



## Agenda Item 4D

### Illustration 4—Illustrative Separate Report on Specific Considerations Relating to Selected Plan Provisions

Circumstances include the following:

- Audit of a 401(K) plan. (When management limits the scope of the audit as permitted by ERISA, the first paragraph of the report would be revised accordingly.)
- The auditor’s report on the financial statements includes an other-matter paragraph (in accordance with paragraph .41 of the proposed SAS) regarding the report on specific considerations relating to selected plan provisions that was issued separately. The following is an example of such a paragraph.

#### Other Matter Regarding Separate Report on Specific Considerations Relating to Selected Plan Provisions

In accordance with GAAS, we have also issued a report dated [*date of report*] on our specific considerations relating to selected plan provisions of ABC 401(k) Plan in connection with obtaining reasonable assurance in an audit of the plan’s financial statements. The purpose of that report is to describe the results of our procedures relating to the selected plan provisions and not to provide an opinion on compliance with such plan provisions. That report is an integral part of an employee benefit plan audit performed in accordance with generally accepted auditing standards.

### Independent Auditor’s Report

[*Appropriate Addressee*]

We have audited, the financial statements of ABC 401(k) plan in accordance with auditing standards generally accepted in the United States of America, which comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements, and have issued our unmodified opinion thereon dated October 15, 20X3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.<sup>1</sup>

<sup>1</sup> When management has limited the scope of the audit as permitted by the Employee Retirement Income Security Act of 1974, this paragraph may be replaced with the following:

“We have performed an audit of the financial statements of ABC 401(k) Plan, in accordance with auditing standards generally accepted in the United States of America, subject to the limitation on the scope of the audit imposed by

***Specific Considerations Relating to Selected Plan Provisions***

As part of obtaining reasonable assurance about whether ABC 401(k) Plan's financial statements are free from material misstatement, we performed procedures to test whether plan transactions are in accordance with selected plan provisions, such as provisions for *[include relevant provisions such as contributions, benefits, and participant allocations]* for the year ended December 31, 20X2 as required by generally accepted auditing standards for audits of employee benefit plans subject to ERISA. However, these procedures were not performed for the purpose of providing an opinion on compliance with those provisions and, accordingly, we do not express such an opinion.

*[No findings]*

During our audit we did not have any findings relating to whether the plan's transactions are in accordance with selected plan provisions. . However, the audit was not designed to identify all instances where plan transactions are not in accordance with those selected plan provisions.

or

*[Findings have been identified]*

During our audit we identified the following findings relating to whether the plan's transactions are in accordance with selected plan provisions. However, the audit was not designed to identify all instances where plan transactions are not in accordance with those selected plan provisions.

*[Describe findings]*

***Purpose of this Report***

The purpose of this report is solely to describe the results of our specific considerations relating to whether the plan's transactions are in accordance with selected plan provisions, and not to provide an opinion on the plan's compliance with ABC 401(k) plan's provisions. This report is an integral part of an employee benefit plan audit performed in accordance with generally accepted auditing standards. Accordingly, this communication is not suitable for any other purpose.

*[Auditor's signature]*

*[Auditor's city and state]*

*[Date of the auditor's report]*

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management, as permitted by the Employee Retirement Income Security Act of 1974. The financial statements comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements. We have issued our opinion on the financial statements with the ERISA-permitted audit scope limitation thereon dated October 15, 20X3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.