Investments	
Specific Objectives	***Examples of Selected Controls***
	administration personnel based upon written request from authorized management.
Access to computer resources, such as application programs, data files, sensitive utilities, and system commands, is limited to authorized individuals.	• Access to the system is granted to each user via a unique user identification number and password. • Access to systems is limited based upon job responsibilities. • The ability to modify application-executable programs and production data files is limited to authorized individuals.
Remote access to dial-up system is established for authorized individuals, plan administrators, and participants.	• The voice response system and Internet and intranet access is limited to authorized participants through the use of specific identification and a personnel identification number. Invalid attempts to access and perform functions are rejected and transferred to an assigned representative.
Critical processing activities can be continued or restored to an acceptable level without prolonged delay or loss of service in the event of disruption.	• Master files and transaction files are stored off-site to allow re-creation of the master file. • Contingency plans have been developed for alternative processing. • Disaster recovery plans have been developed and tested for adequacy.

Exhibit B-2

Examples of User Controls When a Service Organization Is Utilized

Specific Objectives	*Examples of Selected Controls*
Investments	
Controls should provide reasonable assurance that	• Quarterly and annual plan reports are provided to participants.

Specific Objectives	Examples of Selected Controls
the appropriate asset purchases or redemptions are made as a result of contributions, disbursements, or other changes.	Reports should be reviewed by the participant for accuracy of dividends and capital gains processing. Plan administrators should have procedures in place to timely follow up on all reconciling items.
Contributions Received and Related Receivables and Participant Loans	
Controls should provide reasonable assurance that contributions are adequately safeguarded upon receipt and processed in a timely manner by authorized individuals.	• Confirmation notices and quarterly statements are provided to plan administrators and participants. These individuals have procedures in place for reviewing these documents on a timely basis for accuracy and completeness. Plan administrators should have procedures in place to timely follow up on all reconciling items. • Plan administrators should have policies and procedures in place that provide reasonable assurance that the confidentiality of their password is maintained, and access to the recordkeeping software is limited to authorized personnel.
Controls should provide reasonable assurance that contribution remittances are applied to the appropriate plan and participant accounts and processed accurately and completely by money type (that is, contributions versus loan repayments) according to the investment options selected by the participant.	• Confirmation notices (that is, turnaround documents) and quarterly statements are provided to plan administrators and participants. These individuals should have procedures in place for reviewing these documents on a timely basis for accuracy and completeness. • Plan administrators should have policies and procedures in place that provide reasonable assurance that their input into the recordkeeping system is accurate and complete. Plan administrators should have procedures in place to timely follow up on all reconciling items.

Specific Objectives	*Examples of Selected Controls*
Benefit Payments, Claims, and Distributions	
Controls should provide reasonable assurance that disbursements and related transactions (for example, benefits, claims, participant loans, hardship withdrawals, and forfeitures) are authorized and valid.	• The plan administrator should have procedures in place that provide reasonable assurance that any disbursement requests are authorized and in compliance with the plan provisions.
Controls should provide reasonable assurance that disbursements and related transactions are recorded and processed accurately, completely, and on a timely basis.	• The plan administrator should have procedures in place to provide reasonable assurance that the information communicated to the recordkeeper regarding participant loans, hardship withdrawals, and forfeitures is complete and accurate, that amounts forfeited or disbursed are properly calculated in accordance with the plan instrument, and unused forfeitures are disposed of timely and in accordance with the plan instrument. • Confirmations and quarterly statements are provided to participants and plan administrators. Participants and plan administrators should have procedures in place for reviewing confirmations and quarterly statements on a timely basis for accuracy and completeness. Plan administrators should have procedures in place to timely follow up on all reconciling items.
Participant Data	
Controls should provide reasonable assurance that all additions and modifications to plan information are authorized and recorded and processed completely, accurately, and on a timely basis.	• Confirmation notices are provided to participants to confirm accuracy of additions and modifications of data. Plan administrators should have procedures in place to timely follow up on all discrepancies. • Confirmations are reviewed by the participant.

Specific Objectives	*Examples of Selected Controls*
Controls should provide reasonable assurance that participant data is recorded and processed accurately, completely, and on a timely basis and that modifications to participant data are valid and authorized.	• Confirmation notices are generated and provided to participants to review the completeness and accuracy of information entered into the recordkeeping system. Plan administrators should have procedures in place to timely follow up on all discrepancies. • Participants have procedures in place for regularly reviewing the completeness and accuracy of information included on the confirmation notices and communicating any discrepancies to the plan administrator or recordkeeper on a timely basis. • Plan administrators should have control policies and procedures in place that provide reasonable assurance that employees are eligible, authorized, and valid participants before submitting employee application forms to the recordkeeper or enrolling employees through online access.
Controls should provide reasonable assurance that participant-initiated transfers, changes in investment allocations, and other changes are authorized and valid.	• Confirmations and quarterly statements are provided to participants and plan administrators. Participants and plan administrators should have procedures in place for reviewing confirmations and quarterly statements on a timely basis for accuracy and completeness. Plan administrators should have procedures in place to timely follow up on all reconciling items.
Controls should provide reasonable assurance that participant-initiated transfers, changes in investment allocations, and other changes are processed accurately, completely, and on a timely basis.	• Confirmations and quarterly statements are provided to participants and plan administrators. Participants and plan administrators should have procedures in place for reviewing confirmations and quarterly statements on a timely basis for

Specific Objectives	Examples of Selected Controls
	accuracy and completeness. Plan administrators should have procedures in place to timely follow up on all reconciling items.
Reporting	
Controls should provide reasonable assurance that the annual plan reports are complete, accurate, and generated on a timely basis.	• Quarterly statements and annual plan reports are provided to plan administrators. Plan administrators should have procedures in place for reviewing these documents on a timely basis for accuracy and completeness and notifying the recordkeeper of errors or discrepancies in a timely manner.
Controls should provide reasonable assurance that accurate plan data is available to provide accurate results when annual testing is performed.	• Plan administrators should have procedures in place that provide reasonable assurance that plan data (census and compensation) are communicated accurately and on a timely basis to the recordkeeper.
Controls should provide reasonable assurance that access to computer resources, such as application programs, data files, sensitive utilities, and system commands, is limited to authorized individuals.	• Plan administrators should have policies and procedures in place that provide reasonable assurance that the confidentiality of their password is maintained, and access to the software is limited to authorized personnel.
Controls should provide reasonable assurance that remote access to recordkeeping systems are established for authorized individuals and customers.	• Policies and procedures should be designed and implemented at user organizations to provide reasonable assurance that access to the recordkeeping system's hardware, software, voice response system, and password is granted only to authorized individuals.

Exhibit B-3