

# APA Update for GASB Statement No. 68



## APA Update for GASB Statement No. 68

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## Objectives

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- Discuss updates to the *Specifications for Audits of Counties, Cities, and Towns*; and *Specifications for Audits of Authorities, Boards, and Commissions*
- Discuss employer auditor's responsibilities to provide a report to APA
- Provide update on APA's progress of reviewing the employer allocations and schedule of pension amounts

## Reporting Requirements for the Audit Specifications

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- *Specifications for Audits of Counties, Cities, and Towns*
  - 3-7 Retirement Systems
  - If the Political Subdivision is required to have an audit then the employer auditor is required to report the results to APA by October 1

## Reporting Requirements for the Audit Specifications

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- *Specifications for Audits of Authorities, Boards, and Commissions*
  - 2-5 Retirement Systems
  - If the ABC participates in VRS, is audited, **and**
    - 1) personnel expenses are significant **or**
    - 2) management anticipates the expected future pension liability related to their participation in the VRS to be material, then the auditor **must** perform the procedures
  - Report the results to APA by November 30

## Audit Specification Procedures

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- Procedures related to participant eligibility
  - Required to consider employees from pay periods throughout the fiscal year
  - Required to test but is not included in the scope of the opinion or included in the appendix

## Audit Specification Procedures

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- Procedures related to census data and controls over census data
  - FY15 are designed to focus on changes
  - Member Data Reporting Requirements
  - Employer Monthly Reporting Requirements
  - Roles and Responsibilities
    - *myVRS* Navigator access

## Audit Specification Reporting Requirements

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- Perform procedures as part of **examination** in accordance with AT section 101, *Attest Engagements* (AICPA, *Professional Standards*)
- Report and appendix
  - Identify and report on each control environment
  - Provide risks and sampling considerations

## Audit Specification Reporting Requirements

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- Important information for preparers of financial reports
  - The definition of covered-employee payroll
    - The payroll of employees that are provided with pensions through the pension plan
  - The definition differs from covered payroll per GASBs 25 and 27
    - Impacts RSI
    - GASB 68 Implementation Guide, questions 106 and 210.

## Progress of APA's Audit – Census Data

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- Census data
  - VRS provides assertions regarding completeness and accuracy of the census provided to the actuary
  - APA performs an examination of those assertions and issues a report (*opinion*)

## Progress of APA's Audit – Cost-Sharing

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- Auditor's Opinion
  - Schedule of Employer Allocations
  - Schedule of NPL, Def Inflows, Def Outflows, and Pension Expense

## Progress of APA's Audit – Agent Multi

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- Key Characteristics of Agent Multiple Employer Plans
  - Assets are pooled for investment purposes, but separate accounts maintained for each employer
  - Employer's share of pooled assets is legally available only for its employees

## Progress of APA's Audit – Agent Multi

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- Auditor's Opinion
  - Combining Schedule of Changes in Fiduciary Net Position by Employer
    - Schedule as a whole and on each individual employer column

## Summary

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- Discussed updates to the *Specifications*
- Discussed employer auditor's responsibilities to provide a report to APA
- Provided an update on APA's progress for GASB Statement No. 68

## Resources

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- [www.apa.virginia.gov](http://www.apa.virginia.gov)
  - Local Government
  - Includes the AICPA White Paper Series for pensions, and relevant AU-C interpretations
  - Includes GASB Guide to Implementation of GASB Statement 68 on Accounting and Financial Reporting for Pensions
  - [APAVRSSupport@apa.Virginia.gov](mailto:APAVRSSupport@apa.Virginia.gov)

# Resources

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- [www.varetire.org](http://www.varetire.org)
  - Financial Reporting section
  - Employer Manuals
  - VRS University (KC)
  - *myVRS* Navigator reports for census data

# Questions

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## Contact Information

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