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# tmrsE★bulletin

FOR CITIES

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## ***SPECIAL E-Bulletin –*** **Information about GASB Pension Standards and Audit Implications, Including User Entity Controls**

Your city finance officer, city manager, and city correspondent should all be receiving a Memorandum from TMRS (which we call the User Entity Controls Letter) in the next few days. This letter contains important information about proposed auditing requirements as they relate to the forthcoming accounting standards for retirement benefits under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27.*

The letter provides information about a Service Organization Control Report (SOC-1 report) that will be issued by TMRS' auditor. The American Institute of Certified Public Accountants (AICPA) is currently proposing that pension plans such as TMRS complete an audit of their internal control processes. Upon completion of this audit, TMRS (the "service organization") will share the report, which the user entities (i.e., TMRS municipalities) will need to review. More importantly, *to make certain that the report is of value to your city and your city's financial audit, you will need to ensure that certain user entity controls related to TMRS are in place and operating effectively at your city.*

**It is important for city finance staff and the city's external auditors to read the letter and understand their responsibility for having appropriate internal controls in place at the city for all information and data that is remitted to TMRS.**

A copy of the [User Entity Controls Letter](#) is posted on the TMRS website. More information will be forthcoming from TMRS in future e-bulletins and on the ["Eye on GASB"](#) page on the TMRS website. Information about this major change to pension accounting and financial reporting is also available on the AICPA and GASB websites at [www.aicpa.org](http://www.aicpa.org) and [www.gasb.org](http://www.gasb.org). In addition, GASB recently issued an [Implementation Toolkit for Governments](#).

*NOTE • Previously issued e-bulletins are posted in the E-Bulletin section under the City Services tab on the TMRS website.*

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