

Plan Audit Checklist



The following is a sample checklist of materials that may be requested during your retirement plan audit.

GENERAL PLAN INFORMATION

- Executed copies of the latest plan document, adoption agreement, plan amendments, and the most recent IRS determination letter or opinion letter, as applicable.
- Copy of the summary plan description (SPD) and any summary of material modification (SMM).
- Sample of enrollment packages. Procedures for enrolling in the plan and requesting loans and distributions. Description of the approval process for each of the relevant plan transactions.
- Listing of members of the board of directors/trustees, audit committee and plan officials responsible for plan operations, oversight and governance.
- Minutes from board/committee meetings, if applicable.
- Proof of ERISA fidelity bond.
- Executed copies of agreements with service providers, including current rate schedules, if applicable.
- Census of all employees during the year, including date of birth, date of hire, date of eligibility to each plan feature, date of termination for retirees and terminated employees who still have balances in the plan. Please identify employees who were eligible to participate in the plan during the year but elected not to participate.
- For each participant listed in the census: gross wages, wages excluded from the definition of eligible plan compensation by participant, a column for pre-eligibility compensation for every relevant plan feature (if applicable), and a reconciliation of total gross wages by employee on the census to the total payroll report and the W-3.

FINANCIAL REPORTING INFORMATION

- Year-end reporting packages from third-party administrator.
- Custodian investment statements.
- For limited-scope audits, a copy of the certification from a regulated financial institution, such as a bank or insurance company, in accordance with 29 CFR 2520.103-5.
- Draft Form 5500.
- Asset balances and plan transactions report subsequent to the year-end audit through the date of the audit report.

PLAN INTERNAL CONTROLS

- Copy of SOC 1 and/or 2 report on controls at service providers (i.e. Third Party Administrator, Record-keeper, Custodian), along with documentation of the plan's specific "user controls" necessary, as identified therein. If the

SOC 1 report does not cover the full plan year, a gap letter indicating whether the controls at the organization have changed.

CASH & INVESTMENTS

- Copy of investment policy statement.
- Schedule of assets held for investment and schedule of reportable transactions, if applicable, in a format compliant with the Form 5500 instructions.
- Reconciliation of the aggregate of the participant account balances to assets per the trust statements, with explanations for any variances.
- If loans are allowed by the plan, a list of loan balances as of the beginning of the year, loan repayments, interest rates, loan issue dates (to identify new loans), and loan balances outstanding at year-end.

CONTRIBUTIONS, ROLLOVERS & FORFEITURES

- Reconciliation of total participant contributions per the W-3 to total plan contributions deposited per the plan's investment custodian.
- A listing of payroll dates and the corresponding dates in which the deferrals for each payroll period were deposited.
- Payroll-by-payroll detail (gross wages, enough information to re-compute plan wages, and the related deferral per payroll) for a list of selected participants. Please include all amounts paid to a participant, even if they are excluded from the definition of compensation for the plan.
- Contribution receivable detail by participant (employee and employer) as of plan year end (if any).
- Detail of rollovers into the plan.
- Forfeiture statement for the plan year showing the forfeiture account beginning balance, newly forfeited participant amounts, utilization of forfeitures, earnings, and ending balance of the forfeiture account.

DISTRIBUTIONS & EXPENSES

- Listing of all distributions by type (e.g., hardship, other in-service, termination, death, QDRO) made during the plan year (the listing should tie in to the total distributions per the custodian trust statements).
- 1099-R report.
- Documentation of the client and record-keeper procedures for distributing terminated participant balances under \$5,000 or \$1,000, if applicable.
- Detail of any administrative expenses paid by the plan or reimbursed by the sponsor (e.g., accounting fees, investment fees, legal fees, appraisal fees, trustee fees).
- 408(b)(2), 404(a)(5) and any other annual plan disclosures.

COMPLIANCE

- Copy of the year-end compliance testing required by the Internal Revenue Code, including documentation of any corrective action required by the testing results. A reconciliation of the deferral and match totals (used for such testing) to the payroll and other source documents. *Please note: first year audits may require two years of compliance history.*