

LEGISLATIVE AUDIT DIVISION

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April 14, 2016

To: Employers Participating in state of Montana Administered Pension Plans

As the auditor of all pension plans administered by the state of Montana, we are required to test the completeness and accuracy of census data maintained by the Montana Public Employees Retirement Administration (MPERA) and the Teachers' Retirement System (TRS). These requirements are the result of Governmental Accounting Standards Board (GASB) Statement No. 67 – Financial Reporting for Pension Plans, which was implemented by MPERA and TRS for the fiscal year ended June 30, 2014, and Statement No. 68 – Accounting and Financial Reporting for Pensions, which was required to be implemented by employers for fiscal years beginning after June 15, 2014.

The American Institute of Certified Public Accountants (AICPA) issued guidance summarizing our responsibilities in response to the implementation of these statements. The audits of the plan financial statements will include confirmation of census data maintained by TRS and MPERA. Personnel from our office will visit selected employers to test selected census data maintained by TRS and MPERA. Examples of census data include plan member age, years of service, annual salary, and gender.

We are in the process of identifying the employers to visit this year and the census data elements to test. We anticipate conducting this work beginning in May with follow up work, as necessary, conducted through September. Employers selected for testing will be notified in advance of our office performing the work.

For employers selected for testing we will test a sample of employees to verify the accuracy of census data maintained by the applicable retirement system. We will review the source documentation for the selected sample of employees. We anticipate that much of the information needed is contained in various payroll reports and personnel files. We will also interview key personnel involved in reporting data to the applicable retirement system. This is similar to the testing we have performed during the past two years.

We will be completing similar testing every year as part of our audits of MPERA and TRS. If you are not selected for testing this year, you may be selected in a future year.

If you have questions, please contact Katie Majerus at katiemajerus@mt.gov, or Shandell VanDonsel at shandellvandonsel@mt.gov. We can also be reached at (406) 444-3122.

Sincerely,

/s/ Katie Majerus

Katie Majerus, CPA
Financial-Compliance Auditor

/s/ Shandell VanDonsel

Shandell VanDonsel, CPA
Financial-Compliance Auditor

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By Email