

# Audits of 403(b) Plans: A Challenging New Audit Area

The audit of the 403(b) plan will be a new growth area for the benefit plan auditor. Learn the similarities and differences between the audit of a 403(b) plan in comparison to that more familiar vehicle – the 401(k) plan. Build on what you already know about auditing benefit plans. Gain a background on the tax rules applicable to a 403(b) plan and develop a better understanding of how these plans are different and how the audit procedures must be modified. Focus on the open issues created by the first-time audit of a benefit plan that may have been in existence for nearly 50 years and whose investments have been managed more like individual retirement accounts than qualified plan trust accounts.

## OBJECTIVES

Upon completion of this course, participants will be able to:

- Distinguish between the operating differences of a 401(k) and a 403(b) plan
- Identify the key issues that must be addressed in preparing for the initial audit of the 403(b) plan
- Recognize the unique internal controls that should be present for a 403(b) plan
- Recognize the challenging open issues on the definition of a plan participant and a plan asset
- Design audit procedures responsive to the unique attributes of 403(b) plans
- Plan the scope of the audit with particular attention to first-time-through procedures
- Apply the accounting requirement for employee benefit plans to this arrangement

## HIGHLIGHTS

- What is the structure of these arrangements under final IRS regulations? What changed?
- What are the implications of changes in regulations on the internal control systems for such programs?
- Help recognize which arrangements are subject to ERISA's reporting and disclosure scheme
- How are former employees treated under 403(b) plans for purposes of including their contracts as plan assets or counting them as plan participants?
- What asset types are permitted?
- What unique audit risks exist?
- What is the tax status? Is there a determination letter program?
- How to help clients get prepared for this process

## WHO WILL BENEFIT

- Practitioners providing employee benefit plan audit and accounting services
- Benefit plan administrators
- Employees of exempt organizations with responsibility for accounting and reporting for 403(b) plans



### Level

Intermediate

### CPE Credit Hours

8

(Accepted for CMA and CFM continuing education credit)

### NASBA Field of Study

5-Auditing, 3-Accounting

### Prerequisite

Understanding of the audit of an employee benefit plan, the basics of ERISA, etc.; a working knowledge of the audit requirements of a 401(k) plan will be particularly helpful

### Updated Content Available

5/15/12

### Course Acronym

FOTB

(For self-study ordering information and recommended credit, visit [cpa2biz.com/cpe](http://cpa2biz.com/cpe))