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September 28, 2017

Via E-Mail

Sherry.hazel@aicpa-cima.com

Ms. Sherry Hazel
Accounting Standards Board
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036

Re: Comments on Proposed Statement on Auditing Standards (SAS), Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA

Dear Ms. Hazel:

This law firm represents the Plaster Tenders Apprenticeship and Training Trust (“Trust”), a Trust subject to ERISA. On behalf of the Trust, we submit these comments in response to the Proposed Statement on Auditing Standards (SAS), Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA (“Proposed Draft”).

While the Trust is in agreement with the Auditing Standards Board’s (ASB) goal of improving the quality of audits with respect to ERISA covered plans, there are a few aspects of the Proposed Draft that raise some concerns from the Trust’s perspective as indicated below.

The Proposed Draft places audit requirements not required under ERISA, thereby significantly expanding audit responsibilities. From the Trust’s perspective, such expansion of the audit requirements is problematic for a number of reasons, including the fact that such expansion will require significantly more work by the auditors, which will pass the additional costs of the audit to the Trusts.

The Trust is also concerned that the expansion of the auditing requirements will have the effect of unnecessarily exposing the Trust to frivolous litigation. For example, under the Proposed Draft, auditors will have to file a separate report on its audit findings with the Form 5500, which is a publicly available document. The findings report must document any audit findings, unless they are “clearly inconsequential.” However, the Proposed Draft does not define the term “clearly inconsequential.” From the Trust’s perspective, this opens the door to potential unnecessary litigation that will hurt the Trust.

Sherry Hazel
Accounting Standards Board
American Institute of Certified Public Accountants
September 26, 2017
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Furthermore, The Trust is concerned that the above referenced changes to the audit requirements will increase costs for ERISA plans that already satisfy extensive reporting and disclosure requirements. Currently, these plans are offered on a voluntary basis. If these audit requirements are imposed on these already burdened plans, there will be less incentive to offer such plans in the future, which will detrimentally affect plan participants and beneficiaries in the long run.

These additional potential costs are particularly concerning to the Trust, in light of the fact that the Trust is a small apprenticeship trust that would prefer to use its assets on training its apprentices rather than expending additional funds on Trust professionals.

We appreciate the opportunity to provide input regarding the proposed statement on auditing standards.

Very truly yours,



Natalia Bautista
of REICH, ADELL & CVITAN

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