

# AICPA issues audit guidance for new pension standards

APRIL 17, 2014 – The American Institute of Certified Public Accountants (AICPA) issued two white papers in February. The first white paper addresses issues related to information for employer reporting and provides more detail concerning the employers' proportionate share of collective pension amounts. The second addresses issues associated with testing census data in an audit of financial statements.

With respect to reporting proportionate share of pension costs, the best practice solution is for plans to provide a schedule of each employer's allocation percentage. The white paper outlines the plan to engage the plan auditor to obtain reasonable assurance and report on the schedule of employer allocations and related notes to the schedule. It also offers the option of presenting a stand-alone or supplemental schedule. A second schedule, Pension Amounts by Employer, also prepared by the plan, would detail each employer's share of net pension liability, the various categories of deferred outflows of resources and deferred inflows of resources, and pension expense. Examples of the schedules were provided in the white paper.

The second white paper applies to single-employer and cost-sharing multiple-employer plans. It addresses the responsibility of the cost-sharing plan to obtain all necessary information and the plan auditors to obtain sufficient appropriate evidence regarding the completeness and accuracy of all census data underlying certain financial statement elements of the plan. An illustration of the testing cycle schedule is included.

Auditing Standards [9500](#), [9600](#) and [9805](#) were issued this month. These standards provide further guidance to employer auditors in relation to information provided by the pension plan. The question posed in standard 9600 relates to considering the pension plan as a component of the employer. Examples of auditor report paragraphs relating to the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer are provided, as well as exhibits on the schedules.

To view the white papers:

[Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting](#)

[Single-Employer and Cost-Sharing Multiple-Employer Plans: Issues Associated with Testing Census Data in an Audit of Financial Statements](#)