transaction level No documentation of evaluation of internal control |
| | | | | | Investments & Investment Transactions | Investments per the trust report did not agree to the financial statements No/lack of understanding of plan's common/collective trust and stable value fund investments |
| | | | | | Contributions Received & Receivable | No test of timely remittance of employee contributions Inadequate testing of use of forfeitures |
| | | | | | Benefit Payments | No/inadequate work regarding forfeitures |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of results of inquiries with management |
| | | | | | Commitments & Contingencies | No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures Incorrect FAS 157 fair value measurement disclosure |
| | | | | | Minor Item(s): Notes Receivable | Lack of documentation and understanding of loans rollover into the plan |
| | | | | | Plan Tax Status | No tax determination letter obtained |
| 2 | No | 10 | Limited | DC 401(k) | Planning & Supervision | Incorrect industry guide used resulting in no identification of parties in interest No preliminary analytics performed No expectations developed |
| | | | | | Internal Controls | Lack of documentation of risk assessment procedures No SOC1 report bridge letter No testing of complementary user controls No identification of significant audit areas Control risk assessments did not conform with actual level of work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| | | | | | Commitments & Contingencies | No work performed |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 3 | No | 9 | Limited | DC 401(k) | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| | | | | | Compliance with ERISA & DOL Rules | No/inadequate footnote disclosures |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | No testing of compliance with compensation provisions |
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Compliance with GAAS & GAAP | Improper reporting of notes receivable from participants |
| | | | | | Planning & Supervision | No/insufficient audit program No/lack of evidence of audit planning No evidence of required communications (114/115) No/insufficient review of plan documents/operation |
| | | | | | Notes Receivable | No work performed No audit program for this area of audit |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No schedule of contributions provided No test of timely remittance of employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No/inadequate work regarding validity of claims No schedule of benefits paid provided No recalculation of benefit payments No/inadequate work regarding eligibility |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeiture Inadequate testing of participant investment options Inadequate documentation provided |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Plan Representations | Representations not appropriately tailored to plan Inadequate representations |

25-99 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 4 | Yes | 8 | Full | DC | Internal Controls | No/inadequate documentation of internal control environment |
| | | | | | Investments & Investment Transactions | No testing of investment transactions Inadequate testing of cost basis of non-participant directed investments |
| | | | | | Contributions Received & Receivable | No recalculation of employer and/or employee contributions No testing of compliance with compensation provisions |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/forfeitures |
| | | | | | Parties in Interest/Prohibited Transactions | No disclosure of prohibited transactions in notes to financial statements Inadequate work regarding transactions with plan sponsor - money going from plan to the sponsor |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements Inadequate footnote disclosures |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| 5 | Yes | 8 | Full | DC ESOP | Internal Controls | No/inadequate documentation of internal control environment No/inadequate evidence of fraud inquiries No review of internal control of service providers |
| | | | | | Investments & Investment Transactions | No testing of assumptions or financial data used in the valuation specialist's report No testing of investment transactions Insufficient testing of dividend income |
| | | | | | Participant Data & Participant Accounts | No/inadequate testing of change in service provider No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Subsequent Events | Inadequate documentation of inquiries No review of subsequent plan amendments No indication whether receivables were subsequently received |
| | | | | | Compliance with GAAS & GAAP | No modification in full scope unqualified report for material omission from the Schedule of Reportable Transactions |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Compliance with ERISA & DOL Rules | Schedule of Reportable Transactions did not include common stock shares purchased from the officers of the sponsoring company |
| | | | | | Minor Item(s): Plan Obligations | Inadequate testing of the release of shares from unallocated to allocated No assessment/review of specialist's assumptions |
| 6 | Yes | 7 | Limited | DC 401(k) | Planning & Supervision | No/insufficient audit program No/insufficient review of plan documents/operation No evidence of required communications (114/115) |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No documentation of evaluation of internal control No evidence of SOC1 Report review reliance |
| | | | | | Participant Data & Participant Accounts | No work performed |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Commitments & Contingencies | No work performed |
| | | | | | Administrative Expenses | No work performed |
| | | | | | Subsequent Events | No work performed |
| 7 | Yes | 7 | Limited | DB | Internal Controls | No assessment/documentation of control risk No evidence of SOC1 report review reliance |
| | | | | | Benefit Payments | No recalculation of benefit payments |
| | | | | | Participant Data | Inadequate testing of eligibility/terminations/forfeitures No testing of compliance with compensation provisions Inadequate testing of participant investment options |
| | | | | | Plan Obligations | No/insufficient testing of census data |
| | | | | | Plan Tax Status | No work performed |
| | | | | | Administrative Expenses | No work performed |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| 8 | Yes | 7 | Limited | DC 401(k) | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations No evidence of required communications (114/115) No calculation of audit materiality No evidence of preliminary analytics No documentation of prior year known issues |
| | | | | | Investments & Investment Transactions | Certification did not include asset listing and transactions certified |
| | | | | | Notes Receivable | Inadequate documentation as to source of listings for completeness and accuracy Inadequate consideration of error in loan reporting on the financial statements |
| | | | | | Contributions Received & Receivable | Inadequate reconciliation of receivable - audit workpapers were on the cash basis but the financial statements were on the accrual basis Inadequate consideration of the impact of non-correction of prior year errors on the current year work & financial statements |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant investment options |
| | | | | | Compliance with GAAS & GAAP | IQPA report not modified for lack of ERISA required schedules Inadequate footnote disclosures |
| 9 | No | 5 | Full | DB | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| | | | | | Investments & Investment Transactions | Inappropriate reliance on SOC1 report No testing of investment transactions No testing of investment income |
| | | | | | Participant Data | No evidence of testing of participant data provided to the plan's actuary |
| | | | | | Plan Obligations | No/insufficient testing of census data No evidence of testing of plan's funding status |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Compliance with ERISA & DOL Rules | Incomplete IQPA report attached to Form 5500 |
| 10 | Yes | 5 | Limited | DC 401(k) | Internal Controls | Failure to document COSO (Committee of Sponsoring Organizations) controls |
| | | | | | Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties No documentation of results of inquiries with management |
| | | | | | Compliance with GAAS & GAAP | Inadequate footnote disclosures IQPA report did not refer to supplemental information |
| | | | | | Minor Item(s): Commitments & Contingencies Subsequent Events | Inadequate work No documentation of results of inquiries with management |
| 11 | Yes | 5 | Limited | DC 401(k) | Planning & Supervision | No evidence of required communications (114/115) No evidence of materiality Insufficient analytics Unsigned plan adoption agreement and participant agreements |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of participant deferral percentage No evidence of recalculation of deferral percentage |
| | | | | | Compliance with GAAS & GAAP | Inappropriate presentation of financial information on financial statements |
| | | | | | Compliance with ERISA & DOL Rules | Schedule H, Line 3, audit opinion type not properly completed |
| | | | | | Minor Item(s): Benefit Payments | Inadequate testing of rollover distributions No listing of benefit payments |
| 12 | Yes | 5 | Limited | DC 401(k) | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Minor Item(s): Internal Controls | Lack of documentation of risk assessment procedures No/inadequate evidence of fraud "brainstorming" No review of internal control of service providers No understanding & review of internal control over payroll service provider |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 13 | No | 5 | Limited | DC 401(k) | Participant Data & Participant Accounts | No/insufficient testing of payroll data No documentation supporting change in scope of testing of 5 participants to 1 for income allocation and investment election testing |
| | | | | | Compliance with GAAS & GAAP | IQPA report not modified for lack of ERISA required schedules Improper reference to certifying entity GIC valuation methodology incorrect Schedule of assets indicates wrong class of fund for an investment Missing information on schedule of assets related to participant loans Missing schedule of reportable transactions |
| | | | | | Compliance with ERISA & DOL Rules | Required schedules not attached/prepared |
| | | | | | Planning & Supervision | No/insufficient review of plan documents/plan operations |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest/related parties |
| 14 | Yes | 5 | Limited | DC 401(k) | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| | | | | | Subsequent Events | No review of interim financial data |
| | | | | | Compliance with GAAS & GAAP | Opinion and footnotes refer to incorrect trustee/custodian related to the limited scope audit |
| | | | | | Participant Data | Inadequate evidence obtained of transfer of \$2.3M to an affiliated entity benefit plan No testing of the payroll process |
| | | | | | Minor Item(s): Planning & Supervision | Inadequate documentation of preliminary expectations Inadequate identification and documentation of \$2.3M unusual and infrequent transaction |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No evidence of SOC1 report review reliance of sponsor payroll provider Inadequate documentation of walk-throughs |
| | | | | | Contributions Received & Receivable | Inappropriate reliance on SOC1 report Did not test integrity of payroll system |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|--|
| 15 | Yes | 4 | Limited | DC 401(k) | Compliance with ERISA & DOL Rules | Audit report did not extend to schedule of delinquent contributions |
| | | | | | Internal Controls | No/inadequate documentation of internal control environment No assessment/documentation of control risk No/inadequate evidence of fraud "brainstorming" No evidence of SOC1 report review reliance |
| | | | | | Participant Data & Participant Accounts | No testing of compliance with compensation provisions No recalculation of employee contributions Inadequate testing of participant investment options No reconciliation of participant accounts to total assets |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed No documentation of parties in interest/related parties |
| 16 | Yes | 4 | Limited | DC 401(k) | Minor Item(s): Planning & Supervision | No planning to address risks in change of trustee & recordkeepers at mid-year No evidence of workpaper review |
| | | | | | Internal Controls | No documentation of evaluation of internal control No identification and review of user controls of third party service providers |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of eligibility/terminations/ forfeitures Inadequate testing of allocations to participant accounts Inadequate testing of participant investment options Detail tests of data samples incomplete |
| | | | | | Minor Item(s): Planning & Supervision | Inadequate preliminary review Inadequate risk assessment process |
| 17 | Yes | 4 | Limited | DC 401(k) | Contributions Received & Receivable | No/inadequate documentation of testing of employer contributions and employee deferrals to an accurate posting to individual participant accounts |
| | | | | | Planning & Supervision | No planning analytics with developed expectations No materiality workpaper No evidence of required communications (114/115) |

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| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------------|--|--|
| 18 | Yes | 4 | Limited | DC 401(k) | Internal Controls | No assessment/documentation of control risk |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | Minor Item(s): Plan Tax Status | Inadequate work |
| | | | | | Internal Controls | Lack of documentation of risk assessment procedures |
| 19 | Yes | 4 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | No work performed |
| | | | | | Plan Representations | No plan representation letter |
| | | | | | Minor Item(s): Subsequent Events | No review of interim financial data No audit program for this area of audit for this area of audit |
| | | | | | Internal Controls | No review of internal control of service providers No/inadequate evidence of fraud "brainstorming" |
| 20 | No | 4 | Full | DC | Contributions Received & Receivable | No recalculation of employer and/or employee contributions |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data No testing of participant opening balances audited by another auditor |
| | | | | | Minor Item(s): Parties in Interest/Prohibited Transactions | No documentation of parties in interest |
| | | | | | Internal Controls | No evidence of SOC1 report review reliance |
| 21 | Yes | 3 | Limited | DB cash balance | Participant Data & Participant Accounts | Inadequate testing of allocations to participant accounts |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| | | | | | Minor Item(s): Compliance with GAAS & GAAP | Inadequate footnote disclosures |
| | | | | | Plan Obligations | No/insufficient testing of census data |
| 21 | Yes | 3 | Limited | DB cash balance | Minor Item(s): Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | | |

25-99 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|---|---|
| | | | | | Plan Tax Status | No evidence IRS tax compliance tests were reviewed |
| 22 | Yes | 3 | Limited | DC 401(A) | Investments & Investment Transactions | Certifying entity does not qualify for limited scope |
| | | | | | Minor Item(s): Participant Data | No/insufficient testing of payroll data |
| | | | | | Compliance with GAAS & GAAP | Opinion is incorrectly dated to prior year |
| 23 | Yes | 3 | Limited | DC 401(k) | Internal Controls | Inappropriate reliance on SSAE 16 to assess risk in significant audit areas |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data |
| | | | | | Parties in Interest/Prohibited Transactions | Inadequate work |
| 24 | Yes | 3 | Full | Health | Investments & Investment Transactions | Inappropriate reliance on SOC1 report No testing of end of year asset values No testing of investment transactions No testing of investment income |
| | | | | | Minor Item(s): Internal Controls | No evidence of SOC1 report review reliance |
| | | | | | Parties in Interest/Prohibited Transactions | No work performed |
| 25 | Yes | 2 | Limited | DC | Investments & Investment Transactions | Certification does not mention plan name nor period covered |
| | | | | | Participant Data & Participant Accounts | No/insufficient testing of payroll data Inadequate testing of allocations to participant accounts |
| 26 | Yes | 1 | Limited | DC 401(k) | Planning & Supervision | No/inadequate procedures on initial/beginning balances |
| 27 | Yes | 1 | Full | DC 401(k) | Investments & Investment Transactions | No verification of existence of plan assets with the custodian Complete reliance on account statement |

100-749 Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|---|
| 1 | Yes | 8 | Limited | Health | Planning & Supervision Benefit Payments Plan Obligations Minor Item(s): Contributions Received & Receivable Parties in Interest/Prohibited Transactions Plan Tax Status Commitments & Contingencies Subsequent Events | No/insufficient review of plan documents/plan operations No recalculation of benefit payments No/inadequate work regarding validity of claims No assessment of whether actuary used plan's provisions and considered the plan's amendment effective 1/1/2011 No test of timely remittance of employee contributions Incomplete documentation of inquiries with management (with whom, when) No documentation of parties in interest/related parties No tax determination letter obtained No documentation of results of inquiries with management No documentation of results of inquiries with management |
| 2 | Yes | 4 | Limited | DB | Benefit Payments Participant Data Plan Obligations Administrative Expenses | No recalculation of benefit payments No agreement of benefit payment recalculations for compliance with formula in the plan document No/insufficient testing of payroll data No testing of compliance with compensation provisions Inadequate testing of eligibility/terminations/forfeitures No/insufficient testing of census data No work performed |
| 3 | Yes | 1 | Limited | DC 401(k) | Plan Mergers & Terminating Plans | No testing of plan assets transferred at 12/31/11 to another plan at the detailed participant level until 2013 |

750 + Plan Stratum

| Review # | EBPAQC Member | # of Findings | Audit Scope | Plan Type | Audit Area(s) | Detail of Findings |
|----------|---------------|---------------|-------------|-----------|--|--|
| 1 | Yes | 5 | Limited | DB | Internal Controls | No/inadequate documentation of internal control environment Possible fraud discussed in board minutes but engagement team did not inquire of legal counsel or include it as a fraud risk factor |
| | | | | | Contributions Received & Receivable | IQPA did not identify or inquire about potential missing contributions occurring in time period leading up to plan administrator's termination and his possible conversion, fraud and theft No agreement of contributions to actuarial report |
| | | | | | Participant Data | No/insufficient testing of payroll data |
| | | | | | Plan Obligations | No/insufficient testing of census data |
| | | | | | Minor Item(s): Commitments & Contingencies | No legal representation letter obtained |
| 2 | Yes | 2 | Full | DC | Planning & Supervision | No/inadequate procedures on initial/beginning balances No/insufficient review of plan documents/operations |
| | | | | | Minor Item(s): Participant Data & Participant Accounts | Inadequate testing of eligibility/terminations/ forfeitures |
| 3 | Yes | 1 | Limited | DC 401(k) | Parties in Interest/Prohibited Transactions | Inadequate work, overall conclusion of no non-exempt transactions was not supported by evidence of procedures performed Relevant portion of audit program was not completed No documentation of parties in interest/related parties |

Appendix IV - Listing of Deficient Audits and Peer Review Information

1-2 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPQAC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 1 | 15 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | GA | 2 to 3 times |
| 2 | 15 | Limited-Scope Audit | DC | No | | No Response | Not Licensed | | | OH | No Response |
| 3 | 15 | Full-Scope Audit | DC | No | | No | No | | | CA | 1 time |
| 4 | 15 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | GA | 2 to 3 times |
| 5 | 15 | Full-Scope Audit | DC | No | | No Response | Not Licensed | | | NY | No Response |
| 6 | 14 | Limited-Scope Audit | DC 403b | Yes | 2013 | No | Yes | 2012 | Pass | TX | First time audited |
| 7 | 14 | Limited-Scope Audit | DC | No | | No Response | Not Licensed | | | PA | No Response |
| 8 | 14 | Full-Scope Audit | DC | No | | No Response | Yes | 2013 | Fail | NY | No Response |
| 9 | 14 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | CA | 4 or more times |
| 10 | 13 | Full-Scope Audit | DC 403b | No | | Yes | Yes | 2012 | Pass | OK | 1 time |
| 11 | 13 | Full-Scope Audit | DC | No | | No Response | No | | | AR | No Response |
| 12 | 13 | Full-Scope Audit | HW | No | | Yes | Yes | 2012 | Pass with deficiencies | IA | 4 or more times |
| 13 | 13 | Other | DC | No | | No Response | No | | | NY | No Response |
| 14 | 12 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MA | 4 or more times |
| 15 | 12 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass with deficiencies | TX | 4 or more times |
| 16 | 12 | Limited-Scope Audit | DC | No | | No | No | | | NY | 4 or more times |
| 17 | 12 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | NY | 4 or more times |
| 18 | 12 | Full-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | IL | 2 to 3 times |
| 19 | 12 | Limited-Scope Audit | DC | No | | No Response | No | | | GA | No Response |
| 20 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | CT | 4 or more times |
| 21 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | NY | First time audited |
| 22 | 11 | Limited-Scope Audit | DC | No | | No | No | | | NY | 4 or more times |
| 23 | 10 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | HI | 4 or more times |
| 24 | 10 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass with deficiencies | OH | 4 or more times |

1-2 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPQAC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 25 | 10 | Full-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | NC | 2 to 3 times |
| 26 | 10 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | VT | 4 or more times |
| 27 | 10 | Full-Scope Audit | HW | No | | No Response | Yes | 2011 | Pass | CA | No Response |
| 28 | 10 | Full-Scope Audit | DC | No | | No Response | Yes | 2010 | Pass | IL | No Response |
| 29 | 10 | Limited-Scope Audit | DC | No | | Yes | No | | | PA | 4 or more times |
| 30 | 9 | Limited-Scope Audit | DC | No | | Yes | No - firm dissolved | | | CA | 1 time |
| 31 | 9 | Full-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass with deficiencies | CT | First time audited |
| 32 | 9 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | NY | 2 to 3 times |
| 33 | 9 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | NJ | 4 or more times |
| 34 | 9 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | NC | 4 or more times |
| 35 | 8 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | NY | 4 or more times |
| 36 | 8 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MO | 4 or more times |
| 37 | 7 | Limited-Scope Audit | DC 403b | No | | No Response | Yes | 2012 | Pass | MA | No Response |
| 38 | 7 | Limited-Scope Audit | DC 403b | Yes | 2011 | Yes | Yes | 2012 | Pass | AL | 2 to 3 times |
| 39 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass with deficiencies | CA | 4 or more times |
| 40 | 7 | Limited-Scope Audit | DC | Yes | 2011 | Yes | Yes | 2011 | Pass | CA | First time audited |
| 41 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | SC | 4 or more times |
| 42 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass with deficiencies | AZ | First time audited |
| 43 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | AL | 4 or more times |
| 44 | 6 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | VA | 4 or more times |
| 45 | 6 | Limited-Scope Audit | DC | No | | Yes | No | | | NJ | 2 to 3 times |
| 46 | 6 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass | CA | 1 time |
| 47 | 5 | Limited-Scope Audit | DC | Yes | 2002 | Yes | Yes | 2011 | Pass | WA | 4 or more times |
| 48 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MD | First time audited |
| 49 | 5 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass | MI | 1 time |
| 50 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | WA | 4 or more times |
| 51 | 5 | Limited-Scope Audit | DC | No | | No | No | | | CA | 4 or more times |

1-2 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPQAC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 52 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | CO | 4 or more times |
| 53 | 5 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | IL | 4 or more times |
| 54 | 4 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass with deficiencies | KS | 4 or more times |
| 55 | 4 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | GA | |
| 56 | 4 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass | TX | 4 or more times |
| 57 | 4 | Limited-Scope Audit | DC | No | | No Response | Yes | 2011 | Pass | CA | No Response |
| 58 | 4 | Limited-Scope Audit | DC | Yes | No Response | No Response | Yes | 2013 | Pass | ID | No Response |
| 59 | 3 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass with deficiencies | NY | 4 or more times |
| 60 | 3 | Limited-Scope Audit | DC | Yes | 2009 | Yes | Yes | 2011 | Pass | VA | 4 or more times |
| 61 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass with deficiencies | TX | 2 to 3 times |
| 62 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | RI | 4 or more times |
| 63 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | CO | 2 to 3 times |
| 64 | 3 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | CO | 4 or more times |
| 65 | 3 | Limited-Scope Audit | DC | No | | No Response | Yes | 2010 | Pass | CA | No Response |
| 66 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2009 | Pass | NY | 1 time |
| 67 | 2 | Limited-Scope Audit | DC | No | | No | Yes | 2010 | Pass | IN | 4 or more times |
| 68 | 2 | Full-Scope Audit | DB | Yes | 2010 | Yes | Yes | 2012 | Pass | OR | 2 to 3 times |
| 69 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | CA | 4 or more times |
| 70 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | MI | 1 time |
| 71 | 1 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | NY | 4 or more times |
| 72 | 1 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | TX | 4 or more times |

3-5 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 1 | 15 | Full-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | TX | 4 or more times |
| 2 | 13 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass with deficiencies | IL | 4 or more times |
| 3 | 13 | Full-Scope Audit | HW | No | | Yes | Yes | 2011 | Pass | AR | 2 to 3 times |
| 4 | 13 | Limited-Scope Audit | DC | No | | No Response | Yes | 2011 | Pass with deficiency | CA | No Response |
| 5 | 13 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | AL | 2 to 3 times |
| 6 | 12 | Full-Scope Audit | DB | Yes | 2013 | No | Yes | 2011 | Pass | TX | 4 or more times |
| 7 | 12 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | FL | First time audited |
| 8 | 11 | Limited-Scope Audit | DC 403b | No | | No | Yes | 2012 | Pass | NC | 2 to 3 times |
| 9 | 11 | Full-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | TX | 4 or more times |
| 10 | 11 | Full-Scope Audit | HW | No | | Yes | Yes | 2012 | Pass | | 4 or more times |
| 11 | 11 | Limited-Scope Audit | DC | Yes | No Response | Yes | Yes | 2013 | Pass | PA | 4 or more times |
| 12 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MA | 4 or more times |
| 13 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | GA | 4 or more times |
| 14 | 10 | Limited-Scope Audit | DC 403b | No | | Yes | Yes | 2012 | Pass | AR | 2 to 3 times |
| 15 | 10 | Limited-Scope Audit | DC 403b | No | | Yes | Yes | 2012 | Pass | TX | 1 time |
| 16 | 10 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MI | 4 or more times |
| 17 | 9 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | TX | 4 or more times |
| 18 | 9 | Limited-Scope Audit | DC | Yes | No Response | No Response | Yes | 2011 | Pass | TX | No Response |
| 19 | 9 | Limited-Scope Audit | DC | Yes | No Response | No Response | Yes | 2011 | Pass | GA | No Response |
| 20 | 9 | Limited-Scope Audit | DC | No | | No Response | Yes | 2010 | Pass | NY | No Response |
| 21 | 9 | Limited-Scope Audit | DC | No | | No Response | Yes | 2011 | Pass | MA | No Response |
| 22 | 9 | Full-Scope Audit | DC | No | | No Response | Yes | 2010 | Pass | FL | No Response |
| 23 | 9 | Full-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | WA | 4 or more times |
| 24 | 8 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | PA | 4 or more times |
| 25 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass with deficiencies | FL | 4 or more times |
| 26 | 7 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass with deficiencies | FL | 4 or more times |
| 27 | 6 | Limited-Scope Audit | DC 403b | Yes | 2007 | Yes | Yes | 2012 | Pass with deficiencies | AZ | 2 to 3 times |

3-5 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPAQC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|---------------------------------------|-----------------------|------------------------------|
| 28 | 6 | Limited-Scope Audit | DC | No | | No | Yes | 2012 | Pass | UT | 1 time |
| 29 | 6 | Limited-Scope Audit | DC | Yes | 2012 | Yes | Yes | 2013 | Pass | TX | 4 or more times |
| 30 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | NY | 4 or more times |
| 31 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | AR | First time audited |
| 32 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | NC | 4 or more times |
| 33 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | UT | 4 or more times |
| 34 | 5 | Full-Scope Audit | DB | No | | No | Yes | 2010 | Pass | MD | 4 or more times |
| 35 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | NE | 4 or more times |
| 36 | 5 | Full-Scope Audit | HW | No | | Yes | Yes | 2013 | Pass | AR | 4 or more times |
| 37 | 5 | Limited-Scope Audit | DC | Yes | 2013 | Yes | Yes | 2013 | Pass | TX | 4 or more times |
| 38 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | AR | 2 to 3 times |
| 39 | 5 | Limited-Scope Audit | DC | Yes | No Response | No Response | Yes | 2012 | Pass | PA | No Response |
| 40 | 5 | Limited-Scope Audit | HW | No | | Yes | No | | | NH | 4 or more times |
| 41 | 4 | Limited-Scope Audit | DC | Yes | No Response | No Response | Yes | 2011 | Pass | OH | No Response |
| 42 | 4 | Limited-Scope Audit | DC | No | | No Response | Yes | 2013 | Pass with deficiencies | KY | No Response |
| 43 | 4 | Limited-Scope Audit | DC | Yes | 2010 | Yes | Yes | 2012 | Pass | CA | 2 to 3 times |
| 44 | 4 | Limited-Scope Audit | DC | No | | No | Yes | 2006 | Pass, but review not w/n 3 yr. period | CA | 4 or more times |
| 45 | 4 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | OH | First time audited |
| 46 | 4 | Limited-Scope Audit | DC 403b | No | | Yes | Yes | 2013 | Pass | NC | 1 time |
| 47 | 4 | Limited-Scope Audit | DC | Yes | 2011 | Yes | Yes | 2012 | Pass | NJ | 1 time |
| 48 | 4 | Limited-Scope Audit | DC | No | | No Response | Yes | 2010 | Pass | NY | No Response |
| 49 | 3 | Limited-Scope Audit | DC | Yes | No Response | Yes | Yes | 2012 | Pass | AZ | 2 to 3 times |
| 50 | 3 | Full-Scope Audit | HW | No | | Yes | Yes | 2011 | Pass | MA | 4 or more times |
| 51 | 3 | Limited-Scope Audit | DC 403b | No | | No Response | Yes | 2014 | Pass | MA | No Response |
| 52 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | OH | 4 or more times |
| 53 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | VA | 2 to 3 times |
| 54 | 3 | Limited-Scope Audit | DC | No | | No | Yes | 2011 | Pass | CA | 4 or more times |

3-5 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 55 | 3 | Limited-Scope Audit | DC 403b | No | | No | Yes | 2012 | Pass with deficiencies | NY | 2 to 3 times |
| 56 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | ID | First time audited |
| 57 | 2 | Full-Scope Audit | HW | No | | No | Yes | 2011 | Pass | TN | 4 or more times |
| 58 | 2 | Full-Scope Audit | DC | No | | Yes | Yes | 2010 | Pass | KY | 4 or more times |
| 59 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | NJ | 4 or more times |
| 60 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | IN | 4 or more times |
| 61 | 2 | Full-Scope Audit | HW | Yes | No Response | No Response | Yes | 2012 | Pass | KS | No Response |
| 62 | 2 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | NC | 4 or more times |
| 63 | 1 | Full-Scope Audit | DB | Yes | 2013 | Yes | Yes | 2012 | Pass | NY | 4 or more times |
| 64 | 1 | Limited-Scope Audit | DC | No | | No Response | Yes | 2013 | | NY | No Response |
| 65 | 1 | Full-Scope Audit | DB | No | | No Response | Yes | 2012 | | IL | No Response |

6-24 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPAQC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|---------------------|-----------------------|------------------------------|
| 1 | 13 | Full-Scope Audit | DC | Yes | 2014 | No | Yes | 2012 | Pass | WA | First time audited |
| 2 | 13 | Limited-Scope Audit | DC 403b | No | | No Response | Yes | 2012 | Pass | FL | No Response |
| 3 | 11 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | NJ | 1 time |
| 4 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | KY | 4 or more times |
| 5 | 11 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MI | 4 or more times |
| 6 | 10 | Limited-Scope Audit | DB | Yes | 2014 | No | Yes | 2012 | Pass | WA | 4 or more times |
| 7 | 10 | Limited-Scope Audit | DC | Yes | 2010 | Yes | Yes | 2011 | Pass | TX | 4 or more times |
| 8 | 10 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MI | First time audited |
| 9 | 10 | Limited-Scope Audit | DC | Yes | 2014 | No | Yes | 2012 | Pass | WA | 4 or more times |
| 10 | 9 | Limited-Scope Audit | DC | No | | No Response | Yes | 2012 | Pass | FL | No Response |
| 11 | 9 | Full-Scope Audit | DC | Yes | 2009 | Yes | Yes | 2010 | Pass | PA | 2 to 3 times |
| 12 | 9 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | AK | First time audited |
| 13 | 9 | Limited-Scope Audit | dc | No | | No Response | Yes | 2012 | Pass | FL | No Response |
| 14 | 8 | Limited-Scope Audit | DC | Yes | 2010 | Yes | Yes | 2011 | Pass | TX | First time audited |
| 15 | 8 | Full-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | CT | 4 or more times |
| 16 | 8 | Limited-Scope Audit | DC 403b | Yes | 2007 | Yes | Yes | 2010 | Pass | MN | 2 to 3 times |
| 17 | 8 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | NJ | 4 or more times |
| 18 | 8 | Limited-Scope Audit | DC 403b | Yes | 2007 | Yes | Yes | 2010 | Pass | MN | 1 time |
| 19 | 8 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | OH | 4 or more times |
| 20 | 8 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | NJ | 4 or more times |
| 21 | 8 | Limited-Scope Audit | DC 403b | No | | Yes | Yes | 2012 | Pass | KY | 2 to 3 times |
| 22 | 8 | Limited-Scope Audit | DC | No | | No Response | Yes | 2012 | Pass | FL | No Response |
| 23 | 7 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | KY | 2 to 3 times |

6-24 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 24 | 7 | Limited-Scope Audit | DC | Yes | 2014 | No | Yes | 2012 | Pass | WA | 4 or more times |
| 25 | 6 | Limited-Scope Audit | DB | Yes | 2014 | No | Yes | 2012 | Pass | WA | 4 or more times |
| 26 | 6 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2013 | Pass | IA | 1 time |
| 27 | 6 | Full-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2010 | Pass with deficiencies | CA | 4 or more times |
| 28 | 6 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2010 | Pass with deficiencies | CA | 4 or more times |
| 29 | 6 | Limited-Scope Audit | DC | No | | No Response | Yes | 2012 | Pass | FL | No Response |
| 30 | 6 | Limited-Scope Audit | HW | Yes | 2008 | Yes | Yes | 2012 | Pass | NJ | 4 or more times |
| 31 | 6 | Limited-Scope Audit | DC 403b | Yes | 2007 | Yes | Yes | 2013 | Pass | MN | 2 to 3 times |
| 32 | 6 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | CA | 2 to 3 times |
| 33 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MI | 4 or more times |
| 34 | 5 | Limited-Scope Audit | DC | Yes | 2009 | No | Yes | 2010 | Pass | PA | 4 or more times |
| 35 | 5 | Limited-Scope Audit | DC 403b | No | | Yes | Yes | 2011 | Pass | KY | 2 to 3 times |
| 36 | 5 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | CA | 2 to 3 times |
| 37 | 5 | Full-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2013 | Pass | IA | 4 or more times |
| 38 | 4 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | OH | First time audited |
| 39 | 4 | Limited-Scope Audit | DC | Yes | 2010 | Yes | Yes | 2011 | Pass | TX | 1 time |
| 40 | 4 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | CT | 2 to 3 times |
| 41 | 4 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | CA | First time audited |
| 42 | 4 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2013 | Pass | IA | 4 or more times |
| 43 | 4 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2013 | Pass | IA | 4 or more times |
| 44 | 4 | Full-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | CT | 4 or more times |
| 45 | 3 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2012 | Pass | AK | First time audited |
| 46 | 3 | Full-Scope Audit | DC | Yes | 2009 | Yes | Yes | 2011 | Pass | MS | 2 to 3 times |
| 47 | 3 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | OH | 4 or more times |
| 48 | 3 | Limited-Scope Audit | DC | Yes | 2004 | Yes | Yes | 2013 | Pass | FL | 4 or more times |
| 49 | 2 | Limited-Scope Audit | DC | Yes | 2009 | No | Yes | 2010 | Pass | PA | 4 or more times |
| 50 | 2 | Limited-Scope Audit | DC | Yes | 2009 | No | Yes | 2010 | Pass | PA | 4 or more times |
| 51 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MI | 1 time |

6-24 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 52 | 2 | Limited-Scope Audit | DC | Yes | 2009 | Yes | Yes | 2011 | Pass | MS | 4 or more times |
| 53 | 2 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | CA | 4 or more times |
| 54 | 2 | Full-Scope Audit | DB | Yes | 2007 | Yes | Yes | 2013 | Pass | MN | 2 to 3 times |
| 55 | 2 | Limited-Scope Audit | DC | Yes | 2004 | Yes | Yes | 2013 | Pass | FL | 4 or more times |
| 56 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2012 | Pass | MI | 4 or more times |
| 57 | 2 | Limited-Scope Audit | DC | No | | Yes | Yes | 2013 | Pass | OH | 4 or more times |
| 58 | 1 | Limited-Scope Audit | DC | Yes | 2010 | Yes | Yes | 2011 | Pass | TX | First time audited |
| 59 | 1 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2013 | Pass | IA | 4 or more times |
| 60 | 1 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2010 | Pass with deficiencies | CA | 2 to 3 times |
| 61 | 1 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2010 | Pass with deficiencies | CA | First time audited |
| 62 | 1 | Full-Scope Audit | DC | Yes | No Response | Yes | Yes | 2011 | Pass | TX | 2 to 3 times |
| 63 | 1 | Full-Scope Audit | HW | Yes | 2008 | Yes | Yes | 202 | Pass | CT | 4 or more times |
| 64 | 1 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | CA | 4 or more times |

25-99 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|---------------------|-----------------------|------------------------------|
| 1 | 10 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2012 | Pass | NY | 4 or more times |
| 2 | 10 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MD | 4 or more times |
| 3 | 9 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MD | 4 or more times |
| 4 | 8 | Full-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2012 | Pass | IL | 4 or more times |
| 5 | 8 | Full-Scope Audit | DC | Yes | 2004 | Yes | Yes | 2011 | Pass | VA | 4 or more times |
| 6 | 7 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2012 | Pass | AZ | First time audited |
| 7 | 7 | Limited-Scope Audit | DB | Yes | No Response | Yes | Yes | 2012 | Pass | IL | 1 time |
| 8 | 7 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | VA | 4 or more times |
| 9 | 5 | Full-Scope Audit | DB | No | | Yes | Yes | 2011 | Pass | MD | 1 time |
| 10 | 5 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2012 | Pass | AZ | 4 or more times |
| 11 | 5 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | VA | 4 or more times |
| 12 | 5 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2011 | Pass | CA | 2 to 3 times |
| 13 | 5 | Limited-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MD | 4 or more times |
| 14 | 5 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2011 | Pass | CA | 4 or more times |
| 15 | 4 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2012 | Pass | AZ | 1 time |
| 16 | 4 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2012 | Pass | NY | 4 or more times |
| 17 | 4 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | VA | 2 to 3 times |
| 18 | 4 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2012 | Pass | AZ | 2 to 3 times |
| 19 | 4 | Limited-Scope Audit | DC | Yes | 2008 | Yes | Yes | 2011 | Pass | CA | 1 time |
| 20 | 4 | Full-Scope Audit | DC | No | | Yes | Yes | 2011 | Pass | MD | 1 time |
| 21 | 3 | Limited-Scope Audit | DB | Yes | 2004 | Yes | Yes | 2011 | Pass | VA | 4 or more times |

25-99 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPQAC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 22 | 3 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2011 | Pass | VA | First time audited |
| 23 | 3 | Limited-Scope Audit | DC | Yes | 2006 | Yes | Yes | 2011 | Pass | CA | 4 or more times |
| 24 | 3 | Full-Scope Audit | HW | Yes | 2004 | Yes | Yes | 2012 | Pass with deficiencies | FL | 4 or more times |
| 25 | 2 | Limited-Scope Audit | DC | Yes | 2007 | Yes | Yes | 2012 | Pass | NY | First time audited |
| 26 | 1 | Limited-Scope Audit | DC | Yes | 2005 | Yes | Yes | 2010 | Pass | PA | First time audited |
| 27 | 1 | Full-Scope Audit | DC | Yes | 2004 | Yes | Yes | 2011 | Pass | MO | 4 or more times |

100-749 Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPQAC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|---------------------|-----------------------|------------------------------|
| 1 | 8 | Limited-Scope Audit | HW | Yes | 2004 | Yes | Yes | 2012 | Pass | MN | 4 or more times |
| 2 | 4 | Limited-Scope Audit | DB | Yes | 2004 | Yes | Yes | 2010 | Pass | PA | 4 or more times |
| 3 | 1 | Limited-Scope Audit | DC | Yes | No Response | Yes | Yes | 2011 | Pass | KS | 4 or more times |

750 + Plan Stratum

| Review Number | # of Audit Areas with Findings | Type of Audit Engagement | Plan Type | Member of the EBPQAC | Year Became EBPAQC member | State Society Member | Peer Review Performed | Peer Review Year | Peer Review Opinion | State IQPA Located In | Number of Times Plan Audited |
|---------------|--------------------------------|--------------------------|-----------|----------------------|---------------------------|----------------------|-----------------------|------------------|------------------------|-----------------------|------------------------------|
| 1 | 5 | Limited-Scope Audit | DB | Yes | 2004 | Yes | Yes | 2011 | Pass | IN | 4 or more times |
| 2 | 2 | Full-Scope Audit | DC | Yes | 2004 | No | Yes | 2011 | Pass with deficiencies | PA | First time audited |
| 3 | 1 | Limited-Scope Audit | DC | Yes | 2004 | No | Yes | 2011 | Pass with deficiency | MN | 4 or more times |