

ADS BENEFITS UPDATE

SSAE 16 Audit Report Now Available

We are pleased to announce that the Report On Controls Placed In Operation And Tests of Operating Effectiveness for the period January 1, 2010 through December 31, 2010 is now available. The report details the policies, procedures, and internal controls incorporated by ADS in our retirement plan recordkeeping and administrative operations.

SSAE 16 replaces SAS70

The Statement on Standards for Attestation Engagements (SSAE) No. 16 was issued in April 2010 by the American Institute of Certified Public Accountants (AICPA). These new standards supersede the Statement on Auditing Standards No. 70 (SAS 70) also established by AICPA. The new standards place additional emphasis on Actuarial Designs & Solutions' management description of internal controls. Although the new standard is not required for 2010, ADS has chosen to early adopt the new standard to demonstrate our leadership in the marketplace.

The standard is designed to report on ADS' operational controls and their effectiveness. The SSAE 16 report is achieved through an audit that is conducted by an independent auditor as to whether control objectives described by ADS were suitably designed to meet specified control objectives that are in place and operating effectively over a period of time. The SSAE 16 report validates that ADS operates as a certified and trusted, third party administrator that meets the rigorous operation controls associated with Sarbanes Oxley compliance.

Why is this important for ADS clients?

The SSAE 16 report provides ADS clients with independent auditor validation of the procedures and controls in place within ADS recordkeeping and administration operations. It demonstrates ADS' continued commitment to provide our clients the most accurate, efficient, and timely services for your retirement plan and to operate as a trusted retirement plan provider who meets the rigorous operation controls associated with Sarbanes-Oxley compliance. Completion of the SSAE 16 report provides assurance that our services can be used with confidence and that our team of dedicated retirement professionals is your trusted partner.

If your retirement plan requires an audit in conjunction with the annual filing of Form 5500, your auditors can utilize the SSAE 16 report during their audit to reduce the amount of testing they otherwise would need to do which results in a reduced cost for your plan audit. For your convenience, we will distribute the report directly to your auditor.

Please contact your ADS plan administrator with any questions about this or to obtain a copy of the SSAE 16 Report.

