



Common Employer/Sponsor Deficiencies & Tips for Complying with 403(b) Audits

Common Employer/Sponsor Deficiencies

- ◆ Not knowing when an audit is necessary
 - ◆ If you have greater than 100 eligible participants at the beginning of the plan year, an audit is normally required
- ◆ Failure to fulfill fiduciary responsibilities under ERISA
- ◆ Failure to adhere to terms of the plan's documents
- ◆ Late remittance of employee deferrals
- ◆ Inadequate controls over the plan operations
- ◆ Insufficient maintenance of participant data and plan documentation to support audit evidence

Tips for Complying with 403(b) Audits

- ◆ Start preparing now!
- ◆ Update your plan's documents for amendments or to comply with the latest applicable laws and regulations
- ◆ Determine the number of eligible participants at the beginning of the plan year and determine if an audit is necessary
- ◆ Review accounting procedures and internal controls to avoid audit findings
- ◆ Ensure completeness of participant data and plan records
- ◆ Fulfill your fiduciary responsibilities such as:
 - 1) ensure plan expenses are reasonable
 - 2) diversify plan investments

