



*Report on Controls Placed in Operation
and Tests of Operating Effectiveness*

Defined Contribution Plan Recordkeeping Services

For the Period

October 1, 2005 – September 30, 2006

Great-West Life & Annuity Insurance Company
Defined Contribution Plan Recordkeeping Services

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Tests of Operating Effectiveness
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SECTION ONE

INDEPENDENT SERVICE AUDITOR'S REPORT



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INDEPENDENT SERVICE AUDITOR'S REPORT

Great-West Life & Annuity Insurance Company
Greenwood Village, Colorado

We have examined the accompanying description of controls related to Great-West Life & Annuity Insurance Company, specific to the Great-West Retirement ServicesSM (hereafter, collectively referred to as "Great-West") division's defined contribution plan recordkeeping services and related general computer controls. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of Great-West's controls that may be relevant to a user organization's internal control as it relates to an audit of financial statements, (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily, and user organizations applied the controls contemplated in the design of Great-West's controls, and (3) such controls had been placed in operation as of September 30, 2006. The control objectives (Section Three) were specified by the management of Great-West. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

As noted in Section Two, Great-West uses Tower Management Company ("TMC") for physical security services at the Great-West campus. The accompanying description includes those control objectives and related controls of Great-West, as well as those control objectives and related controls of TMC as they relate to physical security at the Great-West campus. Also, as noted in Section Two, Great-West uses various subservice organizations for marketing, administration, and offsite data storage services. The accompanying description includes only those control objectives and related controls of Great-West and TMC, and does not include control objectives and related controls of the subservice organizations. Our examination did not extend to controls provided by the subservice organizations.

In our opinion, the accompanying description of Great-West's controls related to its defined contribution plan recordkeeping services and related general computer controls presents fairly, in all material respects, the relevant aspects of Great-West's controls that had been placed in operation as of September 30, 2006. Also, in our opinion, the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily and user organizations applied the controls contemplated in the design of Great-West's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, which are presented in Section Three of this report, to obtain evidence about their effectiveness in meeting the related control objectives, described in Section Three, during the period from October 1, 2005 to September 30, 2006. The specific control objectives; controls; and the nature, timing, extent, and results of the tests are described in Section Three. This information has been provided to user organizations of Great-West and to their auditors to be taken into

consideration, along with information about internal control at user organizations, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section Three, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives specified in Section Three were achieved during the period from October 1, 2005 to September 30, 2006. However, the scope of our engagement did not include tests to determine whether control objectives not listed in Section Three were achieved; accordingly, we express no opinion on the achievement of control objectives not included in Section Three.

The relative effectiveness and significance of the specific controls at Great-West and their effect on assessments of control risk at the user organizations are dependent on their interaction with the controls and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of controls at individual user organizations.

The description of Great-West's controls is as of September 30, 2006, and information about tests of the operating effectiveness covers the period from October 1, 2005 to September 30, 2006. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at Great-West is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions..

Our examination was conducted for the purpose of forming an opinion on the description of Great-West's controls related to its defined contribution plan recordkeeping services and related general computer controls (Section Two). The information in Section Four has not been subjected to the procedures applied in the examination of the aforementioned description of Great-West's controls related to its defined contribution plan recordkeeping services and related general computer controls and, accordingly, we express no opinion on the descriptions contained within Section Four.

This report is intended solely for use by the management of Great-West, its user organizations, and the independent auditors of such user organizations.

Deloitte & Touche LLP

October 13, 2006

SECTION TWO

**DESCRIPTION OF INTERNAL CONTROLS PROVIDED BY
GREAT-WEST LIFE & ANNUITY**

I. OVERVIEW OF OPERATIONS

A. Organization and Services

Great-West Retirement ServicesSM, a division of Great-West Life & Annuity Insurance Company, in conjunction with related companies described below, provides enrollment, recordkeeping, and investment allocation services for participant-directed defined contribution retirement plans. While services may be provided for any type of tax-qualified participant-directed defined contribution plan, the majority of plans served operate under Section 401(a), 401(k), 403(b) or 457 of the Internal Revenue Code.

Agreements for recordkeeping and communications services serve as the agreement between Great-West and its Plan Sponsors to provide enrollment, recordkeeping, and investment allocation services. The contract provides Plan Sponsors a funding vehicle that includes a variety of investment options to which plan participants can contribute on a pre-tax basis via payroll deductions. Such contributions grow on a tax-deferred basis until distributed. Participants may also direct other types of contributions (e.g., employer-matching, profit sharing, and post-tax contributions) to the same array of investment options, depending on the type of plan served and its provisions.

Investment options include external and proprietary mutual funds, fixed interest rate investments, company stock and access to self-directed brokerage accounts. Regardless of the type of investment option, Great-West serves as the intermediary for all asset purchases and redemptions. Certain fixed interest rate investments are backed by the general account of Great-West and “variable” investments are made through units of Great-West’s separate accounts. “Guaranteed Separate Account” investments are available for large Plan Sponsors who wish to have their assets segregated from the general account of Great-West.

Great-West uses the services of GWFS Equities, Inc. (“GWFS”), an indirect wholly owned broker/dealer subsidiary of Great-West, and independent broker/dealers to market its products and services to the Plan Sponsors. Administration of the defined contribution retirement plan business is provided by FASCore, LLC (“FASCore”), a wholly owned subsidiary of Great-West.

Great-West offers a diverse package of financial planning products and services customized for 403(b) Tax Deferred Annuity, 457 Deferred Compensation, 401(a) Defined Contribution, and 401(k) Cash or Deferred Arrangements. Services include marketing, enrollment and counseling of employees of public schools and universities, hospitals, and non-profit sectors, as well as those working within state and local governments. In addition to its headquarters in Greenwood Village, Colorado, Great-West operates out of numerous field, satellite, and home-based offices located throughout the United States.

GWFS serves as the intermediary for purchases and redemptions for external and proprietary mutual funds. Investment options include external and proprietary mutual funds, fixed investments and employer stock.

FASCore was incorporated in 1993 as a wholly owned subsidiary of Great-West for the sole purpose of providing comprehensive administration and recordkeeping services for financial institutions. FASCore enables Great-West to provide separate Third Party Administration (“TPA”) for entities that may not have a need for marketing or investment services. FASCore is headquartered in Greenwood Village, Colorado.

FASCore’s only business is customized recordkeeping and administration of defined contribution plans utilizing the Innovative Strategic Investment System (“ISIS”), a proprietary on-line, real time system. Such services include account valuation and cash processing at any frequency (e.g., daily, weekly,

monthly, etc.), withdrawal processing, transfers and changes in investment allocation, automated account inquiry, production of account statements, and annuity payment administration.

Throughout the remainder of this report, Great-West and the related companies described above will be collectively referred to as Great-West.

II. CONTROL ENVIRONMENT CONSIDERATIONS

This description pertains to the internal control environment of Great-West, including the data processing environment and enrollment, recordkeeping, and investment allocation services for participant-directed defined contribution retirement plans at Great-West's headquarters and data center in Greenwood Village, Colorado.

The control environment reflects the position taken by management, the Board of Directors, and others concerning the importance of controls and the emphasis given to controls in its policies, procedures, methods, and organizational structure. The following is a description of the key elements of the control environment of Great-West:

- A. Oversight by the Board of Directors
- B. Organizational Structure and Personnel
- C. Great-West Structure
- D. Financial Services Systems
- E. Internal Audit Function
- F. Personnel Controls
- G. Regulatory Supervision
- H. Risk Assessment

A. Oversight by the Board of Directors

The Great-West Board of Directors has the ultimate responsibility for overseeing the affairs of all Great-West and related operations. The Board of Directors, which is composed of internal and external business executives, meets at least twice per quarter to discuss significant matters, pertinent to Great-West and to review financial results. The Audit Committee of the Board of Directors meets quarterly and is responsible for: (1) reviewing the financial results, (2) reviewing the results of the audits by the independent auditor, (3) overseeing internal audit activities, (4) reviewing the findings and recommendations identified as a result of internal and external audits, and (5) reviewing major litigation. The Chairman of the Audit Committee reports to the Board of Directors at the conclusion of each Audit Committee meeting. Management, the Internal Audit Department, and the independent auditor have an open channel of communication to both the Audit Committee and the Board of Directors.

B. Organizational Structure and Personnel

Great-West uses a "Strategic Business Unit" ("SBU") structure that provides the overall framework for planning, directing and controlling operations. This approach allows Great-West to clearly define responsibilities, lines of reporting, and communications, permitting employees to focus on the specific business issues impacting their customers. Great-West's primary SBUs are:

- Great-West - Defined Contribution Plans
- Great-West - FASCore

FASCore is closely related to the Great-West - Defined Contribution Plans SBU of Great-West in that FASCore performs and delivers the recordkeeping and administrative services to this group's customers.

In addition, certain Great-West corporate departments, including the Investments and Accounting Services departments, provide support functions to all SBUs. These support functions include processing, calculation of unit values, bank transactions, bank account reconciliations, and financial reporting.

C. Great-West Structure

Great-West is responsible for providing plan level services and support for certain plans, such as:

- Evaluating Requests For Proposals (“RFPs”) to determine whether or not a response will be prepared
- Determining pricing of current and prospective plans
- Preparing and submitting responses to RFPs
- Preparing and issuing plan level master applications, contracts, agreements, riders, etc., for execution

There are three primary departments within Great-West that provide services to defined contribution Plan Sponsors and their participants:

- Financial Control
- Operations
- Client/Plan Services

The segregation of duties between these departments and the oversight, monitoring and other control functions within the departments provide the overall foundation for the control environment.

Financial Control

The Financial Control Department (“Financial Control”) is responsible for a number of functions, including the following:

- Interfacing with the Investment Department and external investment companies
- Reconciliation of Operations accounts
- Interfacing with the Accounting Services Department
- Tax reporting
- Reconciliation of fixed account liabilities and share balances
- Plan level cash control
- Special reporting

Operations

The Operations Department (“Operations”) is responsible for the daily functioning and recordkeeping for Plan Sponsors and participants. Daily responsibilities include the following:

- Receiving and distributing mail and faxes
- Logging and assigning incoming work
- Processing new participant applications

- Processing plan and participant contributions and loan repayments
- Processing plan and participant distributions and loans
- Updating or changing plan and participant information as required
- Initiating and mailing quarterly participant and Plan Sponsor account summary statements
- Responding to Plan Sponsor questions and requests
- Performing Compliance Services, when applicable
- Providing the plan level service of adding new plans and maintaining existing plans on the ISIS system

Client/Plan Services

Client Services is the first point of contact for plan participants calling regarding 401(a), 401(k), 403(b) and 457 plans. Calls into the department are recorded and subject to monitoring to help ensure accuracy of information and professionalism of staff. Inquiries can range from account balance and fund performance to loan hardship/qualification amounts. Most calls are resolved immediately. If the representative is unable to resolve the issue immediately, Client Service will involve the appropriate operations department(s) for assistance in responding to the request. Participant calls are routed to the Client Service Department through the Voice Response System (“VRS”). VRS is a 24-hour automated voice response unit accessible using a toll-free number and a touch-tone telephone. VRS was designed to handle simple inquiries and transactions (e.g., account balances, allocation changes, and transfers), leaving Client Service representatives available to handle the more complex issues. The representatives will also assist participants on questions related to the VRS or the Participant Web site. These calls are generally related to functionality/browser issues.

The Plan Service Department is the first point of contact for Plan Sponsors, GWFS, independent brokers, support staff, and institutional clients. Calls are similar to those handled by the Client Service Department but are focused at the plan/institutional level.

D. Financial Services Systems

Financial Services Systems (“FSS”) is responsible for developing, maintaining, and operating the ISIS system, the Great-West defined contribution plan recordkeeping’s primary application system, as well as other system applications that draw upon the ISIS database.

FSS is functionally segregated into four groups:

- Technical Infrastructure - responsible for systems administration, security and database configuration.
- Software Engineering - responsible for the maintenance of application systems software and development of new functionality.
- Production Support - responsible for job scheduling and support of hardware and software utilization.
- Voice Response System (“VRS”), Plan Service Center (“PSC”), and Participant Web - responsible for administering and providing customer support for the VRS system, PSC and the PartnerLink (Web interface) systems.

E. Internal Audit Function

Great-West's operations are subject to periodic audits by the Internal Audit Department of Great-West. The Internal Audit Department reports directly to the Audit Committee of the Board of Directors for auditing matters, and to the Executive Vice President/CFO, Corporate Division, for administrative matters. Meetings are held at least quarterly with the President and CEO. The department is staffed with experienced financial/operational and information systems audit professionals.

An annual audit plan is developed by the department for review with the Audit Committee and senior management. Types of activities covered in the annual audit plan generally include:

- Audits - an evaluation of controls and operations in an area, a process or a system, performance of tests of controls and operations, and development of recommendations to improve procedures.
- Special Projects - a limited scope review, on a consulting basis, to evaluate a specific process, contract, etc.
- System Development Projects - an evaluation and recommendation of controls during the development and implementation of a new information system.

Audit programs are developed and used by Internal Audit staff when conducting the procedures. Written reports are issued at the completion of a project, which document: (1) the scope of the audit, (2) results and recommendations for improvement, and (3) management's responses and discussion of the action to be taken to address the audit findings. Follow-up audits are performed to assess if the agreed upon action was taken.

F. Personnel Controls

Formal policies and procedures have been developed covering critical aspects of employment, including: hiring, training and development, performance appraisals, advancement, and termination. New employees are provided with access to an employee handbook via the intranet, which documents various procedural and administrative matters.

The Human Resources Department is primarily responsible for recruiting and evaluating job applicants in accordance with an affirmative action program. Based on the sensitivity of the underlying job, various levels of background checks will be performed on applicants prior to or following their employment. In addition, employees with access to cash, securities, and other valuable assets are bonded.

Performance appraisals are given to employees by their immediate supervisor on a semi-annual basis. To supplement on-the-job training, a wide range of in-house training programs are offered, covering areas such as general leadership and management development, customer service, and industry-specific topics.

G. Regulatory Supervision**Great-West**

Great-West is required by the Division of Insurance of the State of Colorado to develop and maintain formal policies and procedures for business operations. The Division of Insurance periodically reviews these policies and procedures, as well as Great-West's statutory financial statements, to determine their compliance with applicable laws and regulations. Great-West is required to have an annual financial statement audit performed by an independent auditor. Great-West is also subject to regulation by the National Association of Securities Dealers (NASD) and Securities and Exchange Commission (SEC).

Great-West is licensed to write insurance in 49 states and the District of Columbia and is therefore subject to periodic reviews by various state regulatory agencies. Policy forms and any other materials, as required by specific state law, are filed for approval with the Insurance Departments in each of the 49 states of operation and the District of Columbia.

GWFS

GWFS is licensed as a broker/dealer in all 50 states, the District of Columbia, and Guam and is therefore subject to periodic reviews and regulatory supervision by various state regulatory agencies. GWFS is a member of the National Association of Securities Dealers, Inc. (NASD) and, as such, is required to develop and maintain formal policies and procedures. The NASD periodically performs compliance audits of GWFS. In addition, an independent auditor must perform an annual financial statement audit.

FASCore

FASCore is licensed to conduct business in all 50 states, the District of Columbia, and Guam and is therefore subject to periodic reviews by various state regulatory agencies. FASCore is required to have an annual financial statement audit performed by an independent auditor.

H. Risk Assessment

Great-West has placed into operation a risk management process, designed to identify and mitigate risks that could affect its ability to provide reliable transaction processing. This process requires management to identify and mitigate risks that could affect its ability to provide reliable transaction processing. This process requires management to identify significant risks inherent to Great-West's operations and to implement appropriate controls to mitigate each and monitor effectiveness of the controls.

Risks identified in this process include operational risk associated with computerized information systems, manual transaction processing, and reliance on external systems (e.g., depositories, interfaces) outside of Great-West's direct control.

Management has implemented appropriate controls to mitigate and monitor these risks, including both prevention and detection controls. Management has also implemented processes for reviewing significant controls on a periodic basis through independent internal audit reviews. Furthermore, internal processes were implemented to assist with the building of a risk management culture. These internal processes require, for significant outsourced processes, third-party service providers to give periodic assurances to Great-West through the provision of third-party reviews, internal audit reviews, internal audit reports, and/or certifications regarding their control environment.

III. GENERAL COMPUTER CONTROLS

General computer controls establish the control environment in which computer application systems are developed and operated. Therefore, the general computer control environment has an impact on the effectiveness of controls in application systems.

The following describes the data processing environment and general computer controls related to Great-West:

- A. Overview of Processing Environment
- B. System Development, Maintenance and Documentation
- C. Security and Environmental Controls
- D. Computer Operations
- E. Database & Network Support and Remote Access
- F. Participant, Plan Service Center and Broker Web Sites
- G. Voice Response System

A. Overview of Processing Environment

Great-West's defined contribution business is processed on the ISIS application system. ISIS is an internally developed system that allows for flexibility through the use of relational database technology to tailor individual plans for specific Plan Sponsors. The ISIS application is used by internal staff as well as by plan participants using the internet and VRS. The ISIS application is also used by Plan Sponsors and brokers using PSC/PartnerLink, the remote/internet electronic interface. There are two distinct ISIS database environments: A "production" environment which contains actual Great-West participant records that are updated in real-time for financial activity, and a "development" environment which is used to develop and test new system functionality.

The ISIS production environment uses several computers running the UNIX operating system. One system operates as an Oracle database server and another operates as a file server that runs a scheduling system and batch processes. End users run on-line transactions from x-terminal displays or PCs running x-terminal emulators that connect to application servers running Oracle Forms. The aforementioned computers are networked together using high speed Ethernet and Fiber Distributed Data Interface (FDDI) connections. Additional computers are located at a remote, alternate data center which acts as a business continuity site. The application data at the business continuity site is continually updated with changes made to the production data, although the data changes may be up to one hour behind production.

The policy and participant data resides in the Oracle database and is shared by applications and architectures. Business logic for web and VRS applications resides in a BEA application server. Internet and VRS presentation and user interface logic resides in an external layer.

Maintenance and development of additional functionality for the ISIS system is accomplished through an application development methodology. An Oracle data dictionary is used to document the data. Program documentation is maintained in Microsoft Word files. Application code is stored in a source management system.

Great-West uses SAP, an Enterprise Resource Planning System. SAP functions as a clearinghouse for accounts posting dollar figures to the General Ledger. Cash flow data is processed through SAP, which

processes dollar transactions for Great-West business units. Data is either transferred from ISIS, or, input through direct manual entry into SAP.

B. Systems Development, Maintenance, and Documentation

New development and maintenance changes can be initiated at the request of either Operations management or the FSS team. In either case, the FSS team adheres to a set of prescribed steps during its development efforts. The Systems Development Life Cycle (“SDLC”) methodology, which covers analysis, design, build and test, quality assurance and installation, and governs the development, implementation, and maintenance of application systems exists and is followed. Along with the SDLC methodology, formal program change management policies and procedures exist and are enforced. The FSS team carefully follows these procedures for program changes and their migration into the production processing environment. Segregation of duties between end users, programmers, quality assurance, library management and production operations and support personnel is maintained throughout the program change management and development process. The SDLC methodology and program change management policies and procedures require documentation to be created throughout the development and maintenance process.

Program changes go through quality assurance testing in an environment outside of the developer’s control. This testing is done by someone other than the programmer who made the change. Once the change has passed through the test cycle, a limited number of individuals with access promote the code into production.

Separate computer environments for application development and maintenance, quality assurance testing, and production processing are maintained. Programmers and quality assurance personnel are restricted from directly modifying production source and executable code. End user management is notified of program changes through release notes describing program changes.

C. Security and Environmental Controls

Great-West United States Headquarters is located in Greenwood Village, Colorado, a suburb of Denver, Colorado. The headquarters campus is composed of four buildings, plus one leased suite in a building adjoining the campus and two multi-level parking garages. One three-story building (North Building) houses the data center. The buildings house various offices and functions of Great-West. The buildings are managed and maintained by Tower Management Company (TMC) under contract to Great-West.

Production database servers are located in the primary data center. The development/recovery database server is located off-site at a remote, alternate data center. Physical access and environmental controls are provided at both sites.

Physical access to the primary data center is controlled through: (1) security guards stationed at specified locations, (2) entry only through the use of authorized access cards, and/or escort, (3) emergency exit controls that contain alarm and security guard notification, (4) formal procedures to grant and terminate access to company facilities, and (5) video surveillance. Formal procedures for granting and terminating access to Great-West facilities, including the data center, exist and are followed. Building management grants access to facilities based on signed forms that are approved and submitted by business unit managers. Forms are maintained by building management.

Physical access to the blank check stock, check printer, and signature fonts is restricted to authorized personnel. Reconciliation reports are monitored by Computer Operations, which compare the number of

checks run to the number of checks signed and disbursement checks are appropriately controlled prior to mailing. The computer center's environmental controls include raised floors, fire extinguishers, sprinkler and cooling systems, an Uninterruptible Power Supply ("UPS") and emergency generators.

To access the ISIS system, a user must be properly identified to the operating system, network, database and application through a unique account and password. Access to the system is granted to individuals by security administration personnel based upon written request or electronic mail from authorized management. The security administrator then adds the new user to a password file and establishes the user's environment. The environment defines the databases a user may access. An application security administrator based on the requirements of the user's position assigns user access to ISIS transactions. Access rights of terminated or transferred employees are removed or modified by security administration personnel based on a written request or electronic mail from authorized management.

Access to the system is granted to each user via a unique user account. Users are set up to limit their access to application menus or their home directories, based upon their job responsibilities. Access to the super user and database administration IDs, data altering utilities, and sensitive system commands are only granted to authorized individuals based on need. Access to the system is restricted via User ID and Password. Password parameter is set to expire on a periodic basis with strong password policy enforced. User terminals are timed out after 10 minutes of inactivity. Users are locked out after 3 invalid attempts to log on to UNIX. Users must contact the helpdesk to unlock accounts. End users may not update the production database other than through the ISIS application. X-terminals or PCs running X-terminal emulation software connect to an application server computer, which loads an ISIS menu and transaction screens from the file server. The application security menu limits which transactions a user may perform. As the user inputs data into the transaction screens, messages are processed by the application server and are submitted to the database server. When a transaction is requested through the menu system, the application's security module is called to validate a user's authorization to perform the transaction before the transaction is processed.

UNIX directory and file permissions restrict access to directories and files containing systems software, including the operating system, to authorized individuals. Use of data altering utilities requires a restricted independent approval and is logged for monitoring.

D. Computer Operations

The ISIS system is primarily an on-line system with most processes initiated by end users using application menu options. Incomplete activities are logged and placed in on-line "to do" lists for investigation and resolution. Paper initiated transactions are controlled by an independent image/workflow system.

A job scheduling system is used to schedule and control reoccurring batch production processes. The ability to modify the schedule is limited to Production Support, Computer Operations and Statements personnel. Designated management authorizes access to the job scheduling system. Production Support personnel monitor messages generated from nightly processes for processing problems and abnormal job terminations daily. Processing problems are analyzed and resolved through data correction tools, reruns, or change control processes. Production Support personnel are on-call 24 hours per day for processing problems which must be resolved on an urgent basis. On-line restart and recovery procedures and documentation exist for the handling of abnormal job terminations and processing problems. Printed output can be routed locally or transferred to the corporate computing facility; large production output jobs are printed at the corporate computing facility.

To support database recoveries as well as the business continuity process, production databases are backed up six nights a week onto tapes. Critical programs and data files are backed up on a regular basis and stored at an off-site facility in a timely manner. A second copy of the backups is maintained within the tape room of the computer center. Tapes sent to the off-site storage facility are inventoried on a regular basis. Only authorized individuals may request and obtain backup tapes from the offsite vault facility. Data changes to the database which occur after the backup are continually written to online files which are then file transferred to the alternative data center site as well as to tapes that are sent to the tape vault. Database activity logs are produced by Oracle and tracked by an internal tracking system. In addition, these activity logs are transmitted to the Alternate Data Center during the course of each day and applied to a copy of the production databases.

E. Database & Network Support and Remote Access

The ISIS system uses the UNIX operating system and Oracle Database Management Software. New releases of this system software and upgrades to computer hardware are tested and implemented in the production environment by the FSS team according to formal change control procedures. Changes are tested in the test/development environment before implementation in the production environment. FSS management approval is obtained before final implementation.

Remote access to the ISIS data is provided to Plan Sponsors through the Internet via the Plan Service Center (“PSC”). Formal procedures and documentation exist to authorize Plan Sponsors through the PSC software. Security controls, such as unique accounts and passwords, help ensure that remote access to the ISIS system through PSC is controlled and limited to authorized customers. Broker / Sales support staff can access the system through PARTNERLINK which is based on PSC. Additionally, remote access is granted to FSS personnel, on an as-needed basis, to provide technical support on the ISIS system during off-business hours. For FSS personnel, remote access requires an RSA secure ID token in addition to the regular user ID and password. Formal procedures and documentation exist to grant employees with remote access. Formal procedures and documentation exist to grant and periodically reauthorize employees with remote access.

F. Participant, Plan Service Center, and Broker Web Sites

The Participant web site was created to allow participants access to their account via the internet. Access is granted through the use of a Social Security Number (“SSN”) or username and personal identification number (“PIN”) or password. Upon gaining access, participants are allowed to view current account balances, allocation instructions and certain transaction history. They may also initiate transactions to transfer money between their investment options, change allocation instructions and deferral percentages and initiate loans or distributions depending upon their plan setup.

The Plan Service Center (“PSC”) was developed and implemented to provide Plan Sponsors access to their data. In addition to providing online plan and participant inquiries, the application can be used to request ad-hoc reports and to upload or download computer files. If the plan is authorized, Plan Sponsors may also perform payroll processing which includes sending and validating payroll information, clearing processing rejections and initiating Automated Clearing House (“ACH”) money transfers. The PSC also allows for the collection of compliance data and approval of participant distributions online. Access is granted by utilizing a unique username and password.

PartnerLink was developed to give much of the same information available to the Plan Sponsors to brokers and other sales/support staff. The service is based on the PSC and uses the same controls and infrastructure.

The two Checkpoint firewalls, two Cisco PIX firewalls and two Cisco routers are used to prevent unauthorized access from the internet to the internal Great-West network and external web servers. The external Cisco routers are used to filter and screen internet communication based on source, format, and destination of IP packets. Administration of the Checkpoint, Cisco PIX and Cisco routers is limited to authorized personnel. Invalid logon attempts to the Checkpoint and Cisco Pix firewalls are logged and reviewed on a periodic basis.

Approval is required to change the configuration of the firewall. A risk assessment of the proposed change is performed by the Security Architecture group. The assessment identifies risks and effects of proposed changes. The Information Security Board is responsible for approving or denying risk levels of medium or high.

Participant, PSC and PartnerLink web sites are accessed through internet connections and require the use of an SSL connection to gain access. PSC and PartnerLink web sites require a valid username and a minimum 6-character password combination to gain access to data. Participant web users are authenticated with either a username or Social Security Number and PIN, which is at least 4 digits but may be longer based on plan level rules. The PSC/PartnerLink and Participant password/PIN is masked during input and encrypted when stored in the database. Access to change PSC/PartnerLink and participant account passwords is restricted to authorized personnel only and is not stored on the web servers. PSC web site passwords expire based on a schedule defined by each institution. Access to the participant, PSC and PartnerLink web sites is suspended for 24 hours after three invalid access attempts. Participant and PSC/PartnerLink web sites immediately provide the user a confirmation number for financial transactions entered into the systems. Transactions initiated through the Participant and PSC/PartnerLink web sites are logged and included on the Plan Sponsor or participant periodic statements, respectively. Financial transactions entered through Participant and PSC/PartnerLink web sites are immediately recorded on backend databases.

G. Voice Response System

A Participant Voice Response System (“VRS”) provides touch-tone capabilities for participants to review and change account information. The functionality for this system is similar to the Participant web site. Participants are required to use a valid Social Security Number and PIN combination before gaining access to data. VRS passwords are required to be a plan defined minimum which is no less than four (4) digits. Access to customer account information by FSS personnel is restricted to authorized personnel only through a special privileged access level. A monthly review is performed over the activities occurred by people who have this special privileged access level to access customer account information. Any exceptions noted are investigated and resolved. After three invalid password attempts, participants are automatically transferred to a customer service representative. VRS immediately notifies the user that their financial transaction was received and a confirmation number is provided for tracking purposes. Financial operations transactions initiated through the VRS are logged and included on the account holder’s periodic statement. Transactions, such as transfers and asset allocation, entered through VRS are immediately executed on backend databases.

IV. DESCRIPTION OF OPERATIONS

While the types of services provided by Great-West can be broadly categorized as those involving contributions, distributions, investments, and contract holder reporting, narrower definitions are necessary for operational descriptions. The controls for each of the following functions are described below:

- A. Contributions/Loan Repayments
 - Mail/Records Control
 - Plan Installation
 - Enrollment
 - Contributions/Loan Repayments
 - Banking Returns
- B. Distributions
- C. Loans
- D. Account Changes
- E. Investments
 - Income/Valuation
 - Asset Purchases and Redemptions
 - Employer Stock Purchases and Redemptions
- F. Reporting
 - Participant Statements
 - Plan Reporting
- G. Compliance
 - Plan Document Preparation
 - Plan Amendments and Modifications
 - Year-End Testing
 - Preparation of IRS Form 5500

A. Contributions/Loan Repayments

Mail/Records Control

Department mail is opened, sorted, date stamped and forwarded to Document Management for scanning into the Workflow Front End Imaging system, or Document Management enters the data into the ISIS system (except for certain items sent to the Cash Area) for distribution to the appropriate departments. Faxes received come in through a fax server. The fax server encodes a date and time ribbon to the top of the incoming fax. The date stamp serves as an acknowledgment of the date received in the department for processing, and helps ensure mail items are completed in accordance with department and corporate requirements.

Applications and changes are front end imaged or keyed into the ISIS system. As the various documents are scanned using the imaging system software, Kofax Ascent Capture (“Ascent”), event ID numbers are automatically assigned. Once scanned, a Document Management Team associate quality checks the documents using Web Retriever to help ensure accurate scanning prior to releasing for processing. Withdrawal requests received, which are not completed on company forms, are routed to the Benefits review area. These forms can be scanned and routed directly to Benefit Review. Specially marked bar code sheets are utilized to help ensure accurate routing. Non-scanned documents, or scanned documents

not utilizing IBM MQ Series Workflow (system utilized to route and track items to processing departments), are sorted and taken to appropriate areas by a mail runner.

The plan disbursement and periodic payment requests, excluding loan requests, are routed through workflow images to the Benefits unit for review and processing. Once the items are reviewed and are found to be complete, the Benefits Administrator keys the requests into ISIS and will start processing the request.

The Document Management area is responsible for returned mail processing. The returned mail is opened and sorted by institution. The count is logged onto a tracking sheet under the respective department charge codes for billing purposes. Any check found in the returned mail is given to the Account Resolution Department. Twice a year, a file will be sent to an outside vendor to locate participants with mail holds.

Document Management collects and controls documents that have been processed by business units in hardcopy format, also referred to as back-end scanning. Processed documents are sorted, filed, and scanned by categories (i.e., permanent plan, plan legal, participant applications, participant changes, etc.).

Plan Installation

The institutional client initiates the sale of new defined contribution plans to Plan Sponsors. The sales representative is responsible for collecting and summarizing plan provisions and required services. This information is forwarded to the New Business Team within the Operations Department by submitting an Implementation Checklist. The Implementation Checklists are forwarded directly to Plan Implementation. Upon receipt of an Implementation Checklist, other departments are notified of the new plan. The plan information is entered and established on the ISIS system by Financial Control and/or the Implementation Business Team. Implementation Checklists are submitted to the Implementation Business Team for review prior to processing. The Implementation Business Team reviews the Implementation Checklist for completeness and compliance with client agreements.

When assigning a plan account number to a plan, the Implementation Business Team refers to a designated range of valid account numbers to assign to customers. The Implementation Business Team assigns the ranges from a database which detail the available plan account number ranges for each customer based on product. Use of this database as well as ISIS system controls prevents duplication of plan account numbers between the different customers.

After participant indicative data (e.g. age, date of hire, investment allocation percentages, and years of service) is entered onto the ISIS system, reports are generated and reviewed to verify that essential fields in the ISIS system have been entered correctly and completely. Data from specific ISIS fields is checked against the original data received from the Plan Sponsor on a sample basis. Documentation is maintained to provide evidence of the review. Plan Sponsors are required to sign off on investments mapping instructions prior to the entry onto the ISIS system. Once the ISIS set up is complete, investment type and investment balance information, including the mappings, is checked, on both a plan level and individual basis, against the data provided by the Plan Sponsor. As a final check, reconciliations are performed between ISIS and report balances for each case with transferred assets, on a fund-by-fund basis, prior to releasing the plan. Documentation is maintained to provide evidence of the review.

Throughout the implementation process, various milestones are tracked and monitored. This tracking system provides the implementation specialist and management a tool to oversee the progress of plans in process. The outstanding items are updated as the tasks are completed and are reviewed with the plan if

outstanding questions were not addressed in the installation checklist, and/or could not be answered by the GWFS account manager/representative.

Logical access controls prevent unauthorized individuals from accessing the ISIS system and entering or modifying contract information. (See the “Security and Environmental Controls” section above).

Enrollment

After new plans have been established, a GWFS registered representative, or broker/dealer representative conducts enrollment meetings. At these meetings, the representative explains plan provisions, investment options, and other plan features, and then assists eligible employees in completing employee application forms, if paper enrollments are being completed. Employees are enrolled based on application forms submitted by the Plan Sponsor; forms must contain appropriate signatures. Employees can also be enrolled by Plan Sponsors through the PSC or in mass from records maintained at the prior record keeper. The forms contain such information as name and address of the participant, level of contribution and an election of investments to which contributions will be allocated. The completed forms are sent to the Cash Administration unit in the Operations Department. Information on the forms is then entered into the ISIS system. Built-in edit checks (e.g., numeric in dollar fields, dates in date fields, format and validity of social security numbers) within the ISIS system help prevent certain data entry errors while entering and modifying participant data, and, if we mass add participants based on prior record keeper files, validity checks within the ISIS system are completed. One record for each participant is entered and associated with the group account previously established during contract installation. Participant designated allocations between investment options must equal 100% or the allocation input will be rejected by the ISIS system. Contributions received without a valid investment option allocation are held in a Participant Suspense Account if a Plan Sponsor approved default does not exist.

To confirm quality and accuracy, a sample of participant records is compared to employee application forms by another Cash Administration unit member or, if prior record keeper files are used, by another ISIS Automation team member as well as the Implementation Manager. A verification notice is automatically sent to the participant to confirm the completeness and accuracy of the information entered into the ISIS system.

Establishing a unique participant record for each enrollee is critical to maintaining financial activity. Each record will be updated as contributions are received, distributions or changes are requested, and account values are updated.

When Great-West takes over recordkeeping services from a previous provider, a mass-add process may be used to input participant information on the ISIS system instead of collecting paper applications as outlined above. This process adds basic data for individual participants using data from the prior recordkeeper via a magnetic tape or other electronic media upload to the ISIS system.

The Plan Sponsor typically sets fund defaults for payrolls and existing assets in the event of incomplete allocation information. Personal Identification Numbers (“PINs”) are issued to participants for performing subsequent transfers and allocation changes using the VRS or Participant WEB.

The on-line enrollment and deferral change process enables the participant to elect to participate in the plan by selecting the percentage of pay they would like to defer and setting their investment elections through the automated VRS or internet website.

Logical access controls prevent unauthorized individuals from accessing the ISIS system, internally or through the PSC Web site, and adding or modifying participant data. (See the “Security and Environmental Controls” and “Participant, Plan Service Center, and Broker Web Sites” sections above).

Contributions/Loan Repayments

Contributions are submitted by the Plan Sponsor along with allocation reports identifying the participants for whom the contributions and loan repayments are being remitted. Allocation reports can be submitted by Plan Sponsors in various ways, which include: hard copy, diskette or tape, or electronic transmission, which includes PSC/PartnerLink and mass add/update files. Contributions can be received as follows:

Lockbox - Plan Sponsors send contribution checks and allocation reports to the post office box linked to the appropriate lockbox at a specified bank. The bank deposits the checks and sends a deposit slip, allocation reports and copies of the checks to Financial Control. Copies of deposit slips are delivered by courier to Accounting Services, a segregated control department, “same day”. Financial Control date stamps the supporting documentation received and identifies it by group account number. The supporting documentation is totaled and reconciled to the deposit slip by Financial Control. The contribution total, effective date, and group account number is entered into the ISIS internal tracking system by Financial Control.

Direct Mail - Plan Sponsors can send contribution checks and allocation reports directly to Great-West. This may be handled in one of two ways: First, Great-West will courier those contributions received at its head office to the appropriate lockbox. From this point, the contributions follow the procedures described above in the lockbox section. “Policy to policy” (internal) transfers, regular mail checks sent to Great-West, and express checks are picked up by a Financial Control Assistant. The checks are stamped, put in Deposit Bags and sent to bank. Financial Control copies the checks, and prepares deposit. Tape totals for each company providing a deposit are prepared by an Up Front Cash Assistant. Check copies and files in Financial Control, where the same remittance processing procedures (including ISIS internal tracking entry) are followed as described above in the lockbox section.

Plan Service Center (PSC) – The PSC is an electronic interface allowing the Plan Sponsor to access Great-West’s participant recordkeeping system, ISIS, and transmit participants’ contributions via a secured Internet connection. After a Plan Sponsor completes transmission of the participants’ contributions and approves the initiation of an ACH, ISIS interfaces with, and reports the net contribution information to the SAP accounting system. The SAP system then sends an electronic ACH transaction to debit the Plan Sponsor’s bank account for the total of contributions and remittances received during the daily processing cycle. Within the normal ACH processing cycles (usually two business days) after the Plan sponsor transmits their contributions and allocations via the PSC and approves the transactions, the funds are debited from the Plan Sponsor’s bank account. Daily, the ISIS system generates and distributes an automated email that summarizes the total of remittances processed on the prior business day. The appropriate Cash Operations and Financial Control Team are the primary recipients of these automated remittance notice emails.

Accounting Services reviews SAP Payment Program Runs. Exceptions are identified and communicated to the appropriate Group.

Contributions processed through PartnerLink follow the process flow and are subject to the same controls.

Any PSC remittance that is processed from ISIS by the SAP payment program that cannot be completed due to missing banking information within SAP is considered a mismatch. These transactions are routed to the Plan Technical Support Team (PSC Support) for research and resolution. Any Notices of Change

(NOC) or bank reconciliation returns received back from the ACH system used by the banks are processed automatically within the SAP system or are automated via SAP Workflow to the Plan Technical Support Team for research and resolution. Once the banking information has been corrected within SAP, as appropriate, the individual cash transaction is routed via the SAP Workflow process to Financial Control for reprocessing via the ACH system.

Wire or (Non-Plan Service Center) ACH Transfer - A Plan Sponsor may either wire or initiate an ACH transfer directly to the appropriate bank account. Accounting Services receives a listing of such transactions daily for reconciliation purposes. Financial Control accesses Bank Websites in order to retrieve the electronic transfer transactions. Cumulative bank incoming wire and ACH reports are printed throughout each business day. To facilitate automated reconciliations, Financial Control then builds each wire as a separate batch on ISIS. Financial Control follows the same procedure for date stamping, ISIS entry, etc. as described above in the lockbox section.

The date of a contribution is the date that both the funds are received in Financial Control and the date the corresponding allocation report “in good form” has been received prior to NYSE market close. After Financial Control personnel have entered the remittances received from the various sources into ISIS, the information is forwarded to the appropriate Cash Administration unit for allocation to participants. In order to review cash balances, Financial Control receives internal reports from ISIS daily, listing the previous day’s cash transactions.

A member of the Cash Administration unit compares the contribution total shown in the allocation report to that initially entered by Financial Control. If the two reconcile, the unit member will process the cash, allocating contributions to participants per the allocation report. If a discrepancy is found, the unit member will follow up with the Plan Sponsor. If an “out of balance” condition is created when contributions are processed, and the difference is equal to or less than 5%, the difference is temporarily placed in “plan suspense.” If the difference is greater than 5%, the entire contribution amount is put into “plan suspense”. Plan suspense is cleared through reports and communication (both verbal and written) between the Plan Sponsor or Third Party Administrator (“TPA”) and the Cash Administration unit.

Financial Control personnel do not have bank account signature authority. Logical access controls prevent unauthorized individuals from accessing the ISIS system and processing contributions. (See the “Security and Environmental Controls” section above).

In addition to those controls described above, controls around contributions are maintained through the following procedures:

- Total group remittances input into the ISIS system must equal deposit slip totals before a transaction is processed. Event ID totals are used during contribution processing to determine that total participant remittance allocations by money type balance to the group total by money type.
- A confirmation (i.e. turnaround document) is provided to the Plan Sponsor or TPA, if requested, identifying the amount of deposit by money type.
- Users accessing the PSC system to process contributions are provided with balancing and participant verification routines for use in validating transactions.
- A random quality assurance peer review of contribution processing is performed by a senior member of the Cash Administration unit.
- Daily reports of “out of balance” and outstanding items are created and reviewed to identify issues for resolution.
- Data passed from ISIS to SAP is systematically verified for accuracy on a daily basis.

- Bank reconciliations and suspense reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.

Banking Returns

Returns via PSC Workflow – Plan Sponsors may request that items be returned to them from Great-West. The banks facilitate these returns and communicate with Great-West in order to complete the transaction.

Items returned through SAP appear in the Plan Technical Support Team (PTS) Workflow for research and resolution. If the item is returned and the reason for the return was a timing issue on a banking change, the item is routed via the SAP workflow process for management approval and reprocessing via the ACH system.

For other returns, appropriate reasons for returns have been established, and corresponding reason codes are used to identify these reasons. Items must be returned with a valid Return Code in order to be accepted. If the item is returned with a valid Return Code, the appropriate Relationship Team or Implementation Team is notified via email of the return, the reason, the dollar, ISIS event number, the effective date of the original item and any relevant comments. The Relationship Team or Implementation Team contacts the appropriate Institution for a resolution. If the resolution requires a bank change, the appropriate paperwork is forwarded to PTS to make the banking change before the item can be routed to Financial Control. When the Institution has contacted their appropriate financial institution and has resolved the reason for the return, PTS is then notified by the Relationship Team or the Implementation Team via email. The cash transaction is routed via the SAP workflow process for management approval and reprocessing via the ACH system.

If there is no indication that the returned item will be resolved by the 5th business day following notification, the client will be notified that the corresponding trade(s) on ISIS will be reversed and the client will need to re-process the trades if needed.

In addition to those controls described above, controls around contributions are maintained through the following procedures:

- Data passed from ISIS to SAP is systematically verified for accuracy on a daily basis.
- Bank reconciliations and suspense reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.
- Returns must be approved by two individuals, one of whom must be a manager. Without these approvals, the transaction cannot be completed within the system.
- A weekly report is reviewed by Relationship Team and Implementation Team managers showing outstanding return items to help ensure the timeliness of returns.

B. Distributions

Distributions can be made from a participant's account for reasons specific to each IRS code. These are normally initiated by a participant or beneficiary by preparing an IRS specific distribution request form and submitting it with supporting documentation (i.e., Death Certificate, Court Order), to their Plan Sponsor or directly to Great-West. The Plan Sponsor or Great-West approves the request after reviewing it for completeness and accuracy. Disbursements are entered into the ISIS system based on written

requests, which are authorized and signed by the appropriate individuals as defined by the IRS code involved. Valid disbursement types are defined and entered into the ISIS system.

Excess Deferrals, Excess Contributions, Involuntary Cashouts, Plan Termination and Contract Termination distributions are requested directly by the Plan Sponsor, rather than the participant or beneficiary, and are sent in through written request rather than through standard distribution request forms.

Incoming distribution requests are scanned into a corporate repository. Images are indexed or released into workflow queues in the Benefit Administration area through specialized software, called IBM MQ Series Workflow. An ISIS event id is created simultaneously to support the processing of the distribution request.

The Account Administrator reviews participant distribution requests for completeness. Another team member quality-checks processed withdrawals. The numerical statistics of the reviews are documented on quality assurance reports. If the information is missing or the form is incomplete, the request is sent via the workflow system to the Benefit Review unit. The Benefit Review unit obtains any missing information that would delay processing and serves as a central location for questions and answers regarding incomplete accounts. Once the request is complete and approved, it is routed back to Benefits Administration via the workflow system. If there is missing information, the Benefit Review unit sends a fax or letter and in some situations, a phone call is made. The request is then noted as incomplete on the workflow system. The incomplete item is held in a Holding Queue for 90 days. If the incomplete information is returned, the pieces are combined in the workflow system and routed back to Benefit Administration for processing. After 90 days, the ISIS event is automatically cancelled.

An Account Administrator will process the complete document, withholding appropriate amounts for taxes and forfeitures based on a plan vesting schedule, if necessary. The ISIS system has security controls, which limit access to disbursement functions to authorized users, and require on-line authorization by a second party for disbursements.

The purpose of distribution processing is to generate a check request, which is created overnight after the disbursement is in a complete status, through an ISIS batch process. Printed checks are given to Accounting Services. Banking Services reviews the total number of checks and dollar amounts to a check register to confirm that requested checks were printed and received. The checks are then forwarded to the periodic payment department who reviews them to confirm requested checks were printed and received. Most checks are then routed to the mailroom for backend finisher mailing, or express delivery. Checks which are sent out for overnight delivery are returned to the department for placement in the overnight envelope. In unusual circumstances, a request for a "rush check" or wire, can be made by the Benefit Administration unit. Financial Control and Accounting Services work together to produce a rush check or wire. Rush checks, wires and stop pay reissues are captured by input into the SAP system after being processed on ISIS. SAP input/approval steps are performed by Account Analysts, Supervisors, etc, based on the dollar amounts involved. The Financial Control Department also performs a quality check on the items before the checks or wires are created.

If the distribution request form is received by Great-West by the pre-designated time, the distribution is processed in accordance with the standard established for that institution using the current day or the date received. The date and time is stamped on the distribution request form by the Mail Center. If the request and required documentation is not complete, it is routed to the Benefit Review area for handling. The receipt date will then become the date it is received properly completed. Additional controls are maintained as described below:

- A coordinator must authorize withdrawals on the system before a check is produced.
- Authorization limits are placed on approving check requests. Specific limits are set and approved by management based on employee job levels.
- The ISIS system prompts the user for forfeiture information from the written authorization for disbursements provided by the Plan Sponsor if it is not full service vesting. If the plan is full service vesting, the field is automatically populated.
- The ISIS system prevents disbursements greater than the funds available for disbursement.
- Logical access controls prevent unauthorized individuals from accessing the ISIS system and processing disbursement information.
- Forfeitures are moved automatically at time of distribution to the appropriate forfeiture account or a check is produced and made payable to the employer if the forfeiture indicator is set accordingly.
- Rejected items are reported appropriately for follow-up.
- Daily reports of outstanding distribution items are created to identify issues for resolution.
- Work queues are audited daily by an Account Coordinator/Supervisor to identify any outstanding work items.
- Data passed from ISIS to SAP is systematically verified for accuracy on a daily basis.
- Bank reconciliations and suspense reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.

The ISIS system calculates federal and state tax withholdings and any penalties based on the input transaction disbursement code, forfeited amounts based on written information provided by the Plan Sponsor, and the net amount to be disbursed. The net disbursement amount and payee name and address is reviewed and verified by the individual processing the transaction. Tax deposits, bank reconciliations, loan reconciliations and suspense account reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis. The ISIS system automatically generates the accounting entries and individual statement entries after transactions have been processed. Physical access to the blank check stock, printer, and signature fonts is restricted to authorized personnel. The ISIS system performs edit checks to help confirm completeness and validity of information (e.g., group account numbers, social security numbers, "reason and method" of disbursement). Management policy is to process disbursements within five business days; the processing of disbursements is monitored by management to confirm compliance with the policy.

C. Loans

A loan may be taken out against a participant's retirement plan depending on specific IRS codes and plan rules. The Loan Department administers loans specifically on 401(a), 403(b), 457 and 401(k) retirement plans. The participant can initiate a loan through the Plan Sponsor or submit an application directly to Great-West, initiate a loan through the VRS (voice response system) or the web. The Plan Sponsor may require the participants' qualifications be checked prior to sending in the application. Signed loan applications must be received from the participant prior to authorizing a loan. If spousal consent is required, loan application or promissory note must also contain spouse's signature prior to authorization by loan department.

The mail is opened, the faxes are reviewed, date stamped, and keyed by the mail area. An event identification number is assigned to each piece of mail, which identifies the plan number and the social security number on our internal tracking system. The mail area then scans the mail via front-end imaging so it is directed to the Loan Department.

An Account Administrator will review the request to verify the form is complete. The ISIS system verifies the loan qualification as required by the plan and IRS regulations. The loan will be processed once it is determined that the participant qualifies. This may generate a promissory note that the participant is required to sign and return, or the promissory note will be on the check. If the promissory note is not on the check, when the signed promissory note is returned to the loan department through either the mailroom or by fax, an amortization schedule is prepared. The qualified loan amount will be assessed appropriately against the participant's account balance depending on the type of loan. Signed promissory notes must be received within the time specified in the loan correspondence to guarantee loan and the interest rate. If the request is incomplete, the work item is routed via workflow to the loan review team for rejection.

The completed loan process generates a check through an overnight ISIS batch process. Printed checks are verified against a check register by Banking Services. The checks are then forwarded to the Periodic Payments unit who verifies that checks were printed and received. A "rush check" may be printed if there is a situation that requires an immediate disbursement. Requests for rush checks, wires and stop pay reissues are captured by input into the SAP system after being processed on ISIS. SAP input/approval steps are performed by Account Analysts, Supervisors, etc, based on the dollar amounts involved.

The Loan department is also responsible for monitoring delinquent and defaulted loans. Loans are considered in default when the sum of loan payments due in the quarter is not made and payment is not received by the end of the following calendar quarter. During the month following each calendar quarter-end, the Default Process is run. This is a process that identifies unpaid assessments through the prior quarter. This process automatically generates a letter to the participant stating that their loan is in default. The letter also specifies the date by which payment is required to bring the account current. On a quarterly basis, the Default Process is also run. This process looks at unpaid assessments through the previous quarter end. Any unpaid assessments through the previous quarter end cause the loan to go into default. A system generated loan default letter is sent to the participant notifying them that their loan was defaulted. As part of the Default Process, loans that were defaulted and require a 1099 are identified. The tax information is uploaded into the tax system, which automatically generates the 1099 form. Additional controls include:

- Supervisory review is in place to verify accurate setup of loans on the system.
- The Account Coordinator checks partial withdrawals according to department guidelines prior to authorizing the disbursement on the system.
- Corporate Accounting and Financial Control perform daily/weekly reconciliation of disbursements.
- Batch reports are run daily to determine if there are any loans that are not completing on the system, which are reviewed and resolved.
- A Loan Late report is sent to Plan Sponsors detailing which loans are late and which participants received a loan late letter.
- Logical access controls prevent unauthorized employees from accessing the ISIS system and processing loans.
- Participant accounts are reviewed at the loan approval date to confirm funds are available prior to authorization of the loan.
- ISIS controls do not allow loans to be entered in excess of the participant's account value and/or 95% of vested balance for variable funds.

D. Account Changes

Once a participant record has been established, changes are periodically requested. Such changes include:

<u>Type of Change</u>	<u>Source</u>
Investment allocation of contributions	Paper Request Participant or Plan Sponsor Web site VRS
Transfer of account balance among investment options	Paper Request Participant Web site VRS
Change of participant's name, address or beneficiary	Paper Request only (or WEB for beneficiary changes)

Paper Request

A participant can mail a change request directly to Great-West. It is received in the corporate mail room and forwarded on to Document Management where it is scanned into the Workflow system. The work is routed electronically via Workflow to the appropriate Cash Administration unit for processing. The request is processed using the imaged request. A team member processes the request, and a confirmation notice is generated if the change was made to any item that shows on the confirmation notice and mailed to the participant. Changes are effective the day Great-West receives the request, if the request is received prior to the pre-designated time, or the next business day if the request is received after the pre-designated time. Other controls to confirm accuracy and quality include:

- Requests are judgmentally checked by another Cash Administration unit member for accuracy and completeness.
- Workflow audits of items in pending queues are performed on a sample basis.
- Logical access controls prevent unauthorized individuals from accessing the ISIS system and performing participant account changes.

Participant Web Site and VRS Systems

Through the use of the VRS or via the Participant Web site, participants can change their investment allocations and execute investment option transfers. Participants are granted access by entering their social security number or Username and a confidential Personal Identification Number ("PIN"). Transfers are initiated on the date of request, i.e., requests received prior to the pre-designated time are initiated that day, or the next business day if the request is received after the pre-designated time. Controls in place to help provide reasonable assurance over the validity of information and security include the following:

- Access is granted only through a PIN and corresponding social security number or Username.
- Scanning the request logs an event id, and management can look into workflow at many levels to monitor outstanding items. A confirmation notice is generated and mailed to the requesting participant.

Based on the form of the request, the ISIS system prompts the processor for specific data. If data related to transfers is not entered completely, the transaction will be suspended and placed on a batch error report, which is used for monitoring timeliness of processing. The ISIS system contains edit checks (e.g., valid group account numbers, numeric in dollar fields, valid money types, valid participant and allocation

accounts, valid participant social security numbers), which help prevent invalid data from being entered into the system.

E. Investments

Income/Valuation

The value of each participant account is updated daily. Changes in account values come from the following sources:

- Interest
- Dividends/Capital Gains and Losses
- Share Values
- Unit Values

Interest - Interest is credited to participant guaranteed accounts based on the rate communicated to the Plan Sponsor; rates are generally adjusted for pools of money on a quarterly basis.

Dividends/Capital Gains and Losses - Dividends and capital gain distributions are automatically reinvested in the applicable fund. The reinvested dividend distribution is allocated to each group who was invested in the fund on the record date based upon the dividend or capital gain factor provided by the mutual fund company. The dividend distribution is credited to accounts on the ex-date. Capital losses are recognized by a reduction of net asset value of the fund.

Share Values - Share prices of mutual funds are received, reviewed, and recorded by the Investment Department. The share prices are then uploaded to the ISIS system. Share values of external mutual funds are received by National Security Clearing Corporation (“NSCC”), Interactive Data Corporation (“IDC”), fax, email, or by contacting the mutual fund company directly. Share values are checked by a supervisor or manager in the Investment Department prior to authorizing upload of the information into the ISIS system.

Unit Values - Unitized account values are updated based upon the change in net asset values of the underlying mutual fund investments, dividends, capital gain or loss distributions, and expense charges. Unit values are calculated by the Investment Department, using the Portfolio Asset Management (“PAM”) system. Upon calculation, the unit values are loaded into ISIS for account valuation. Accumulated units are reconciled by Investments daily. The Variable Asset Administration (“VAA”) system, an in-house developed system, is used to check the accuracy of unit values by comparing daily percentage changes to the daily percentage changes of the underlying mutual fund’s net asset values.

A Unit Balance Reconciliation report is produced that identifies the unit balances on ISIS and VAA systems. The report is reviewed on a daily basis by the Investment Department, and also forwarded to the business areas for review. Access to the unit value screens is restricted to authorized investment personnel who perform unit value calculations. Logical access controls prevent unauthorized individuals from entering the quarterly interest rates for the guaranteed accounts. The rates may not be modified once they have been entered for each quarter.

Asset Purchases and Redemptions

As events which cause asset purchases or redemptions occur (contributions, distributions, transfers), they are summarized in total by investment option, based upon investment allocations contained in participant records in ISIS. Participant events occurring prior to a pre-designated time each day are considered

effective on that date; events occurring subsequent to that pre-designated time that day are considered effective the next business day. ISIS loads trades into an investment table at the group level, investment option for Net Asset Value products (unwrapped) and the separate account investment option; expense level for (wrapped) which are processed through OTF and loaded into the FundLinx system. FundLinx summarizes trade data to prepare purchase requests and wire transfer requests to affect the purchase or redemption of mutual fund share transactions. The Confirmed Trade report, purchase/redemption requests, and wire transfer requests are reviewed and approved by management. Investments reconcile the ISIS activity file to the FundLinx Trade Load on a daily basis. FundLinx maintains transaction history and position information at the group level for each plan investment option for unwrapped and the separate account investment option for wrapped. The FundLinx system prepares daily trade tickets for purchases and redemptions. Trade tickets are produced and transmitted to either the fund houses or NSCC. Trade tickets are time stamped and electronically transmitted to NSCC or the mutual fund company before the trading deadline. Purchase or redemption requests are faxed, phoned, or electronically transmitted to fund managers and wires of funds are sent to or received from the mutual fund companies. The Investment Department Reconciles Suspense Accounts relating to trading activity on a daily basis. Controls to confirm quality and accuracy include:

- Reconciliation of the ISIS activity file to the FundLinx load.
- Wire transfers are reviewed and approved in TWA. Outgoing wires are initiated through the banking software.
- Material transactions are reviewed by management and/or the business area. When trade size tolerance is exceeded, appropriate Financial Control personnel are notified via telephone or email. Authorization on material transactions is received prior to trade execution
- Segregation of authorize and transmit wire functions
- Transaction confirmations are sent from the mutual fund companies to the Investment Department daily
- The Investment Department reconciles shares from the mutual fund account statement, or electronic position files to the FundLinx system upon receipt; bank accounts are reconciled by Accounting Services monthly and investment cash clearing bank accounts are reconciled daily
- Trading Suspense Accounts are reconciled, reviewed and aged daily.

Accounts are set-up at the various mutual fund companies for each plan individually or at an omnibus level. Accounts are established in the name of a trustee for the benefit of the plan(s). Account registration materials are maintained by the mutual fund company and a copy is kept in the legal files for each group.

Account registration materials are reviewed and approved by the Legal department or Great-West Operations personnel. An email is sent from authorized Great-West management to authorize the addition of a new mutual fund.

For wrapped and unwrapped funds, dividend and capital gains information are sent from the mutual fund companies and uploaded into the OTF system. This data is then transmitted into PAM (wrapped funds only), ISIS and FundLinx. A review is performed before the upload is transmitted into the ISIS system. A review of mutual fund share balances on the PAM and FundLinx systems is performed to identify any differences.

Employer Stock Purchases and Redemptions

Asset purchases or redemptions of Employer Stock (contributions, distributions, transfers), are summarized in total by investment option, based upon participant investment allocation records in ISIS. Participant events occurring prior to a pre-designated time each day are considered effective on that date; events occurring subsequent to that pre-designated time that day are considered effective the next business day. ISIS generates an activity file at the group, investment option level that is automatically pulled into the TWA system. TWA summarizes the trade data, and distributes via email the trade activity report and in-kind report to Investments and Financial Control.

The Trade Activity data is loaded into a file where the trade data is converted into a share transaction. The trade blotter is compared to the Employer Stock Investment Activity report from ISIS before executing the trades. Once verified, the net trade calculated is entered and executed through Bloomberg Trade Book or by calling the Broker directly.

Once the trades are executed, a transaction file is generated by PAM. PAM maintains transaction history and position information at the plan investment option level. Power Builder produces a Variance report and the Employer Stock Trade Activity report. The variances are reviewed daily.

Trade data is extracted from PAM, or entered into the Employer Stock Application, which generates reports utilized by Investments and Financial Control. The Employer Stock Application also generates bank instructions to settle the trades posted to the PAM system, and generates files to be used to manually post employer stock ledger entries for trades and dividends to SAP, and generates the wire requests to transfer funds for stock redemptions and dividends from the custody account. Bank instructions to settle trades are compared to PAM trades and are signed by a manager. SAP entries and wire requests are verified to the trade reports and authorized by two managers.

Employer Stock In-Kind Transactions - If a participant requests that their Employer Stock redemption be issued "in-kind", i.e., stock certificate vs. cash, then the shares will be issued as requested. Security withdrawals are posted to the PAM system. Bank instructions are verified to the In-Kind report and signed by two managers. Approved instructions are faxed to the custodian bank.

Controls to assure stock transaction authorization and accuracy, for Employer Stock transactions, include:

- Trade Activity Data is reviewed by Financial Control on a daily basis.
- A spreadsheet calculates net cost or proceeds, and is verified to calculations on the trade proof sheet.
- The Employer Stock Investment Activity Report is compared to trades posted in PAM system and Trade Activity Data summary by Financial Control to confirm that trades were executed accurately.
- Financial Control enters actual trade information into the ISIS system to clear pending trade requests.
- Bank instructions to settle trades are verified to PAM trades and signed by a manager.
- SAP entries and wire requests are verified to the trade reports and authorized by two managers.
- Daily activity for the custodian bank accounts, wires and stock trade settlement, is compared to data within the PAM system, to verify the accuracy of transactions. Exceptions are investigated and resolved.
- Monthly asset reconciliations are prepared by Financial Control comparing custody account balances to the ISIS recordkeeping system balances for each employer stock.

F. Reporting

Participant Statements

Statements are generated quarterly for each plan participant. System controls built in the statement generation process help provide reasonable assurance that accurate participant statements are produced. Participant and plan statements are generated from the same data selection criteria and the system requires that the summation of participant amounts must equal the plan totals. In addition, a verification process within ISIS confirms that opening account balances plus transaction activity equals closing balances. Statements, which do not meet these system controls, are rejected and investigated by System Statement team members.

After the printing of statements, the receipt date and the mailing date are logged for tracking purposes. Prior to mailing, statements are checked on a test basis, for both quality and data accuracy.

Plan Reporting

Quarterly reports are produced as a summary of quarterly participant statements, and to summarize plan information not directly related to any one participant account (e.g., forfeiture, unallocated remittances). The same authorization and accuracy control checks are used for Plan Sponsor reports as for participant statements. Great-West team members are responsible for generating and reviewing for completeness, accuracy and timeliness, the quarterly and annual plan reports for the group accounts assigned to them. The team members are responsible for making any adjustments and reviewing the quarterly and annual plan reports to confirm the proper cutoff period and that necessary entries were made. A log, which documents the mailing date of the quarterly plan report, is reviewed by management to confirm reports were generated and mailed on a timely basis.

G. Compliance

Plan Document Preparation

The Plan Document Team prepares prototype plan documents for start-up 401(k), 401(a) Money Purchase, and 401(a) Profit Sharing plans, upon request from the Plan Sponsor/Employer, Great-West Representative, or the Relationship Manager.

The Great-West representative or institutional client is responsible for surveying the Plan Sponsor's employing organization, completing the employee census form and preparing projections for the data for several types of plans to determine the plan type best suited for the Plan Sponsor. The Implementation Project Manager conducts a call to the client to confirm initial plan provisions and any changes that may need to be made.

The Implementation Project Manager submits a request to the Plan Document Team, who then prepares the prototype adoption agreement (or volume submitter) and Summary Plan Description (SPD) based on the information received. The document is Quality Checked by a member of the Plan Document Team before being sent to the Plan Sponsor and/or the Great-West representative for review and approval. Once the document is approved by the Plan Sponsor and the Great-West representative, the Plan Sponsor must execute the plan document. If revisions are required, a request to the Plan Document Team will facilitate the changes.

When a client has an existing plan document, the process of taking the existing plan and transferring the provisions onto the document(s) maintained by the institutional client is called "mapping over" the plan. A Document Specialist will review the prior document, noting any provisions that the document used by

Great-West for the institutional client may not accommodate. Any change suggestions or issues are noted so that the Implementation Project Manager can address them during a call with the client and the institutional client. The Implementation Project Manager then submits a request to the Plan Document Team, who then prepares the prototype adoption agreement (or volume submitter) and Summary Plan Description (SPD) based on the information received and verified by the Implementation Project Manager in the Welcome or Document Call. The document is Quality Checked by a member of the Plan Document Team before being sent to the Plan Sponsor and/or the Great-West representative for review and approval. Once the document is approved by the Plan Sponsor and the Great-West representative, the Plan Sponsor must execute the plan document. If revisions are required, a request to the Plan Document Team will facilitate the changes.

Plan Amendments and Modifications

The employer may decide to change the provisions of the plan (this is a “discretionary amendment”) or a change in law affecting qualified retirement plans may require the document to be updated (this is a “mandatory amendment”).

The provisions of the plan document control the process of updating or amending the plan documents. Plan amendments must be authorized by the employer and must be in writing or via Email. These requests are routed to Great-West Plan Support, so that they may open an Action Remedy (AR) ticket to notify the Plan Document team about the amendment request, and supporting documentation is forwarded to the Plan Document Team. In certain circumstances the plan amendment may be adopted after the end of the plan year or may be retroactive to a specified date. It is important to note that the plan must be currently amended for required legislative and regulatory changes.

When the law is changed and a mandatory amendment is required, a certain period of time is allowed for the plan to be formally amended. This time period is referred to as the “remedial amendment period.” However, new laws may need to be complied with according to their effective dates and by government regulations, even if the plan has not yet been formally amended. The formal amendment may be a Sponsor Level model amendment; model amendment language is provided by the Internal Revenue Service and/or the document software provider.

If the Summary Plan Description is altered by the amendment or the change constitutes a material modification, a Summary of Material Modification (SMM) may be prepared or a new Summary Plan Description (SPD) will be prepared. The SPD or SMM will be completed within five business days after receipt of a complete amendment request from the Plan Sponsor and must be furnished to participants and beneficiaries by the employer no later than 210 days after the plan year in which the plan change is adopted. The Plan Document Team analyst reviews the amendments to confirm the changes in plan provisions comply with the regulations/guidelines.

Both the document and the SPD are Quality Checked by a member of the Plan Document Team prior to mailing to the Plan Sponsor or the institutional client. If revisions are required, a request to the Plan Document Team will facilitate the changes. Once signature pages are received, the Plan Document team coordinates moving a copy of the plan document and SPD to the Plan Sponsor’s web site (as long as the institutional client permits) and submits a request to change plan level information on ISIS.

Compliance - Year-End Testing

Forty-five days prior to the end of the employer’s plan year end a census data request is mailed to each employer for certain 401(k), 401(a) Money Purchase, 401(a) Profit Sharing and 403(b) Plans. This

request letter is also posted to the Plan Service Center (PSC). Compliance asks for census data and ownership information to complete the needed non-discriminatory testing, depending on the plan type.

The census data is validated upon submission to PSC. Once the testing process begins, a more thorough review of the census data is completed to confirm that the requested data falls within the parameters of the plan document.

If the data is determined not to be final, or follow up needs to be done with the employer, a letter or email is generated asking for the missing data, or data clarification, as needed. Follow up will continue until data is “final” (see next paragraph). In each piece of correspondence, the employers are notified of the risks associated with not having the needed tests performed in a timely manner.

Once the census data is submitted on PSC and the Ownership information is updated on PSC, the census data is imported into the compliance testing software, Actuarial Systems Corporation (“ASC”), to determine the results and needed corrective measures in case any of the tests fail, or if any of the contribution limits have been exceeded. The compliance analyst compiles the test results and submits the completed tests to a peer or manager for review. Once the review is completed and any concerns addressed, the results will be sent to the client or a member of management will review. Once approved by management, the employer is contacted with the results in writing via the Plan Service Center or mail.

If a failure exists and a refund is required, a listing of the affected participants is sent to the employer for review. Upon completion of testing, the necessary tests and documents are stored (either electronically or in paper format) in the employer’s account file. The employer authorizes the needed refund in writing, and submits the refund request to the operations area for payment. The appropriate excess type and amount is processed on the recordkeeping system and a check is processed and sent to the participant, along with an explanation letter. The employer is copied on the correspondence.

For passing plans, upon completion of testing, the necessary tests and documents are stored (either electronically or in paper format) in the employer’s account file.

Preparation of IRS Form 5500

The IRS requires a Form 5500 to be filed for retirement plans subject to ERISA. The Compliance department mails an explanatory letter to each employer requesting specific information to complete the Form 5500 and required schedules. This request is made forty-five days prior to the end of the plan year for which the 5500 is to be prepared. The Compliance Department receives specific information to complete the Form 5500 and required schedules from each Plan Sponsor. The information is reviewed for completeness and accuracy. The appropriate Form 5500 and required schedules are completed on Relius software based on the information received from the Plan Sponsor and the financial information from the annual plan. A Form 5500 checklist is prepared and the Form 5500 and required schedules are completed and reviewed by management or a peer prior to mailing.

V. KEY CONTROL REPORTS

In order to provide on-going control of its operational policies and procedures, Great-West uses a number of internal control reports as described below. The following reports are used in conjunction with processing. While this is not a complete list of all reports used, it does represent the key control reports:

<i>Report</i>	<i>Source</i>	<i>Description</i>	<i>Control Purpose</i>	<i>Used By</i>	<i>Frequency</i>
FINANCIAL CONTROL					
STATS Report	ISIS	Plan Account Balances and Financial Activity	Reserve and Reconciliation purposes	Financial Control	Monthly
SQL Script	ISIS	Ad Hoc reporting of ISIS tables	Reconciliations and reporting	Financial Control	Ad Hoc
PLCS report	ISIS	Additions to Group Cash	Balancing group cash	Financial Control (Up Front Cash department)	Daily
Merge/Purge	KR66 Tax System	Details out of balances between tax withholding accounting and tax withholding reporting	Serves to validate reporting totals to accounting totals and details reporting problems	Financial Tax	Monthly (Apr – Dec)
Create Miscellaneous Accounting Report	ISIS	Summary of Create Miscellaneous Accounting Entries (CMAE)	Used to check completeness and accuracy of transactions	Financial Control Management and Suspense Reconcilers	Monthly
ISIS Withholding Report	ISIS	Details daily withholding liability by IRS Rule and Providing Co.	Used to determine amount of daily tax payments and validate daily ledger changes	Financial Tax	Daily

Report	Source	Description	Control Purpose	Used By	Frequency
Prior Year Withholding	ISIS	Details current day accounting affecting prior tax years	Used to accurately communicate payment amounts to corp. taxation	Financial Tax	Daily
941 – 945 Payments (Spreadsheet)	Corporate Taxation	Details withholding payments made to the Federal Government	Used to validate payment amounts communicated where the payments made	Financial Tax	Monthly
ISIS Fed WH Ledger & ISIS State WH Ledger (Spreadsheet databases)	Fin Tax	Details tax payment amounts due	Reconciles and splits ISIS withholding activity by tax payment type. These reports also age unpaid liability	Corp Tax	Daily
CONTRIBUTIONS/LOAN REPAYMENTS					
Current work list count	ISIS	Lists items currently in workflow queue not processed	Load balancing and outstanding items monitoring	Cash Operations Management	Daily
Suspense Aging Report	ISIS	Summary of cash items received versus items cleared	Utilized to monitor outstanding items (includes aging)	Cash Operations Management	Daily
Participant Suspense Report	ISIS	Details of unallocated participants with rejection codes, aging, group accounts, SSN, event id, and amount	Utilized to monitor and clear items	Cash Operations Staff	Daily
Group Cash Report	ISIS	Details of unallocated, or out of balance cash remittances by event id, group account, and amount	Utilized to monitor and clear outstanding items	Cash Operations Staff	Daily

Report	Source	Description	Control Purpose	Used By	Frequency
IORN by NVR status	ISIS	Lists cash event ids in NVR (never) status for current date	Cash processing completeness	Cash Operations Staff	Daily
Outstanding Returns Report	Excel	Details Unresolved Return Items	Helps ensure the timeliness of return processing	Implementation and Relationship Teams	Weekly
IMPLEMENTATION STATUS					
Transfer Call Checklist	Word	Questionnaire to be completed with the client re: plan operation only for plans electing document services	Confirmation that plan is operating in line with their restated plan document	Implementation Services Team	Daily
Restated Plan Document	Word	Details the plan provisions	Outlines how the plan operates	Implementation Services Team	Daily
Plan Setup and Release Checklist	Word	Checklist to review ISIS setup and plan release indicators	Verifies correct ISIS setup	Implementation Services Team	Daily
Asset , Trade, and Asset Processing Notices	Word & web page	Instructions for cash processing	Document cash activity	Implementation Services Team	Daily
VSCR, PADD and GENR	ISIS	Participant vesting, snapshot, YTD, balance data	Verifies accuracy of ISIS data	Implementation Services Team	Daily
Status Report	Microsoft Access	Detail of plan status	Monitor plan progression through the conversion process	Implementation Services Team	Daily
DISTRIBUTIONS					
DBER	ISIS	Lists rejected loans, disbursements and periodic payments	Disbursement completeness check	Benefits Administration	Daily

Report	Source	Description	Control Purpose	Used By	Frequency
GENR	ISIS	Identifies amounts/SSNs processed in either a contract termination, merger or spin-off	Disbursement completeness check	Benefits Administration	Ad Hoc
DSVR	ISIS	Identifies amounts/SSNs processed for a specific plan for a specific time frame	Disbursement processing completeness check	Benefits Administration	Ad Hoc
PDTY	ISIS	Details distribution counts processed by individual users	Allows tracking for productivity within a team	Benefits Administration	Weekly
DBST	ISIS	Lists disbursements that need to be authorized through ISIS	Disbursement completeness process	Benefits Administration	Ad Hoc
DUAP	ISIS	Lists disbursements that need to be rejected items that require reauthorization to complete through ISIS	Disbursement completeness process	Benefits Administration	Daily
LOANS					
Current Work List Count	ISIS	Lists items currently in workflow queue not processed	Workload balancing, and monitoring outstanding items	Loan Department Management	Daily
Current Work List Count	ISIS	Lists items currently in workflow queue not processed	Workload balancing, and monitoring outstanding items	Benefits Administration Management	Ad Hoc
Loan Default Report	ISIS	Summary of quarterly defaulted loans	Institutional Notification	Loan Department and Institutions	Quarterly
DBER	ISIS	Lists rejected	Completeness	Benefits	Daily

Report	Source	Description	Control Purpose	Used By	Frequency
		loans, disbursements and periodic payments	Check	Administration	
INVESTMENTS					
Trade Audit Report	OTF	Compare trade orders from ISIS to what was loaded into FundLinx	Identifies differences between ISIS and the FundLinx Load	Investments (Trading)	Daily
PAM to Record-keeping Unit Reconciliation	Report Viewer	Reconciles PAM records to those of the record-keeping system	Identifies differences between PAM and record keeping system	Investments (Unit Value) and SBUs, and Financial Control	Daily and Monthly
Unit Value Variance Report	VAA	Compare Accounting Unit Value (AUV) to Market Unit Value for wrapped/unitized assets	Verifies the accuracy of unit values uploaded to the record keeping system	Investments (Unit Value)	Daily
Trial Balance	PAM	Trial Balance Ledger Detail	Used to review account balances for irregular activity	Investments (Unit Value)	Weekly
Price Reconciliation	PAM/VAA	Compares prices between two independent sources	Used to validate accurate and complete prices	Investments (Unit Value)	Daily
Share Reconciliation	FundLinx	Compares FundLinx share balances with fund house and PAM share balances	Identifies share variances	Investments (MF Financial Control)	Daily
Share Reconciliation	FundLinx	Compares FundLinx share balances with ISIS share balances	Identifies share variances	Investments (MF Financial Control)	Monthly
Profile Reconciliation	PAM	Compares the units of the Profile Funds to the underlying funds	Identifies incorrect or missing trades	Investments (MF Financial Control)	Weekly
Bank Reconciliation	TWA	Compares anticipated	Identifies incorrect or	Investments (MF	Daily

Report	Source	Description	Control Purpose	Used By	Frequency
		purchase and redemption amounts with bank activity	missing trades	Financial Control)	
Suspense Reconciliation	TWA/General Ledger, ISIS	Reconciles General Ledger suspense balance with those trades in suspense	Identifies differences in trades between ISIS and TWA	Investments (MF Financial Control)	Daily
Dividend/Income Reconciliation	FundLinx	Reconciles dividend and income in FundLinx to fund house statements	Identifies missing dividends and income	Investments (Unit Value)	Daily
Employer Stock Investment Activity Report	ISIS	Lists current day's trading	Identifies the trades and used to compare trading received to actual trading	Investments	Daily
PAM holdings report	PAM	Lists groups current stock holdings	Prevents overselling of a group's holdings	Investments	Daily
Employer Stock Portfolios Trade Activity	Excel worksheet	Records actual trading with cost/proceeds for current date	Identifies variance if any of what traded to calculation of what should have traded	Investments	Daily
POLICY COMPLIANCE					
Money Manager Link (MML)	ISIS	Summary of financial transactions	Used in preparation of non-discrimination testing	Compliance Department Management and Staff	Daily
Annual Plan Summary	ISIS	Summary of financial transactions	Used in preparation of non-discrimination testing and Form 5500 reporting	Compliance Department Management and Staff	Quarterly

Report	Source	Description	Control Purpose	Used By	Frequency
Status Reports	Access	Status summary of documents, Form 5500s, and non-discrimination testing	Used in tracking status of plans for different institutions	Compliance Department Management and Staff	Weekly
BROKERAGE OPERATIONS – BANKING					
Previous Day/Intraday Wire Detail	US Bank / Wells Fargo Internet software	Details of wire transfer cash receipts	Used to Validate timely recording of activity	Banking Services and Cash Control	Daily
SECURITY					
LUM1	ISIS	Individual ISIS ID changes	Client ID or User ID change accuracy for access to the VRS	Plan Technical Support Security Team	Ad Hoc
LUMA	ISIS	Global ISIS user ID changes	Client ID or User ID change accuracy for access to the VRS	Plan Technical Support Security Team	Daily
SEC1, 2, & 3	ISIS	Provides access information for a user id. Provides access type, screens, user classes, etc.	Appropriateness of access.	Plan Technical Support Security Team	Ad Hoc
STATEMENT / PLAN SUMMARY					
Statement Status	ISIS	Summary / Status of Quarterly Statements	Summary level status / progress of the quarterly statements	Statement Team and Senior Management	Daily (at quarter end)
Plan Summary Status	ISIS	Summary / Status of Quarterly Plan Summary's	Summary level status / progress of the quarterly plan summaries	Statement Team and Senior Management	Daily (at quarter end)
Mailing Hold	ISIS	Details the plans that have a statement mail hold	Relationship department notification	Statement Team	Daily (at quarter end)
Corrected Copies	ISIS	Summary of plans required to have corrected statements	Helps ensure that correct statements are mailed to our	Statement Team	Daily (at quarter end)

<i>Report</i>	<i>Source</i>	<i>Description</i>	<i>Control Purpose</i>	<i>Used By</i>	<i>Frequency</i>
Statement Hold	ISIS	Summary of plans with quarterly statements on hold and who is responsible for holding them	Quarterly Statement completeness check	Statement Team, Client Service, Relationship Management Teams	Daily (at quarter end)
Statement Master Checklist	ISIS	Details, by plan, the status of quarterly statements	Quarterly Statement completeness check	Statement Team, Client Service, Relationship Management Teams	Daily (at quarter end)
Plan Summary Master Checklist	ISIS	Details, by plan, the status of quarterly Plan Summaries	Quarterly Plan Summary completeness check	Statement Team, Client Service, Relationship Management Teams	Daily (at quarter end)

VI. USER CONTROL CONSIDERATIONS

Great-West's controls were designed with the assumption that certain controls would be implemented by user organizations. The application of such controls by user organizations is necessary to achieve certain control objectives identified in this report. In addition, there may be control objectives and related controls that are not identified in this report that would be appropriate for the processing of transactions for client accounts.

This section describes additional controls that should be in operation at user organizations to complement the controls at Great-West. User auditors should consider whether the following controls have been placed in operation at user organizations:

1. Plan Sponsors should have controls designed and implemented to provide reasonable assurance that access to the PSC hardware, software, accounts and passwords is granted only to authorized personnel.
2. Plan Sponsors should have controls in place which provide reasonable assurance that employees are eligible, authorized and valid participants before submitting employee application forms to Great-West, enrolling employees through the PSC Web site, or enrolling employees through mass-add on electronic media.
3. Verification notices are generated and mailed to participants to review the completeness and accuracy of information entered into the ISIS system. Participants should review the completeness and accuracy of information included on the confirmation notices and report any discrepancies to the Plan Sponsor on a timely basis.
4. Plan Sponsors should have controls in place to confirm that only appropriate people have access to the PSC Web site.
5. Confirmation notices, quarterly statements, and turnaround documents are mailed to Plan Sponsors and participants. Plan Sponsors and participants should review these documents on a timely basis for accuracy and completeness. If statements are not received the participant should notify the Plan Sponsor.
6. Verification documents itemizing the contribution allocation can be requested and sent to the Plan Sponsor or TPA. Plan Sponsors and/or TPA should utilize this optional confirmation process.
7. Plan Sponsors should have controls in place, which provide reasonable assurance that their input into the PSC systems is accurate and complete.
8. The Plan Sponsor should have procedures in place which provide reasonable assurance that disbursement requests are authorized and in compliance with the plan provisions.
9. The Plan Sponsor informs Great-West in writing if any disbursement amounts are to be forfeited. The Plan Sponsor should have procedures in place which provide reasonable assurance that information communicated to Great-West is complete and accurate.
10. For investments, quarterly and annual plan reports are sent to the participants and plan sponsors. Reports should be reviewed by the participants and plan sponsors for accuracy of dividends and capital gains processing.
11. Plan Sponsor receives the completed Form 5500 to accept and sign the document. Plan Sponsor should review the Form 5500 for completeness and accuracy prior to signing the document.
12. Account registration materials should be reviewed by the Trustee/Custodian for accuracy.

The list of user organization control considerations presented above does not represent a comprehensive set of the controls that should be employed by user organizations. Other controls may be required at user organizations.

SECTION THREE

**INFORMATION PROVIDED BY THE INDEPENDENT
SERVICE AUDITOR**

I. INTRODUCTION

This report on the controls placed in operation and tests of operating effectiveness is intended to provide interested parties with information sufficient to obtain an understanding of those aspects of Great-West's defined contribution plan recordkeeping services and related general computer controls that may be relevant to a user organization's controls, and reduce the assessed level of control risk below the maximum for certain financial statement assertions. This report, when coupled with an understanding of internal controls (including transaction processing controls) in place at user organizations, is intended to assist in the assessment of internal controls surrounding transactions processed by Great-West.

Our examination was restricted to the control objectives and related procedures specified by Great-West and TMC in the controls and testing in Section Three, and was not extended to procedures in effect at user organizations and other outsourced vendor organizations, or other controls that may be described in Section Two but not listed in Section Three. Our examination was conducted in accordance with the Statement on Auditing Standards ("SAS") No. 70 "Reports on the Processing of Transactions by Service Organizations," of the American Institute of Certified Public Accountants, as amended. It is each interested party's responsibility to evaluate this information in relation to controls in place at each user organization in order to assess the internal controls. If effective user controls are not in place, Great-West's controls may not compensate for such weaknesses.

Our examination included inquiry of the appropriate management, supervisory and personnel, inspection of documents and records, observation of activities and operations, and tests of controls surrounding and provided by Great-West. Our tests of controls were performed on internal controls as they existed during the period October 1, 2005 to September 30, 2006, and were applied to those controls relating to control objectives specified by Great-West.

The description of controls and control objectives is the responsibility of Great-West management. However, the scope of our engagement did not include tests to determine whether control objectives not listed in Section Three were achieved; accordingly, we express no opinion on the achievement of control objectives not included in Section Three.

II. TESTS OF OPERATING EFFECTIVENESS

Our tests of the effectiveness of controls included such tests as were considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period October 1, 2005 to September 30, 2006. Our tests of the operational effectiveness of controls were designed to cover a representative number of transactions throughout the period of October 1, 2005 to September 30, 2006, for each of the controls listed in Section Three, which are designed to achieve the specific control objectives, also listed in Section Three. In selecting particular tests of the operational effectiveness of controls, we considered (a) the nature of the items being tested, (b) the types and competence of available evidential matter, (c) the nature of the audit objectives to be achieved, (d) the assessed level of control risk and (e) the expected efficiency and effectiveness of the test.

A. Description of Testing Procedures Performed

Tests performed of the operational effectiveness of controls are described in general below and in more detail on the following pages:

Test	Description
Corroborative Inquiry	Made inquiries of appropriate personnel to ascertain the compliance of controls and corroborated the inquiries with at least one of the tests mentioned below.
Observation	Observed application of specific controls.
Evidential Material	Inspected documents and reports indicating performance of the controls.
Transaction Testing	Reperformed application of the controls.

B. Results of Testing Performed

The testing of the control environment and controls were sufficient to conclude that controls were operating effectively to provide reasonable, but not absolute, assurance that the control objectives were achieved during the period October 1, 2005 to September 30, 2006.

III. CONTROL OBJECTIVES, RELATED CONTROLS AND TESTS OF OPERATING EFFECTIVENESS

Organizational Structure & Personnel		
<i>Control Objective 1: Controls provide reasonable assurance that a reasonable segregation of duties between Great-West and its SBUs, as well as between the FSS Department and the two key FASCore user departments, Operations and Financial Control, is maintained.</i>		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Great-West is functionally segregated from its SBUs. FSS is segregated into four functional groups: Technical Infrastructure, Software Engineering, Production Support, and VRS/PSC. These areas are functionally segregated from the two key FASCore user departments – Financial Control and Operations.	Confirmed, through corroborative inquiry with an Administrative Assistant and an Associate Manager of Systems that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Great-West and FSS organizational charts and confirmed that segregation of duties appears to exist between Great-West and its SBUs, and that the two key FASCore user departments are functionally segregated from FSS.	No relevant exceptions noted.

Organizational Structure & Personnel

Control Objective 1: Controls provide reasonable assurance that a reasonable segregation of duties between Great-West and its SBUs, as well as between the FSS Department and the two key FASCore user departments, Operations and Financial Control, is maintained.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. Formal personnel policies and procedures exist and are followed in the hiring, evaluation, and termination of employees.	Confirmed, through corroborative inquiry with an Administrative Assistant and an Employee Relations Consultant that the control activity stated is in place.	No relevant exceptions noted.
	Inspected formal personnel policies and procedures related to hiring, evaluation, and termination of employees and confirmed existence.	No relevant exceptions noted.
	Inspected performance appraisals for a sample of employees and confirmed that the appraisals were performed during the testing period.	No relevant exceptions noted.
	Inspected the network and ISIS application for a sample of new hires and terminations and confirmed that the hiring and termination procedures were followed.	Exception noted. One of 25 terminations selected had access enabled to the network; however, access was disabled from ISIS. Noted that the network access was removed on 6/7/06. In addition, inspected logs evidencing that the terminated user ID was not used to access the system post-termination. ¹

¹ See “Management’s Responses to Testing Exceptions” in Section Four; which was not audited.

Organizational Structure & Personnel

Control Objective 1: Controls provide reasonable assurance that a reasonable segregation of duties between Great-West and its SBUs, as well as between the FSS Department and the two key FASCore user departments, Operations and Financial Control, is maintained.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Formal written job descriptions exist for positions within key functional groups to support segregation of duties.	Confirmed, through corroborative inquiry with an Administrative Assistant and an Employee Relations Consultant that the control activity stated is in place.	No relevant exceptions noted.
	Inspected formal written job descriptions for a sample of job titles and confirmed they support segregation of duties.	No relevant exceptions noted.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Great-West has implemented a formal Systems Development Life Cycle (“SDLC”) methodology.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Systems Development Life Cycle methodology documentation and standards and confirmed that the methodology has been implemented.	No relevant exceptions noted.
2. Formal program change management policies and procedures exist.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the formal program change management policies and procedures and confirmed existence.	No relevant exceptions noted.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. ISIS, Oracle database, and UNIX changes must be authorized by management prior to development and maintenance in a test environment.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the TI Team Change Control Plan forms for a sample of UNIX changes and confirmed that selected changes were authorized by management prior to maintenance in a test environment as evidenced by approval signatures from management and/or the Change Control Board on the TI Team Change Control Plan form.	No relevant exceptions noted.
	Inspected project notes and Perfect Tracker tickets for a sample of ISIS projects and Oracle database object changes, respectively. Confirmed that the selected projects/object changes were authorized by management prior to development and maintenance in a test environment as evidenced by approval signatures from management and/or the Change Control Board on the project notes or Perfect Tracker tickets.	No relevant exceptions noted.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. ISIS modifications and Oracle database object changes must be tested in a Quality Assurance (“QA”) environment prior to promotion to the production environment. A backout plan is established prior to making Unix changes (i.e. patches, fixes, etc.).	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the TI Team Change Control Plan forms for a sample of UNIX changes and confirmed that a backout plan was implemented prior to making Unix changes as evidenced by the Contingency Plan on the TI Team Change Control Plan form.	No relevant exceptions noted.
	Inspected project notes and Perfect Tracker tickets for a sample of ISIS projects and Oracle database object changes, respectively. Confirmed that the selected projects/object changes were tested in a Quality Assurance (“QA”) environment prior to promotion to the production environment as evidenced by approval signatures from management and/or the Change Control Board on the project notes or Perfect Tracker tickets.	No relevant exceptions noted.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. ISIS, Oracle database, and Unix changes must be approved by management and/or Change Control Board prior to implementation to the production environment.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the TI Team Change Control Plan forms for a sample of UNIX changes and confirmed that changes were approved by management prior to implementation to the production environment as evidenced by approval signatures from management and/or the Change Control Board on the TI Team Change Control Plan form.	No relevant exceptions noted.
	Inspected project notes and Perfect Tracker tickets for a sample of ISIS projects and Oracle database object changes, respectively. Confirmed that the selected projects/object changes were approved by management prior to implementation to the production environment as evidenced by approval signatures from management and/or the Change Control Board on the project notes or Perfect Tracker tickets.	No relevant exceptions noted.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
6. Logical access to promote system changes is segregated and restricted to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a list of users with access to promote ISIS code from the development environment to the QA (test) environment and confirmed through further inquiry with an Associate Manager of Systems that access is commensurate with job responsibilities.	No relevant exceptions noted.
	Inspected a list of users with access to promote ISIS code from the QA environment to the production environment and confirmed through further inquiry with an Associate Manager that access is commensurate with job responsibilities and developers do not have such access.	Exception noted. One user retained access to promote ISIS changes to the production environment after transferring departments/job duties, which no longer required such access. Noted, through observation with a Sr. Programmer Analyst I on 6/6/06, that this access to promote ISIS changes was removed from this user. In addition, inspected a log evidencing that the transferred employee's user ID was not used to promote changes to the production environment after the transfer. ²

² See "Management's Responses to Testing Exceptions" in Section Four; which was not audited.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
	Inspected a system listing of database directories deemed critical by management and confirmed that access is restricted to the directory's owner.	No relevant exceptions noted.
	Inspected the UNIX sudoer file and confirmed through further inquiry with an Associate Manager of Systems that access to "su" to root is commensurate with job responsibilities.	No relevant exceptions noted.
7. End user management is notified of program changes through Release Notes.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Release Notes distributed to end user management during the testing period noting that management was notified via e-mail of program changes.	No relevant exceptions noted.
8. Separate computer environments for application development and maintenance, quality assurance testing, and production processing are maintained.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, a Project Manager, and a Network Manager that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, network diagrams with a Project Manager and Network Manager noting that separate environments exist for development, testing, and production processing.	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites

Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Security Operations maintains Checkpoint and Pix firewalls. The Checkpoint firewalls utilize the Secure Platform and access is limited to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with two Senior Network Security Engineers, a Network Security Engineer II, a Network Security Engineer, and a Project Manager that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the configuration of the Checkpoint and Pix firewalls maintained by Security Operations and noted that the Checkpoint firewalls utilize the Secure Platform.	No relevant exceptions noted.
	Inspected a listing of individuals with access to the Checkpoint and Pix firewalls and confirmed that access was commensurate with their job functions.	No relevant exceptions noted.
2. RAS connections are allowed through the use of a Cisco remote access server (AS5300). Users must authenticate on the server using a secure ID password. This type of authentication provides 60-second password re-generation.	Confirmed, through corroborative inquiry with two Senior Network Security Engineers, a Network Security Engineer II, a Network Security Engineer, and a Project Manager that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, a Network Security Engineer authenticating on the server using a Cisco remote access server and noted that this type of authentication provided 60 second password regeneration. In addition, upon authentication to the access server, noted that the Network Security Engineer was required to authenticate to the network via a user ID, password, and secure ID.	No relevant exceptions noted.
	Inspected the configuration of the RAS servers and noted RAS connections are allowed through the use of a Cisco remote access server (AS5300).	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites

Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Virtual Private Network (VPN) connections are allowed through a Cisco System VPN Client. Users connect through the internet by executing a script, which tunnels them into the network. Users are required to authenticate to the access server with a secure ID passcode.	Confirmed, through corroborative inquiry with two Senior Network Security Engineers, a Network Security Engineer II, a Network Security Engineer, and a Project Manager that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, a Network Security Engineer initiate a VPN connection through a Cisco System VPN Client. Noted that the Network Security Engineer was connected through the internet by executing a script, which tunneled the user into the network and, upon initiation, the Network Security Engineer was required to authenticate to the access server with a secure ID passcode.	No relevant exceptions noted.
4. A risk assessment of proposed firewall changes is performed by the Security Architecture group. The assessment identifies risks and effects of proposed changes. The Information Security Board is responsible for approving or denying requests with risk levels of medium or high.	Confirmed, through corroborative inquiry with two Senior Network Security Engineers that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the risk assessment documentation for a sample of firewall configuration changes during the testing period and confirmed that a risk assessment was performed. Noted that there were no medium or high risk firewall configuration changes during the testing period, thus we were unable to test the approval process.	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites

Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Firewall logs are reviewed by Security Operations on a weekly basis. Questionable items are investigated and resolved in a timely manner using AR tickets.	Confirmed, through corroborative inquiry with a Senior Network Security Engineers and a Project Manager that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the firewall log review procedures noting that such procedures have been established.	No relevant exceptions noted.
	Inspected AR tickets for a sample weeks and confirmed that firewall logs were reviewed and questionable items were resolved in a timely manner as evidenced by closed AR tickets.	No relevant exceptions noted.
6. The Participant, PSC and PartnerLink applications utilize SSL connections (i.e. secure encrypted connections) to communicate with end users over the internet.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the security configuration on the Participant, PSC and PartnerLink websites with a Senior Software Engineer II and confirmed that SSL certificates have been implemented on the websites.	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites

Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
7. Participant and PSC websites require a valid ID and password/PIN combination to gain access to data. After three (3) invalid attempts, the ID is locked for 24 hours.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Participant website with an Associate Manager of Systems and confirmed that a valid ID and password/PIN combination was required and the Associate Manager of Systems was locked out of the system for 24 hours after 3 unsuccessful logon attempts.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the PSC website with a Senior Software Engineer II and confirmed that a valid ID and password/PIN combination was required and the Senior Software Engineer II was locked out for 24 hours after 3 unsuccessful logon attempts.	No relevant exceptions noted.
8. PSC and Participant web sites require a password to be six and four characters in length, respectively. Participant PINS must be at least four digits.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Participant website with an Associate Manager of Systems and confirmed that the minimum PIN length is 4 numeric characters.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the PSC website with a Senior Software Engineer II and confirmed that passwords must be at least 6 characters in length.	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites		
Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
9. Plan Sponsor and Participant password/PIN is masked during input and encrypted when stored in the database.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Participant website with an Associate Manager of Systems and confirmed that the password was masked.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the PSC website with a Senior Software Engineer II and confirmed that the password was masked.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Oracle database with an Associate Manager of Systems and confirmed that Plan Sponsor and Participant passwords/PIN numbers are encrypted while stored in the database.	No relevant exceptions noted.
10. PSC user passwords expire every 31 days or unless requested otherwise by each institution.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the PSC website with a Senior Software Engineer II and confirmed that passwords are configured to expire every 31 days.	No relevant exceptions noted.
	Inspected PSC password expiries for a sample of PSC users and confirmed that passwords were set to expire after 31 days. For password expiries greater than 31 days, obtained the written request from the respective institutions for the extended password expiry.	No relevant exceptions noted.

Participant, Plan Service Center, and Broker Web Sites		
Control Objective 3: Controls provide reasonable assurance that data transmissions between Great-West and its Plan Sponsors and participants through Participant and Plan Service Center (PSC) web sites are authorized.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
11. Participant and PSC web sites have a public-key of 128-bit.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the security configuration on the Participant and PSC websites with a Senior Software Engineer and confirmed that the Participant and PSC websites have a public-key of 128-bit.	No relevant exceptions noted.
12. Participant and PSC web sites immediately provide the user a confirmation number for financial transactions entered into the systems.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Participant and PSC websites with a Senior Software Engineer and confirmed that a confirmation number was provided after the Senior Software Engineer submitted a financial transaction.	No relevant exceptions noted.
13. Plan Sponsors are required to provide written approval for Plan Sponsor employees to obtain PSC remote access capabilities.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and a Senior Software Engineer II that the control activity stated is in place.	No relevant exceptions noted.
	Inspected written approvals from Plan Sponsors for a sample of Plan Sponsor employees with PSC remote access capabilities and confirmed that access was authorized.	No relevant exceptions noted.

Computer Operations		
Control Objective 4: Controls provide reasonable assurance that jobs are processed to normal completion and according to an authorized job schedule or initiated by users through application menu options.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. A job scheduling system is used to schedule and control reoccurring batch production processes.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and an Associate Manager of Business Systems that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Auto Sys application with an Associate Manager of Business Systems and confirmed that it is utilized to schedule and control reoccurring batch production processes.	No relevant exceptions noted.
2. The ability to modify the schedule is limited to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and an Associate Manager of Business Systems that the control activity stated is in place.	No relevant exceptions noted.
	Obtained a list of users with access to modify the job schedule and confirmed that access is commensurate with job responsibilities via further inquiry with an Associate Manager of Business Systems.	No relevant exceptions noted.

Computer Operations

Control Objective 4: Controls provide reasonable assurance that jobs are processed to normal completion and according to an authorized job schedule or initiated by users through application menu options.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Production Support personnel monitor messages generated from nightly processes for processing problems and abnormal job terminations daily. Processing problems are resolved through data correction tools, reruns, or change control processes.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and an Associate Manager of Business Systems that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with an Associate Manager of Business Systems, the job monitoring process noting that the Associate Manager of Business Systems receives an e-mail listing each job deemed critical by management and the status of each critical job from prior night's processing.	No relevant exceptions noted.
	Inspected AR tickets for a sample of processing problems throughout the testing period and confirmed that the processing problems were resolved as evidenced by information on the AR tickets.	No relevant exceptions noted.
4. Production Support personnel are on-call 24 hours per day for processing problems which must be resolved on an urgent basis.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and an Associate Manager of Business Systems that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the on-call schedules and paging function for a sample of months during the testing period and confirmed that Production Support personnel are on-call 24 hours per day.	No relevant exceptions noted.

Computer Operations

Control Objective 4: Controls provide reasonable assurance that jobs are processed to normal completion and according to an authorized job schedule or initiated by users through application menu options.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. On-line restart and recovery procedures and documentation exist for the handling of abnormal job terminations and processing problems.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, and an Associate Manager of Business Systems that the control activity stated is in place.	No relevant exceptions noted.
	Inspected run books for a sample of jobs and confirmed that on-line restart/recovery documentation and instructions exist for the handling of abnormal job terminations and processing problems as evidenced by information obtained from the run books.	No relevant exceptions noted.

Computer Operations

Control Objective 5: Controls provide reasonable assurance that loss of data is minimized in the event of a system failure.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Programs and data files deemed critical by management are backed up on a regular basis and stored at an off-site facility. A second copy of the backup is maintained within the tape room of the computer center.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, a Project Manager, a Lead Tape Librarian, and a Production Control Administrator that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the backup procedures and retention policies and confirmed that procedures are outlined for backup and retention of data files and programs.	No relevant exceptions noted.
	Inspected AR tickets for a sample of backup failures throughout the testing period and confirmed that the backup failures were resolved as evidenced by information on the AR tickets.	No relevant exceptions noted.
	Selected a sample of backup tapes from a list of tapes stored in the tape room of the computer center and confirmed that the tapes were physically in the tape room as evidenced by observing the tapes in the tape room.	No relevant exceptions noted.
	Selected a sample of days and weeks during the testing period and confirmed that backup tapes were taken off-site for each day and week selection as evidenced by inspecting the off-site backup tape inventory reports.	No relevant exceptions noted.

Computer Operations

Control Objective 5: Controls provide reasonable assurance that loss of data is minimized in the event of a system failure.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. A file including the backup pick list is sent to the offsite storage facility and compared to the actual tapes received.	Confirmed, through corroborative inquiry with an Associate Manager of IT Services, a Project Manager, and a Lead Tape Librarian that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the backup tape offsite rotation procedure with a Lead Tape Librarian confirming that the Lead Tape Librarian sent an FTP file to the offsite storage facility for reconciliation. In addition, observed the process of reconciling the exception report received from the offsite storage facility with a Lead Tape Librarian to help ensure tapes are accounted for.	No relevant exceptions noted.
3. Access to request and obtain backup tapes stored at the off-site storage facility is based on an authorization list provided to the off-site storage facility and is limited to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with a Project Manager, and a Lead Tape Librarian that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the list of individuals authorized to request backup tapes stored at the off-site storage facility and confirmed, through further inquiry with a Project Manager and a Lead Tape Librarian that access is commensurate with job responsibilities.	No relevant exceptions noted.
4. Access to make changes to the off-site storage facility authorization list is limited to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with a Project Manager, and a Lead Tape Librarian that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the list of individuals with access to make changes to the off-site storage facility authorization list and confirmed, through further inquiry with a Project Manager and a Lead Tape Librarian that access is commensurate with job responsibilities.	No relevant exceptions noted.

Voice Response System		
Control Objective 6: Controls provide reasonable assurance that data transmissions between Great-West and participants via the Voice Response System are authorized.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Participants are required to use a valid user ID and PIN combination before gaining access to data.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Obtained a test VRS account in the production environment and attempted to sign-on to the VRS with an invalid user ID/valid PIN and a valid user ID/invalid PIN noting that access was denied on each occasion. Also attempted to sign-on to the test VRS account with a valid user ID/valid PIN noting that access was granted.	No relevant exceptions noted.
2. VRS passwords are required to be a minimum of four (4) digits.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the VRS with a Senior Business Systems Analyst noting that the VRS restricted the Senior Business Systems Analyst from changing the password to a password of less than four digits.	No relevant exceptions noted.
3. Access to customer account information is restricted to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a list of personnel with access to customer account information on the VRS noting that such access appears commensurate with job responsibilities.	No relevant exceptions noted.

Voice Response System		
Control Objective 6: Controls provide reasonable assurance that data transmissions between Great-West and participants via the Voice Response System are authorized.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. A monthly review is performed over the personnel who accessed customer account information.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Inspected reviews performed over the personnel who accessed customer account information for a sample of months and confirmed that the review was performed as evidenced by a sign off for each aforementioned system and month.	Exception noted. Great-West was unable to provide evidence that a review was performed over those employees with access to emulate customer accounts through the VRS system for one of the databases for the month of July 2005. ³
5. After three invalid password attempts, participants are automatically transferred to a Customer Service Representative.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the VRS with a Senior Business Systems Analyst noting that the Senior Business Systems Analyst was directed to a Customer Service Representative after three unsuccessful attempts.	No relevant exceptions noted.

³ See “Management’s Responses to Testing Exceptions” in Section Four; which was not audited.

Voice Response System

Control Objective 6: Controls provide reasonable assurance that data transmissions between Great-West and participants via the Voice Response System are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
6. VRS immediately notifies the user that their financial transaction was received and a confirmation number is provided for tracking purposes.	Confirmed, through corroborative inquiry with three Associate Managers of Systems, two AVPs of Financial Services, and a Senior Business Systems Analyst that the control activity stated is in place.	No relevant exceptions noted.
	Obtained a test VRS account in the production environment and confirmed that a confirmation number was provided by the VRS immediately after making a transaction on two occasions during the testing period.	No relevant exceptions noted.

Remote Access		
Control Objective 7: Controls provide reasonable assurance that remote access to the ISIS system is limited to authorized individuals.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Formal procedures and documentation exist to grant remote access to personnel and customers.	Confirmed, through corroborative inquiry with a Project Manager, an Assistant Manager of the Operations Support Center, and an Associate Manager of Systems that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the policies and procedures for requesting and granting employee remote access and confirmed existence.	No relevant exceptions noted.
2. Management is responsible for approving remote access to ISIS.	Confirmed, through corroborative inquiry with a Project Manager, an Assistant Manager of the Operations Support Center, and an Associate Manager of Systems that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Remote Access Authorization forms for a sample of users with remote access and confirmed that such access was authorized by management as evidenced by management signature(s) on the Remote Access Authorization forms.	No relevant exceptions noted.
3. Remote access capabilities of terminated users are deleted immediately upon notification from the Human Resources Department.	Confirmed, through corroborative inquiry with a Project Manager and an Assistant Manager of the Operations Support Center that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of remote access users terminated during the testing period and observed the system, with an Assistant Manager of the Operations Support Center, noting that access was deleted.	No relevant exceptions noted.

Physical & Environmental Security		
Control Objective 8: Controls provide reasonable assurance that physical and environmental controls are in place and access to computer equipment and sensitive output is limited to authorized personnel.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
<p>1. A valid access card is required to gain access to Great-West campus facilities. Visitors must present a photo ID to security and obtain a temporary badge.</p>	<p>Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Observed, on multiple occasions during the testing period, that either a valid access card or valid photo ID are required to gain access to Great-West campus facilities.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected the temporary access logs for a sample of days and confirmed that visitors to the towers were required to sign in and were issued sticker badges for the day.</p>	<p>No relevant exceptions noted.</p>
<p>2. Security guards and key cards are utilized to restrict access at the data center. Access to the data center is restricted to authorized employees. Visitors must be escorted by Great-West personnel.</p>	<p>Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Observed, on multiple occasions during the testing period, that a security guard was on duty at the data center and that a badge was required to gain access to the data center. Noted that visitors were escorted by Great-West personnel.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected the temporary access logs for a sample of days and confirmed that visitors to the data center were required to sign in and were issued sticker badges for the day.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Badge Access Authorization forms for a sample of employees with access to the data center and confirmed that access was authorized as evidenced by management’s signature on the Badge Access Authorization forms.</p>	<p>No relevant exceptions noted.</p>

Physical & Environmental Security

Control Objective 8: Controls provide reasonable assurance that physical and environmental controls are in place and access to computer equipment and sensitive output is limited to authorized personnel.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Security cameras monitor the entrance points to buildings within the Great-West campus. In addition, internal areas deemed critical by management, including dock areas are monitored by the CCTV system. The video from the cameras is archived.	Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.	No relevant exceptions noted.
	Toured the Great-West campus on two occasions during the testing period with the Director of Tower Management Company noting that cameras are located at the entrance points and internal areas deemed critical by management.	No relevant exceptions noted.
	Toured the Great-West campus on two occasions during the testing period with the Director of Tower Management Company noting that TMC has the ability to watch the cameras at any given time and that video from the cameras is archived and stored in the CCTV control room.	No relevant exceptions noted.
4. Key card readers are utilized to restrict access into buildings, as well as into sensitive areas within the data center. Access to the sensitive areas in the data center is restricted to authorized employees.	Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.	No relevant exceptions noted.
	Toured the Great-West campus on two occasions during the testing period with the Director of Tower Management Company noting that key card locks are located at the entry/exit points to the buildings as well as to sensitive areas within the data center.	No relevant exceptions noted.
	Inspected Badge Access Authorization forms for a sample of employees with access to sensitive areas in the data center and confirmed that access was authorized as evidenced by management's signature on the Badge Access Authorization forms.	No relevant exceptions noted.

Physical & Environmental Security		
Control Objective 8: Controls provide reasonable assurance that physical and environmental controls are in place and access to computer equipment and sensitive output is limited to authorized personnel.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Blank check stock is securely maintained at the data center. Access to this room requires a manual key and key-card. Access is restricted to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with a Project Manager and an Associate Manager of ITS that the control activity stated is in place.	No relevant exceptions noted.
	Toured the blank check stock rooms on two occasions during the testing period with an Associate Manager of ITS noting that blank check stock is securely maintained at the data center and that access to these rooms requires the combination of a manual key and key card.	No relevant exceptions noted.
	Selected a sample of employees with access to the blank check rooms and confirmed, via further inquiry with a Project Manager and an Associate Manager of ITS, that access is commensurate with job responsibilities.	No relevant exceptions noted.
6. Access to badge making equipment is limited to employees of Tower Management Company commensurate with job responsibilities.	Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Security Director of Tower Management Company, the list of users with access to badge making equipment in the System Security screen of the Geoffrey System. Confirmed, via further inquiry with the President of Tower Management Company that such access is commensurate with job responsibilities.	No relevant exceptions noted.

Physical & Environmental Security		
Control Objective 8: Controls provide reasonable assurance that physical and environmental controls are in place and access to computer equipment and sensitive output is limited to authorized personnel.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
7. Badges must be authorized and expire after a maximum of 90 days for non-Great-West personnel. The sponsor of the individual must submit a request for an extension of the access up to a maximum of 90 days.	Confirmed, through corroborative inquiry with the President of Tower Management Company and the Security Director of Tower Management Company that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Geoffrey system with the Security Director of Tower Management Company and confirmed that badges were set to expire after 90 days for a sample of non-Great-West personnel. For badges with an expiry date greater than 90 days, confirmed that such access was authorized by the respective sponsor as evidenced by inspecting the Badge Access Authorization forms.	No relevant exceptions noted.
	Inspected Badge Access Authorization forms for a sample of non-Great-West personnel and confirmed that access was authorized as evidenced by management’s signature on the Badge Access Authorization forms.	No relevant exceptions noted.
8. Uninterruptible power supplies (“UPS”) have been installed at the Denver Data Center. The UPS systems are equipped with power surge protection.	Confirmed, through corroborative inquiry with a Project Manager and an Associate Manager of ITS that the control activity stated is in place.	No relevant exceptions noted.
	Toured the data center on two occasions during the testing period with an Associate Manager of ITS noting the existence of UPS systems.	No relevant exceptions noted.
	Inspected the maintenance agreements covering the UPS systems and noted the UPS systems are equipped with power surge protection.	No relevant exceptions noted.

Physical & Environmental Security		
Control Objective 8: Controls provide reasonable assurance that physical and environmental controls are in place and access to computer equipment and sensitive output is limited to authorized personnel.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
9. Locations are equipped with backup generators in the event of an extended power outage.	Confirmed, through corroborative inquiry with a Project Manager and an Associate Manager of ITS that the control activity stated is in place.	No relevant exceptions noted.
	Toured the data center on two occasions during the testing period with an Associate Manager of ITS noting the existence of backup generators.	No relevant exceptions noted.
10. Humidity and temperature regulators are being used at each facility in order to maintain the appropriate environment for the systems.	Confirmed, through corroborative inquiry with a Project Manager and an Associate Manager of ITS that the control activity stated is in place.	No relevant exceptions noted.
	Toured the data center on two occasions during the testing period with an Associate Manager of ITS noting the existence of humidity and temperature regulators in each room within the data center.	No relevant exceptions noted.
11. Fire detection/suppression equipment has been implemented in the Denver Data Center. The Denver Data Center has been equipped with fire detectors and “dry pipe” fire suppression equipment.	Confirmed, through corroborative inquiry with a Project Manager and an Associate Manager of ITS that the control activity stated is in place.	No relevant exceptions noted.
	Toured the data center on two occasions during the testing period with an Associate Manager of ITS noting the existence of fire detection/suppression equipment in the data center and that the data center has been equipped with fire detectors and “dry pipe” fire suppression equipment.	No relevant exceptions noted.

Logical Security

Control Objective 9: Controls provide reasonable assurance that logical access security is administered and maintained according to management’s intentions and access to sensitive computer resources is limited to authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Access to the system is granted to individuals by Security Administration personnel based on written request or electronic mail from management.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of ISIS users and confirmed that access was authorized as evidenced by inspecting the related written request and/or email sent from management.	No relevant exceptions noted.
2. Access rights of terminated users are disabled immediately upon notification from the Human Resources Department.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of ISIS users terminated during the testing period and confirmed that the selected terminated users were disabled from the system as evidenced by scanning the list of active users.	Exception noted. ⁴
3. Access to the ISIS system is granted to each user via a unique user account.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a list of ISIS users noting that user IDs appear unique.	No relevant exceptions noted.

⁴ See exception detail at Control Objective 1, Control Activity 1. Also see “Management’s Responses to Testing Exceptions” in Section Four; which was not audited.

Logical Security

Control Objective 9: Controls provide reasonable assurance that logical access security is administered and maintained according to management’s intentions and access to sensitive computer resources is limited to authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. Access to the ISIS System is commensurate with job responsibilities.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of ISIS users and inspected the associated access privileges. Confirmed, via further inquiry with an Associate Manager of Systems, that access for the selected users was commensurate with job responsibilities.	No relevant exceptions noted.

Logical Security

Control Objective 9: Controls provide reasonable assurance that logical access security is administered and maintained according to management's intentions and access to sensitive computer resources is limited to authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Access to the superuser and database administration IDs, data altering utilities, and sensitive system commands is granted to personnel commensurate with job responsibilities.	Confirmed, through corroborative inquiry with two Associate Managers of Systems and two AVPs of Financial Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the UNIX etc/password files and confirmed that access to super user privileges is limited to the root account.	No relevant exceptions noted.
	Inspected the UNIX sudoer list noting that access to "su" to the root account appears commensurate with job responsibilities.	No relevant exceptions noted.
	Inspected the list of users with access to Oracle DBA accounts and confirmed, via further inquiry with an Associate Manager of Systems, that access is limited to personnel commensurate with job responsibilities.	No relevant exceptions noted.
	Inspected the list of users with data altering utilities and confirmed, via further inquiry with an Associate Manager of Systems, that access is limited to personnel commensurate with job responsibilities.	No relevant exceptions noted.
	Inspected the list of users with administrative privileges on the ISIS application and confirmed, via further inquiry with an Associate Manager of Systems, that access is limited to personnel commensurate with job responsibilities.	No relevant exceptions noted.

Logical Security

Control Objective 9: Controls provide reasonable assurance that logical access security is administered and maintained according to management's intentions and access to sensitive computer resources is limited to authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
6. Passwords are set to expire on a periodic basis. User terminal is timed out after 10 minutes of inactivity. Users are locked out after 3 invalid attempts to log on to UNIX.	Confirmed, through corroborative inquiry with two Associate Managers of Systems, two AVPs of Financial Services, a Project Manager, and a System Administrator I that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with a System Administrator I, that Windows 2000 locks out terminals after 10 minutes of inactivity and UNIX requires password changes on a periodic basis and locks out users after 3 unsuccessful logon attempts.	No relevant exceptions noted.

Contributions – Mail/Records Control

Control Objective 10: Controls provide reasonable assurance that mail/records are safeguarded upon receipt and distributed to the correct departments for processing in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Department mail is opened, sorted, and date stamped for scanning preparation.	Confirmed, through corroborative inquiry with the Supervisor of Mail Services and Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the process of the mail area personnel opening, sorting, and date stamping with the Supervisor of Mail Services.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the mail room procedures, the document management area receiving Right Faxes (splitting them out and indexing), and document management personnel indexing scanned documents on the ISIS system and assigning them the scanned documents to departments.	No relevant exceptions noted.
2. Event ID numbers are automatically assigned to documents that are scanned into Ascent and checked by a Document Management Associate using Web Retriever to help ensure accurate scanning after its release for processing.	Confirmed, through corroborative inquiry with the Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Document Management that event ID numbers are automatically assigned by ISIS as the various documents are scanned into Ascent.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Document Management, the department processors quality checked the documents using Web Retriever after it has been released into Workflow for processing by inputting the appropriate Social Security Number or Plan number.	No relevant exceptions noted.

Contributions – Mail/Records Control		
Control Objective 10: Controls provide reasonable assurance that mail/records are safeguarded upon receipt and distributed to the correct departments for processing in a timely manner.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Withdrawal requests received which are not completed on company forms are routed to the Benefits review area. Specially marked bar code sheets are utilized to help ensure accurate routing.	Confirmed, through corroborative inquiry with the Supervisor of Mail Services and Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Supervisor of Mail Services, the process of the mail receiving area confirming that withdrawal requests received are routed to the Benefits review area and specially marked bar code sheets are utilized to help ensure accurate routing.	No relevant exceptions noted.
4. Non-scanned documents not utilizing IBM MQ Series Workflow (system utilized to route and track items to processing departments), are sorted, date stamped and taken to appropriate departments by a mail runner, while scanned documents are put into Workflow.	Confirmed, through corroborative inquiry with the Supervisor of Mail Services and Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Supervisor of Mail Services, the mail process confirming that non-scanned documents not utilizing IBM MQ Series Workflow are sorted, date stamped, and taken to appropriate areas by a mail runner and scanned documents are put into Workflow.	No relevant exceptions noted.

Contributions – Mail/Records Control

Control Objective 10: Controls provide reasonable assurance that mail/records are safeguarded upon receipt and distributed to the correct departments for processing in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. The returned mail is opened and sorted by institution. The count is logged onto a tracking sheet under the respective department charge codes for billing purposes.	Confirmed, through corroborative inquiry with the Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Document Management that Document Management is responsible for returned mail processing; mail with a yellow forwarding sticker. Noted that the Document Management team updates the address on ISIS and scans in the envelope with the yellow forwarding sticker for backup.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Document Management, the returned mail process, which includes returned mail being opened and sorted, along with the count being logged on a tracking sheet under the respective department charge codes for billing purposes.	No relevant exceptions noted.
6. Twice a year, a file is sent to an outside vendor to locate participants with mail holds.	Confirmed, through corroborative inquiry with the Assistant Manager of Document Management that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Document Management that twice a year a file is sent to an outside vendor to locate participants with mail holds from the spreadsheet record that is ordered by Document Manager via ISIS system to locate participants with mail holds.	No relevant exceptions noted.

Contributions – Plan Installation

Control Objective 11: Controls provide reasonable assurance that additions and modifications to group account information are authorized, and are recorded and processed completely and accurately.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Implementation Checklists are submitted to the Implementation team for review prior to processing.	Confirmed, through corroborative inquiry with the two Associate Managers of Implementation Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Implementation Checklists for a sample of new contracts during the testing period and confirmed that the checklists were completed prior to group setup.	No relevant exceptions noted.
2. The New Business Team reviews the Implementation Checklist for completeness and compliance with client agreements.	Confirmed, through corroborative inquiry with the two Associate Managers of Implementation Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Implementation Checklists for a sample of new contracts during the testing period and confirmed that the New Business Team reviewed the Implementation Checklists as evidenced by information provided on the Implementation Checklists.	No relevant exceptions noted.
3. Reports related to participant indicative data are reviewed to verify that essential fields in the ISIS system have been entered correctly and completely. Data from specific ISIS fields is checked against the original data received from the Plan Sponsor on a sample basis, including vesting data. Documentation is maintained to provide evidence of the review.	Confirmed, through corroborative inquiry with the two Associate Managers of Implementation Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Conversion Sign-off documentation for a sample of new contracts during the testing period and confirmed that documentation is maintained to provide evidence of the review including the review of reports as needed to verify that essential fields in the ISIS system have been entered correctly and completely.	No relevant exceptions noted.

Contributions – Plan Installation

Control Objective 11: Controls provide reasonable assurance that additions and modifications to group account information are authorized, and are recorded and processed completely and accurately.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
<p>4. Plan Sponsors are required to sign off on investments mapping instructions prior to the entry onto the ISIS system. Asset balance and investment data are verified for accuracy by the Plan Sponsor prior to releasing the plan. Once the ISIS set up is complete, investment type and investment balance information, including the mappings, is checked, on both a plan level and individual basis, against the data provided by the prior record-keeper. As a final check, reconciliations are performed between ISIS and prior record keeper balances for each takeover case, on a fund-by-fund basis, prior to releasing the plan. Documentation is maintained to provide evidence of the review.</p>	<p>Confirmed, through corroborative inquiry with the two Associate Managers of Implementation Services that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Plan Status Reports for a sample of new contracts during the testing period and confirmed that the plan sponsors signed off on investments mapping instructions prior to entry into the ISIS system and that asset balance and investment data are verified for accuracy by the Plan Sponsor prior to releasing the plan.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Contract Applications for a sample of new contracts during the testing period and confirmed that investment type and investment balance information were checked off against the data provided by the prior record-keeper on both the plan level and individual basis.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Implementation Wire Notification for a sample of new contracts during the testing period and confirmed that reconciliations were performed between ISIS and mutual fund company balances for each takeover case, on a fund-by-fund basis, prior to releasing the plan.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected New Case Checklists for a sample of new contracts during the testing period and confirmed that they were completed as evidenced by the New Business Team reviewing the files, checklists and balancing information confirming the plan is properly set up and in balance prior to its release on the ISIS system.</p>	<p>No relevant exceptions noted.</p>

Contributions - Enrollment

Control Objective 12: Controls provide reasonable assurance that participant data received via hardcopy or electronically is recorded and processed accurately, completely and on a timely basis, and that modifications to participant data are valid and authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Participant designated allocations between investment options must equal 100% or the allocation input will be rejected by the ISIS system. These rejected allocations are returned to the participant for correction. Contributions received without a valid investment option allocation are held in Participant Suspense Account if the Plan Sponsor approved default does not exist.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash, an Assistant Manager of PNP Cash, and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Associate Manager of FASCore Cash and an Assistant Manager of INST Cash attempt to process an employee application form and electronic transactions where the allocations did not equal 100%, which was not accepted by ISIS, noting that error messages popped up on ISIS.	No relevant exceptions noted.
	Selected a sample of enrollment forms and observed online, with an Assistant Manager, that investment allocation percentages equal 100%. In addition, compared the information on the employee application form against the ISIS system and confirmed that application data was entered into ISIS accurately and in a timely manner.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with an Associate Manager of FASCore Cash and an Assistant Manager of PNP Cash, that contributions received without valid investment option allocations are held in the NOAPP ISIS Cert Suspense by Policy & Participant account if Plan Sponsor approved default does not exist.	No relevant exceptions noted.

Contributions - Enrollment

Control Objective 12: Controls provide reasonable assurance that participant data received via hardcopy or electronically is recorded and processed accurately, completely and on a timely basis, and that modifications to participant data are valid and authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. A verification notice is automatically sent to the participant to confirm the completeness and accuracy of the information entered into the ISIS system.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash and an Assistant Manager of PNP Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with an Associate Manager of FASCore Cash and an Assistant Manager of PNP Cash, that during the enrollment process, confirmation notices are generated and sent to participants.	No relevant exceptions noted.
	Selected a sample of enrollments and observed online, with an Assistant Manager, that enrollments have been processed, indicating that a verification notice was sent out.	No relevant exceptions noted.
3. Built-in edit checks (e.g., numeric in dollar fields, dates in date fields, format and validity of social security numbers) within the ISIS system help prevent certain data entry errors while entering and modifying participant data.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with an Associate Manager of FASCore Cash and an Assistant Manager of INST Cash that edit checks (e.g., numeric in dollar fields, dates in date fields, format and validity of SSN) exist within the ISIS system.	No relevant exceptions noted.
4. Application forms submitted by the Plan Sponsor must contain appropriate signatures. Employees can also be enrolled by Plan Sponsors through the PSC Web site.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash, an Assistant Manager of PNP Cash, and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of participant application forms and confirmed that the participant application forms were properly signed or that the participant information was created through mass-add via electronic media loaded into ISIS.	No relevant exceptions noted.

Contributions - Enrollment

Control Objective 12: Controls provide reasonable assurance that participant data received via hardcopy or electronically is recorded and processed accurately, completely and on a timely basis, and that modifications to participant data are valid and authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Enrollments and cash received in good order before 2pm are processed the same business day.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash, an Assistant Manager of PNP Cash, and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of enrollments received in good order and processed within the test period and confirmed that enrolments and cash received in good order before 2pm are processed on the same business day.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 13: Controls provide reasonable assurance that contributions and loan repayments are adequately safeguarded upon receipt, and are processed in a timely manner by authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Plan Sponsors send contribution checks and allocation reports to the post office box (or lock box) linked to the appropriate lockbox at a specified bank. The bank deposits the checks and sends a deposit slip, allocation reports, or copies of the checks to Great-West. Accounting Services receives copies of deposit slips “same day” via the courier. Financial Control date stamps the supporting documentation received and identifies it by group account number. The supporting documentation is totaled and reconciled to the deposit slip. The contribution total, effective date and group account number are entered into the ISIS internal tracking system by Financial Control.	Confirmed, through corroborative inquiry with a Team Lead of Financial Control and an Assistant Manager, Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed that Plan Sponsors sent contribution checks and allocation reports to the post office box linked to the appropriate lockbox at a specified bank via the lockbox number on the check copy. Also confirmed, that checks were sent to the bank and Accounting Services received copies of the deposit slips as evidenced by inspecting the respective deposit slips.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed, via inspecting supporting documentation that documentation received was date stamped and identified by group account number. Also confirmed, via inspecting the reconciliation tape, that they were totaled and reconciled to the deposit slip.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed, via inspecting ISIS system screen prints that the contribution total, effective date, and group account number was entered into the ISIS internal tracking system by Financial Control.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 13: Controls provide reasonable assurance that contributions and loan repayments are adequately safeguarded upon receipt, and are processed in a timely manner by authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. For checks sent directly to Great-West, Financial Control is responsible for depositing the express checks and “policy to policy” transfers. The checks are date-stamped, put in deposit bags and sent to the bank. Financial Control copies the checks and prepares for the deposit. Tape totals for each company providing a deposit, are prepared by an Up Front Cash Coordinator. A member of the Up Front Cash Team reviews the in-house lockbox deposits for completeness. Check copies and Financial Control files follow the same remittance processing procedures (including ISIS internal tracking entry) as described above in the lockbox section (control activity 1 above).	Confirmed, through corroborative inquiry with the Up Front Cash Coordinator, Assistant Manager of Financial Control, and Team Lead of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Up Front Cash Coordinator prepare checks for deposit and noted that the checks were date-stamped, placed in deposit bags, and sent to the bank.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the Team Lead of Financial Control and Assistant Manager of Financial Control perform a peer review of the in-house lockbox deposits for completeness.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed, via inspecting the tape that Financial Control copied the checks and prepared the deposit and Up Front Cash Assistant tape totaled for each company providing a deposit.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed, via inspecting the sign off of the Up Front Cash team lead on the total tape that Up Front Cash team lead reviewed the check lot and deposit tickets for completeness.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 13: Controls provide reasonable assurance that contributions and loan repayments are adequately safeguarded upon receipt, and are processed in a timely manner by authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. A Plan Sponsor may either wire or initiate an ACH transfer directly to the appropriate bank account. Cumulative bank incoming wires and ACH reports are reviewed throughout the day. Financial Control then builds each wire as a separate batch, and follows the same procedure for date stamping, ISIS entry, etc. as described above in the lockbox section.	Confirmed, through corroborative inquiry with the Assistant Manager of Financial Control and Team Lead of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the wire process with Financial Control and confirmed that Financial Control builds each wire as a separate batch and follows the lockbox procedures. Noted that Financial Control produced wire batches and reviewed cumulative wire and ACH reports to confirm that the reports were produced and reviewed throughout the day. Also noted that Financial Control reviewed a wire report from the bank.	No relevant exceptions noted.
4. A member of the Cash Administration unit compares the contribution total shown in the allocation report to that initially entered by Financial Control before allocating contributions to participants per the allocation report.	Confirmed, through corroborative inquiry with the Associate Manager of Financial Control and Associate Manager of FASCore Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, that the Associate Manager of FASCore Cash compared the cash receipt total to the allocation report to the information in ISIS, which was entered by Financial Control.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, that the Cash Administration processes cash and allocates contributions to participants per the allocation report to confirm compliance with policies and procedures.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 13: Controls provide reasonable assurance that contributions and loan repayments are adequately safeguarded upon receipt, and are processed in a timely manner by authorized individuals.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Financial Control personnel do not have bank account signature authority.	Confirmed, through corroborative inquiry with the Associate Manager of Banking Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the signature authorizations sent to each bank and confirmed that Financial Control personnel were not included on the authorizations.	No relevant exceptions noted.
6. Bank reconciliations and suspense reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.	Confirmed, through corroborative inquiry with the Cash Account Reconciliation Coordinator and Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed the reconciliation process between the sub-ledger and the General Ledger with the Cash Account Reconciliation Coordinator noting that sub-ledger totals are reconciled to the G/L.	No relevant exceptions noted.
	Inspected a sample QICS (Incoming Cash Suspense) and confirmed that discrepancies were investigated and resolved in a timely manner.	No relevant exceptions noted.
	Inspected a sample of bank reconciliations and confirmed that the bank account reconciliations are performed monthly and any discrepancies are investigated and resolved in a timely manner.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 14: Controls provide reasonable assurance that remittances are applied to the appropriate group and participant accounts and processed accurately and completely by money type (i.e., contributions versus loan repayments) according to the investment options selected by the participant.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Total group remittances input into the ISIS system must equal deposit slip totals before a transaction is processed. Cash Event ID(s) are used during contribution processing to verify that total participant allocations by money type balance to the group's allocation report.	Confirmed, through corroborative inquiry with the Team Lead of Financial Control and Assistant Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the review process with the Team Lead of Financial Control noting that the Team Lead of Financial Control compared the report of batch totals to the total event IDs that were setup.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the event ID creation process with the Team Lead of Financial Control and confirmed that batch or deposit totals are used to create event IDs.	No relevant exceptions noted.
	Inspected the report of batch totals for the bank deposit to event IDs set up and confirmed that they were reconciled against the ISIS system. Noted that there were no differences in the report inspected.	No relevant exceptions noted.
	Selected a sample of cash receipts and confirmed that deposit slip totals agreed to total group remittances input into the ISIS batch totals.	No relevant exceptions noted.

Contributions – Contributions/Loan Repayments

Control Objective 14: Controls provide reasonable assurance that remittances are applied to the appropriate group and participant accounts and processed accurately and completely by money type (i.e., contributions versus loan repayments) according to the investment options selected by the participant.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. A confirmation (i.e. turnaround document) is provided to the Plan Sponsor or TPA, if requested, verifying the total contribution.	Confirmed, through corroborative inquiry with the Senior Plan Technical Support Representative and Plan Technical Support Representative that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Plan Technical Support Representative, that a turnaround document is created and provided for appropriate Plan Sponsors or TPA, to confirm its existence and noted verification of total contribution on confirmation documentation.	No relevant exceptions noted.
3. Users (Plan Administrators) accessing the PSC system to process contributions are provided with instructions for proper usage of the system. In addition, balancing and participant verification routines for use in validating transactions have been built into the PSC system.	Confirmed, through corroborative inquiry with the Senior Plan Technical Support Representative and Plan Technical Support Representative that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, PSC with the Plan Technical Support Representative and confirmed the existence of balancing and participant verification routines for use in validating transactions are built into the PSC system. In addition, confirmed that the online documented procedures for the PSC system users (Plan Administrators) accessing the system to process contributions, are provided with instructions for proper usage of the system.	No relevant exceptions noted.

Contributions – Banking Returns

Control Objective 15: Controls provide reasonable assurance returns are investigated upon receipt to verify their validity. Controls also provide reasonable assurance that returns are processed accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Returns must be approved by a manager. Without these approvals, the transaction cannot be completed within the system and forwarded to Financial Control.	Confirmed, through corroborative inquiry with the Senior Plan Technical Support Representative and Plan Technical Support Representative that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Plan Technical Support Representative, that only if the client gives permission to the banking returns department as to tap their account, is it necessary for a manager approval to complete processing for returns.	No relevant exceptions noted.
	Selected a sample of banking returns and confirmed that returns are approved by a manager. Also confirmed, that for returns without approval, transactions are forwarded to Financial Control for completion.	No relevant exceptions noted.
2. If the resolution requires a bank change, the appropriate paperwork is forwarded to Plan Technical Services (PTS) to make the banking change before the item can be routed to Financial Control.	Confirmed, through corroborative inquiry with the Senior Plan Technical Support Representative and Plan Technical Support Representative that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of banking returns and confirmed that for any returns that required a bank change, sufficient information and paperwork was forwarded to PTS before being routed to Financial Control, and that the return was completed timely.	No relevant exceptions noted.
3. A weekly outstanding item report is reviewed by Relationship Team and Implementation Team managers showing outstanding return items to help ensure the timeliness of returns.	Confirmed, through corroborative inquiry with the Senior Plan Technical Support Representative and Plan Technical Support Representative that the control activity stated is in place.	No relevant exceptions noted.
	Inspected outstanding item reports sent out to Relationship Team and Implementation Team members for a sample of weeks and confirmed they were reviewed and resolved by managers.	No relevant exceptions noted.

Distributions		
Control Objective 16: Controls provide reasonable assurance that disbursements and related transactions (e.g., redemptions, forfeitures) are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Disbursements are entered into the ISIS system based on written requests, which are authorized and signed by the appropriate individuals as defined by the IRS code involved. Valid disbursement types are defined and entered into the ISIS system.	Confirmed, through corroborative inquiry with an Assistant Manager of Benefit Administration and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that on-line supervisory authorization is required by the system when processing disbursements.	No relevant exceptions noted.
	Inspected distribution summary packets for a sample of distributions during the testing period and confirmed that there was a written authorization request.	No relevant exceptions noted.
2. The ISIS system has security controls which limit access to disbursement functions to authorized users, and require on-line authorization by a second party for disbursements.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that the ISIS system requires on-line authorization by a second party for processing disbursements. Noted that the system will not allow personnel to authorize their own disbursements.	No relevant exceptions noted.
	Inspected a list of users with access to process disbursements and confirmed, through further inquiry with an Associate Manager of Plan Management that such access is commensurate with job responsibilities.	No relevant exceptions noted.

Distributions		
Control Objective 16: Controls provide reasonable assurance that disbursements and related transactions (e.g., redemptions, forfeitures) are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Automated authorization limits are placed on approving check requests and check requests are approved by designated management.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that ISIS enforces authorization limits on approving check requests.	No relevant exceptions noted.
	Selected a sample of check requests during the testing period and confirmed that the selected check requests were approved by designated management as evidenced by observing the ISIS systems for each check request.	No relevant exceptions noted.
4. The ISIS system prompts the user for forfeiture information to be captured from the written authorization for disbursements provided by the Plan Sponsor if it is not full service vesting. If the plan is full service vesting, the field is automatically populated.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that ISIS prompts the user for forfeiture information based on the written authorization for disbursements.	No relevant exceptions noted.

Distributions		
Control Objective 16: Controls provide reasonable assurance that disbursements and related transactions (e.g., redemptions, forfeitures) are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. The ISIS system prevents disbursements greater than the funds available for disbursement.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that ISIS does not allow the transactions to be completed if the disbursement is greater than the funds available or if the disbursement amount is outside the processor's authorization limit.	No relevant exceptions noted.
6. Forfeitures are moved automatically at time of distribution to the appropriate forfeiture account or a check is produced and made payable to the employer if the forfeiture indicator is set accordingly.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that forfeitures are moved automatically at time of distribution to the appropriate forfeiture account or a check is produced and made payable to the employer if the forfeiture indicator is set accordingly.	No relevant exceptions noted.
7. Rejected items are reported appropriately for follow-up.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of Disbursements Batch Error Reports, which includes rejected or outstanding items, and confirmed that items are reviewed and cleared timely.	No relevant exceptions noted.

Distributions		
Control Objective 16: Controls provide reasonable assurance that disbursements and related transactions (e.g., redemptions, forfeitures) are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
8. Input/approval steps are performed by Account Analysts, Supervisors, etc, based on the dollar amounts involved for rush checks, wires, and stop pay reissues. The Financial Control Department also performs a quality check on items before the checks/wires are created.	Confirmed, through corroborative inquiry with an Account Analyst and an Assistant Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Account Analyst and confirmed that input/approval steps are performed by Account Analysts and Supervisors based on the dollar amounts involved for rush checks, wires, and stop pay reissues.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the quality check process with a Supervisor and confirmed that the Supervisor reviewed the input values for accuracy and validity.	No relevant exceptions noted.
9. Bank reconciliations and suspense reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.	Confirmed, through corroborative inquiry with an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed the reconciliation process that occurs between the sub-ledger and the General Ledger with a Cash Account Reconciliation Coordinator and confirmed that sub-ledger totals are reconciled to the General Ledger.	No relevant exceptions noted.
	Reperformed a sample of bank account reconciliations and confirmed that the bank account items reconciled.	No relevant exceptions noted.

Distributions

Control Objective 17: Controls provide reasonable assurance that disbursements and related transactions, including taxes, penalties and forfeitures, are recorded and processed accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The Administrator Review Processor reviews participant distribution requests for completeness in accordance with corporate, IRS and SEC regulations and requirements. Another team member quality-checks processed withdrawals. The numerical statistics of the reviews are documented on quality assurance reports (Pro Quality Report).	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Inspected distribution summary packets for a sample of distributions during the testing period and confirmed that there was a written authorization request to help ensure that authorizing signatures are present, funds are available for disbursement, vesting is verified, and any forfeiture amounts agreed with written documentation provided by the Plan Sponsor.	No relevant exceptions noted.
	Inspected Pro Quality Reports for a sample of months during the testing period and confirmed that the reports are run monthly and are presented and that the numerical statistics of the reviews are documented on quality assurance reports. In addition, noted evidence of management review of the reports.	No relevant exceptions noted.
2. The net disbursement amount and payee name and address that are generated by the ISIS system reviewed and verified by the individual processing the transaction.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that the individual processing the transaction reviewed and verified the net disbursement amount and payee name and address.	No relevant exceptions noted.

Distributions

Control Objective 17: Controls provide reasonable assurance that disbursements and related transactions, including taxes, penalties and forfeitures, are recorded and processed accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Tax, bank, loan, and suspense account reconciliations are prepared regularly; discrepancies are investigated and resolved on a timely basis.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Inspected tax reconciliations for a sample of days during the testing period and confirmed that the tax reconciliations are prepared and obtained evidence that any discrepancies were investigated and resolved on a timely basis.	No relevant exceptions noted.
4. The ISIS system automatically generates the accounting entries and individual statement entries after transactions have been processed.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS, on two occasions during the testing period, with an Assistant Manager of PNP Benefits and confirmed that ISIS automatically generates the accounting entries and individual statement entries after transactions have been processed.	No relevant exceptions noted.
5. Banking Services reviews the total number of checks and dollar amounts to a check register to confirm that requested checks were printed and accounted for before the checks are mailed by Benefits Administration.	Confirmed, through corroborative inquiry with a Wire Processor of Banking Services and a Computer Operator that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the reconciliation performed from the check voucher to ISIS with a Wire Processor of Banking Services and confirmed that the check vouchers are reconciled to the ISIS check report.	No relevant exceptions noted.

Distributions		
Control Objective 17: Controls provide reasonable assurance that disbursements and related transactions, including taxes, penalties and forfeitures, are recorded and processed accurately, completely and on a timely basis.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
6. The ISIS system performs edit checks to help confirm completeness and validity of information (e.g., group account numbers, social security numbers, "reason and method" of disbursement).	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the disbursement process with an Assistant Manager of PNP Benefits and confirmed that ISIS performs edit checks to confirm the completeness and validity of information.	No relevant exceptions noted.
7. Management monitors disbursement processing to help ensure disbursements are processed within five business days.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Benefits and an Associate Manager of PNP Benefits that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS for a sample of disbursements, on two occasions during the testing period, with an Assistant Manager of PNP Benefits and confirmed that the selected disbursements were approved by management and monitored via inspecting dollar limit requirements.	No relevant exceptions noted.
	Inspected Disbursement Summary Reports for a sample of disbursements during the testing period and confirmed that disbursements are processed within five business days.	No relevant exceptions noted.

Distributions

Control Objective 17: Controls provide reasonable assurance that disbursements and related transactions, including taxes, penalties and forfeitures, are recorded and processed accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
8. Daily State and Federal withholding reviews are performed to help ensure the accuracy and completeness of 1099R distributions.	Confirmed, through corroborative inquiry with the Manager of Financial Services Tax Reporting and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of Daily and State Federal Withholding Reconciliations during the testing period and confirmed that the reviews were performed daily, management approves the reconciliations, and discrepancies are resolved on a timely basis.	No relevant exceptions noted.
	Inspected the annual reviews of federal withholdings during the testing period and confirmed that the reviews were performed daily, management approved the reconciliations, and discrepancies are resolved on a timely basis.	No relevant exceptions noted.

Account Changes		
Control Objective 18: Controls provide reasonable assurance that participant initiated transfers, changes in investment allocations, and other changes are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Change request received via mail is scanned into the Workflow system and the work is routed electronically via workflow to the appropriate Cash Administration unit for processing.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations, an Assistant Manager of PNP Cash, and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with an Associate Manager of FASCore Cash Operations and Assistant Manager of Document Management, the mail receiving process and confirmed that participant change request mail sent directly to Great-West is received in the corporate mailroom and forwarded to Document Management for scanning into the Workflow system. Noted that the work is routed electronically via workflow to the appropriate Cash Administration unit for processing.	No relevant exceptions noted.

Account Changes

Control Objective 18: Controls provide reasonable assurance that participant initiated transfers, changes in investment allocations, and other changes are authorized and valid.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
2. Participant initiated transfers, changes in investment allocations, and other change requests must be authorized by the participant by submission of a manually signed Transfer Request Form, through VRS, Internet, or by speaking directly to a Client Service Representative. The ability to perform these activities through VRS is limited to authorized participants through the use of social security numbers and a personal identification number (PIN). Invalid attempts to access and perform functions within VRS are rejected and transferred to a Customer Service Representative. Other change requests (beneficiary changes, payout methods, address changes, etc.) must be authorized by the participant and submitted in written form.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations and an Associate Manager of Customer Support that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Associate Manager of FASCore Cash Operations attempt to access and perform functions within VRS by inputting the incorrect SSN and PIN. Noted that the attempts were rejected by VRS and the calls were transferred to a Customer Service Representative.	No relevant exceptions noted.
	Inspected transfer and change requests for a sample of transfers and changes during the testing period and confirmed that the selected transfers and changes were authorized by the participants.	No relevant exceptions noted.
3. Financial transactions initiated through the VRS are logged and included on the account holder's periodic statement.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations and an Associate Manager of Customer Support that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of financial transactions and confirmed that the selected transactions were logged and included on the account holder's periodic statement as evidenced by observing VRS with an Assistant Manager.	No relevant exceptions noted.

Account Changes

Control Objective 18: Controls provide reasonable assurance that participant initiated transfers, changes in investment allocations, and other changes are authorized and valid.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. Requests are randomly checked by another Cash Administration unit member for accuracy and completeness.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations, an Assistant Manager of PNP Cash, and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the quality control process with an Associate Manager of FASCore Cash Operations and an Assistant Manager of INST Cash. Confirmed that Cash Administration performs random checks on requests for accuracy and completeness.	No relevant exceptions noted.
5. Workflow audits of participant changes received via mail which are in pending queues are performed weekly on a sample basis.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations and an Assistant Manager of PNP Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, the bin audit process with an Associate Manager of FASCore Cash Operations and an Assistant Manager of PNP Cash. Confirmed that Cash Administration performed a weekly workflow audit.	No relevant exceptions noted.
6. Logical access controls prevent unauthorized individuals from accessing the ISIS system and performing participant account changes.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Assistant Manager PTS that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a list of users with access to process account changes and confirmed, through further inquiry with an Associate Manager of Plan Management that access is commensurate with job responsibilities.	No relevant exceptions noted.

Account Changes		
Control Objective 18: Controls provide reasonable assurance that participant initiated transfers, changes in investment allocations, and other changes are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
7. A transaction is suspended if data related to transfers is not entered completely.	Confirmed, through corroborative inquiry with an Associate Manager of Customer Support that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS, on two occasions during the testing period, with an Associate Manager of Customer Support and confirmed that the ISIS system prompts the processor for specific data and, if the data is not valid, an error message pops up.	No relevant exceptions noted.
	Inspected AR tickets for a sample of open/closed and outstanding tickets for account changes during the test period and confirmed that the AR tickets record the account changes and list any outstanding items. In addition, confirmed that documentation of management review and resolution were included on the AR tickets.	No relevant exceptions noted.

Account Changes

Control Objective 19: Controls provide reasonable assurance that participant-initiated transfers, changes in investment allocations, and other changes are processed accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Based on the form of the request, the ISIS system prompts the processor for specific data.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations and an Associate Manager of Customer Support that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS, on two occasions during the testing period, with an Associate Manager of Customer Support and confirmed that the ISIS system prompts the processor for specific data and, if the data is not valid, an error message pops up.	No relevant exceptions noted.
	Inspected AR tickets for a sample of open/closed and outstanding tickets for account changes during the test period and confirmed that the AR tickets record the account changes and list any outstanding items. In addition, confirmed that documentation of management review and resolution were included on the AR tickets.	No relevant exceptions noted.
2. The ISIS system contains edit checks (e.g., valid group account numbers, numeric in dollar fields, valid money types, valid participant and allocation accounts, valid participant social security numbers), which help prevent invalid data from being entered into the system.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Cash Operations and an Assistant Manager of INST Cash that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS, on two occasions during the testing period, with an Associate Manager of FASCore Cash Operations and an Assistant Manager of INST Cash and confirmed that the ISIS system has edit checks built in to help prevent invalid data input.	No relevant exceptions noted.

Reporting – Participant Statements

Control Objective 20: Controls provide reasonable assurance that the quarterly and annual participant statements are complete, accurate and mailed on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Participant and plan statements are generated from the same data selection criteria and the system helps ensure that the summation of participant amounts equal the plan totals. In addition, a verification process within ISIS confirms that opening account balances plus transaction activity equals closing balances. Statements, which do not meet these system controls, are rejected and investigated by System Statement team members.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Statements that the control activity stated is in place.	No relevant exceptions noted.
	Observed ISIS with an Assistant Manager of PNP Statement and confirmed that participant and plan statements are generated from the same data selection criteria and ISIS helps ensure that the summation of participant amounts equal the plan totals.	No relevant exceptions noted.
	Observed ISIS, on two occasions during the testing period with an Assistant Manager of PNP Statement, and confirmed that ISIS has features that verify the opening account balances and that transaction activity equals closing balances.	No relevant exceptions noted.
	Inspected rejected statements and the Statement and Plan Status Summary Reports for a sample of days and confirmed that items were investigated and resolved by System Statement team members.	No relevant exceptions noted.
2. After the printing of statements, the receipt date and the mailing date are logged for tracking purposes.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Statements that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the mail log for the testing period and confirmed that the receipt date and mailing date are logged for tracking purposes.	No relevant exceptions noted.

Reporting – Participant Statements

Control Objective 20: Controls provide reasonable assurance that the quarterly and annual participant statements are complete, accurate and mailed on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
3. Prior to mailing, statements are checked on a test basis, for both quality and data accuracy.	Confirmed, through corroborative inquiry with an Assistant Manager of PNP Statements that the control activity stated is in place.	No relevant exceptions noted.
	Observed an Assistant Manager of PNP Statements review statements prior to mailing for quality and data accuracy.	No relevant exceptions noted.
	Inspected a quarter-end scheduling and audit review sheet during the testing period and confirmed that the statements were reviewed by management prior to mailing as evidenced by management's sign-off on the audit review sheet.	No relevant exceptions noted.

Reporting – Plan Reporting

Control Objective 21: Controls provide reasonable assurance that the quarterly and annual plan summary reports are complete, accurate and mailed on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
<p>1. Great-West team members are responsible for generating the quarterly and annual Employee Reports for the group accounts assigned to them, and reviewing them for completeness, accuracy and timeliness. The team members are responsible for making any adjustments and reviewing the quarterly and annual plan reports to confirm the proper cutoff period and necessary entries were made.</p>	<p>Confirmed, through corroborative inquiry with an Assistant Manager of PNP Statements that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Review Plan Reports for a sample of group IDs and confirmed that the Great-West team members reviewed the reports as evidenced by information obtained from the Review Plan Reports.</p>	<p>No relevant exceptions noted.</p>
<p>2. A log, which documents the mailing date of the quarterly plan report, is reviewed by management to confirm reports were generated and mailed on a timely basis.</p>	<p>Confirmed, through corroborative inquiry with an Assistant Manager of PNP Statements that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected mail logs for a sample of group IDs and confirmed that quarterly plan reports were prepared, generated, and mailed in a timely manner.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected the Quarter End Workflow logs during the testing period and confirmed that the logs document the mailing date of the quarterly plan report and were reviewed by management.</p>	<p>No relevant exceptions noted.</p>

Loans

Control Objective 22: Controls provide reasonable assurance that loans taken against a participant's account are authorized and valid.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Either an application, web-based, or VRS initiated loans must be received from the participant prior to authorizing a loan. If spousal consent is required, loan application must also contain spouse's signature prior to authorization by loan department.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected loan documentation for a sample of loans and confirmed that signatures were obtained before the applications were authorized via signed loan applications.	No relevant exceptions noted.
2. An Account Administrator reviews the request form for completeness. The ISIS system verifies the loan qualification as required by the plan and IRS regulations.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected loan documentation for a sample of loans and confirmed that an Account Administrator reviewed the loan application as evidenced by a system sign-off.	No relevant exceptions noted.
	Inspected loan documentation for a sample of loans and confirmed that ISIS verified the loan qualifications via the loan calculation in ISIS.	No relevant exceptions noted.
3. Signed promissory notes must be received within the time specified in the loan correspondence to guarantee loan and the interest rate.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected loan documentation for a sample of loans and confirmed that the signed promissory note was received within the specified time period to guarantee the loan and the interest rate as evidenced by observing the effective date versus received fax date showed on loan on the system.	No relevant exceptions noted.

Loans**Control Objective 22: Controls provide reasonable assurance that loans taken against a participant's account are authorized and valid.**

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. Printed checks are verified against a check register by Banking Services. The checks are forwarded to the Periodic Payments unit who verifies that checks were printed and received.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period with the Assistant Manager of Periodic Payments that checks printed out agree with the check register, confirming checks were printed and received.	No relevant exceptions noted.
5. Batch reports are run daily on any outstanding loans which are reviewed and resolved.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected batch reports for a sample of days during the testing period and confirmed that the reports were run and that the reports summarized loans that were not completing on the system. In addition, confirmed that the Quality Control Coordinator reviewed the reports as evidenced by sign-offs on the reports.	No relevant exceptions noted.
6. Logical access controls prevent unauthorized employees from accessing the ISIS system and processing loans.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Assistant Manager PTS that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a list of users with access to process loans and confirmed, through further inquiry with an Associate Manager of Plan Management, that access is commensurate with job responsibilities.	No relevant exceptions noted.

Loans		
Control Objective 22: Controls provide reasonable assurance that loans taken against a participant's account are authorized and valid.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
7. A system control exists in ISIS that prevents entering loans from exceeding 50% of the vested account balance.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Assistant Manager of Loans attempt to enter a loan that violated 50% of the vested account balance rule and confirmed that the ISIS system would not allow the loan to be initiated via a pop up message on the loan calculator.	No relevant exceptions noted.

Loans

Control Objective 23: Controls provide reasonable assurance that loans do not exceed participant's account values and/or 95% of vested balance for variable funds.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Participant accounts are reviewed at the loan approval date to confirm funds are available prior to authorization of the loan.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected loan documentation for a sample of loans and confirmed that the loans were reviewed at the loan approval date as evidenced by electronic sign-offs.	No relevant exceptions noted.
2. ISIS controls do not allow loans to be entered in excess of the participant's account value for variable funds.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Assistant Manager of Loans attempt to enter a loan transaction for more than the account balance and confirmed that ISIS rejected the entry.	No relevant exceptions noted.

Loans**Control Objective 24: Controls provide reasonable assurance that delinquent loans are identified timely and defaulted according to written procedure.**

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The Default Process automatically generates a letter to the participant stating that their loan is in default and specifies the date by which payment is required to bring the account current.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected generated letters for a sample of defaulted loans and confirmed that the letters specified the date by which payment was required to bring the account current.	No relevant exceptions noted.
2. On a quarterly basis, the default process is run based on unpaid assessments through the previous quarter end and proper follow-up is performed.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a Default Loan Report produced during the testing period and confirmed that the Default Loan Report summarized unpaid assessments through the previous quarter-end.	No relevant exceptions noted.
	Inspected generated letters for a sample of defaulted loans and confirmed that the letters were sent out for follow-up.	No relevant exceptions noted.
3. As part of the default process, loans that were defaulted and require a 1099 are identified. The tax information is uploaded into the tax form system, which automatically generates the 1099 form.	Confirmed, through corroborative inquiry with an Assistant Manager of Loans and a Supervisor PNP Services that the control activity stated is in place.	No relevant exceptions noted.
	Inspected 1099 information for a sample of defaulted loans and confirmed that 1099 information was automatically completed.	No relevant exceptions noted.

Compliance – Plan Document Preparation

Control Objective 25: Controls provide reasonable assurance that the Plan Documents and Summary Plan Description (SPD) are complete, accurate and properly executed in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The initial draft of the prototype adoption agreement and the prototype adoption agreement and SPD are sent through Quality Assurance before being sent to the Plan Sponsor and/or the Great-West representative for review and approval.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Plan Documents for a sample of adoption agreements during the testing period and confirmed that a draft prototype adoption agreement and SPD were prepared by the Plan Document Specialist and sent through Quality Assurance. In addition, confirmed that there was a review and approval from the Plan Sponsor and/or Great-West representative.	No relevant exceptions noted.
2. Once the drafts are approved by the Plan Sponsor and the Great-West representative, the Plan Sponsor must execute a series of ancillary documents as well as the plan document.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of startup plans during the testing period and confirmed that a series of ancillary documents was executed with the plan document and SPD.	No relevant exceptions noted.
3. The Plan Document Team prepares a plan document and SPD using one of the prototype/model documents.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of prototype/model documents and confirmed that the Plan Document Team prepared the plan documents and SPD's using the prototype/model documents.	No relevant exceptions noted.

Compliance – Plan Document Preparation

Control Objective 25: Controls provide reasonable assurance that the Plan Documents and Summary Plan Description (SPD) are complete, accurate and properly executed in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. Plan Document must be signed and returned before the acceptance of any participant contributions.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Plan Documents for a sample of new plans during the testing period and confirmed that the plan documents were signed and first cash posted on ISIS is subsequent of the receipt of the signed Plan Documents.	No relevant exceptions noted.

Compliance – Plan Amendments and Modifications

Control Objective 26: Controls provide reasonable assurance that Discretionary Plan Amendments and Modifications are in writing, authorized by the employer, and comply with the regulations/guidelines.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The provisions of the plan document control the process of updating the plan document or amending the plan. Plan amendments must be authorized by the Trustee/Authorized Signor and must be in writing.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected plan amendments for a sample of changes in plan provisions during the testing period and confirmed that the Trustee/Authorized Signor authorized the plan provisions in writing.	No relevant exceptions noted.
2. The Plan Document Specialist or Implementation Manager reviews the amendments to confirm the changes in the plan provisions comply with the regulations/guidelines.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period that the Plan Document Specialist or Implementation Manager verifies that changes in plan provisions comply with the regulations/guidelines.	No relevant exceptions noted.
3. Both the amendment signed by the Plan Sponsor is reviewed by the Plan Document Team for completeness, accuracy, and timely preparation prior to delivery to the Plan Sponsor.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Document Production and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected plan amendments for a sample of changes in plan provisions during the testing period and confirmed that the amendments and the Summary of Material Modification are reviewed by the Plan Document Team prior to mailing to the Plan Sponsor.	No relevant exceptions noted.

Compliance – Year-End Testing

Control Objective 27: Controls provide reasonable assurance that needed discrimination tests are completed accurately and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
<p>1. The Compliance Department obtains census data from each employer requiring certain discrimination tests. Compliance personnel review the census data for completeness, timeliness, and accuracy. The data is then tested using compliance testing software (ASC). Results are reviewed by a peer and/or management before mailing to the employer. If the plan fails, corrective action approval is obtained from the employer and corrective action is taken in a timely manner.</p>	<p>Confirmed, through corroborative inquiry with an Associate Manager of Compliance Services and an Associate Manager of Financial Control that the control activity stated is in place.</p>	<p>No relevant exceptions noted.</p>
	<p>Observed, with an Associate Manager of Compliance Services, the census data from each employer requiring certain discrimination tests and confirmed that compliance personnel review the census data.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Plan Documents for a sample of plans and confirmed that census data was properly requested and that the data supplied by the employer was reviewed for accuracy, completeness, and timeliness prior to testing. In addition, confirmed that testing results were reviewed by a peer and approved by management prior to mailing to the employer and, if applicable, corrective action was approved by employer and performed in a timely manner.</p>	<p>No relevant exceptions noted.</p>
	<p>Inspected Plan Documents for a sample of plans and confirmed that compliance personnel reviewed the census data for accuracy, completeness, and timeliness and data was tested using ASC. In addition, confirmed that any necessary follow-up was completed including peer and/or management review.</p>	<p>No relevant exceptions noted.</p>

Compliance – Preparation of IRS Form 5500

Control Objective 28: Controls provide reasonable assurance that IRS Form 5500 and required schedules are completed accurately and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The Compliance Department receives specific information to complete Form 5500 and required schedules from each Plan Sponsor. The information is reviewed for completeness, timeliness, and accuracy.	Confirmed, through corroborative inquiry with an Associate Manager of Compliance Services and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected letters sent from the Trust Company to the client for a sample of policies that utilize compliance services and confirmed that the information is reviewed by the Compliance Department and is then updated in the system.	No relevant exceptions noted.
2. The appropriate Form 5500 and required schedules are completed on Relius software based on the information received from the Plan Sponsor and the financial information from the annual plan.	Confirmed, through corroborative inquiry with an Associate Manager of Compliance Services and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Form 5500's for a sample of policies that utilize compliance services and confirmed that the Form 5500's were setup based on the information on the Annual Plan Summary in Relius and were reviewed by the Compliance Department.	No relevant exceptions noted.
3. A 5500 checklist is prepared, Form 5500 and required schedules are completed and reviewed by management or a peer prior to mailing.	Confirmed, through corroborative inquiry with an Associate Manager of Compliance Services and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Form 5500's for a sample of policies that utilize compliance services and confirmed that 5500 checklists were electronically generated and prepared, and that the Form 5500's were completed and reviewed by management or a peer prior to mailing.	No relevant exceptions noted.

Investments – Income/Valuation

Control Objective 29: Controls provide reasonable assurance that investment income or loss and participant account values are calculated, processed, and recorded accurately, completely and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. Rates credited to participant guaranteed accounts are reviewed by a second party on a sample basis to help ensure that interest rates entered in the ISIS system are accurate.	Confirmed, through corroborative inquiry with an Associate Manager of FASCore Product and an Associate Manager of Unit Value Administration that the control activity stated is in place.	No relevant exceptions noted.
	Obtained the quarterly rate checklist for a sample of quarters during the testing period and confirmed that a second party reviewed the interest rates input into ISIS as evidenced by information obtained from the quarterly rate checklists.	No relevant exceptions noted.
2. Share prices of mutual funds are received, reviewed, and recorded by the Investment Department. Share values are checked by a supervisor or manager in the Investment Department prior to authorizing upload of the information into the ISIS system.	Confirmed, through corroborative inquiry with an Associate Manager of Unit value Administration and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, with an Associate Manager of Unit value Administration that share values are checked and verified prior to authorizing the upload of information into ISIS system.	No relevant exceptions noted.
3. Variance reports are generated from Variable Asset Administration (“VAA”), an in-house developed system. Any differences are resolved timely.	Confirmed, through corroborative inquiry with an Investment Operations VAA and an Associate Manager of Unit Value Administration that the control activity stated is in place.	No relevant exceptions noted.
	Inspected VAA Variance Reports for a sample of days during the testing period and confirmed that the reviews were performed and that differences were resolved in a timely manner.	No relevant exceptions noted.

Investments – Income/Valuation		
Control Objective 29: Controls provide reasonable assurance that investment income or loss and participant account values are calculated, processed, and recorded accurately, completely and on a timely basis.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. A Unit Balance Reconciliation report is produced identifying the unit balances on ISIS and VAA systems. The report is compiled and reviewed on a daily basis by the Investment Department, and researched by the business areas, if there are issues	Confirmed, through corroborative inquiry with an Investment Operations VAA and an Associate Manager of Unit Value Administration that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Balance Reconciliation Reports for a sample of days during the testing period and confirmed that the reviews were performed and that differences were resolved in a timely manner.	No relevant exceptions noted.
5. Access to the unit value screens are restricted to authorized investment personnel who perform unit value calculations or reporting.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Assistant Manager PTS that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of users with access to process unit values or reporting and confirmed, through further inquiry with an Associate Manager of Plan Management that access is commensurate with job responsibilities.	No relevant exceptions noted.
6. Logical access controls prevent unauthorized individuals from entering the quarterly interest rates for the guaranteed accounts. The rates may not be modified once they have been entered for each quarter.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Associate Manager of FASCore Product that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Associate Manager of FASCore Product attempt to enter rates in the STRT screen that had already been entered and confirmed that the system would not allow it.	No relevant exceptions noted.
	Inspected a list of users with access to process quarterly interest rates and confirmed, through further inquiry with an Associate Manager of Plan Management that access is commensurate with job responsibilities.	No relevant exceptions noted.

Investments – Asset Purchases and Redemptions

Control Objective 30: Controls provide reasonable assurance that new mutual fund accounts are authorized.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. New mutual fund setup is authorized.	Confirmed, through corroborative inquiry with an Assistant Manager of Institutional Plan Support that the control activity stated is in place.	No relevant exceptions noted.
	Selected a sample of new mutual fund setups and observed online, with an Assistant Manager of Institutional Plan Support, evidence of management approval for the new mutual funds.	No relevant exceptions noted.
2. Logical security controls restrict access to appropriate Investment department personnel.	Confirmed, through corroborative inquiry with an Associate Manager of Plan Management and an Assistant Manager PTS that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of users and confirmed, through further inquiry with an Associate Manager of Plan Management that access is commensurate with job responsibilities.	No relevant exceptions noted.

Investments – Employer Stock Purchases and Redemptions

Control Objective 31: Controls provide reasonable assurance that the appropriate employer stock purchases are accurately and completely traded and recorded in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The daily trade blotter is compared to the Daily Employer Stock Trade Activity report from ISIS and the Variance Report before executing trades.	Confirmed, through corroborative inquiry with an Associate Manager of Mutual Fund Trading and an Associate Manager of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Associate Manager of Mutual Fund Trading compare the daily trade blotter to the Daily Employer Stock Trade Activity report and the Variance Report before executing trades.	No relevant exceptions noted.
2. Variances identified from the Employer Stock Investment Activity Report, showing variances between what was traded and what should have traded, are reviewed by the Investment Team to confirm that they are within acceptable boundaries.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Employer Stock Investment Activity Report for a sample of days during the testing period and confirmed that variances between what was traded and what should have been traded were reviewed by the Investment Team as evidenced by information obtained from the Employer Stock Trade Reports.	No relevant exceptions noted.
3. The daily trade report is reviewed before submitting to Financial Control.	Confirmed, through corroborative inquiry with an Associate Manager of Mutual Fund Trading and a Senior Trader that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Assistant Manager of Mutual Fund Trading review a daily trade report.	No relevant exceptions noted.

Investments – Employer Stock Purchases and Redemptions

Control Objective 31: Controls provide reasonable assurance that the appropriate employer stock purchases are accurately and completely traded and recorded in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
4. Bank instructions to settle trades are signed by a manager.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected bank instructions for a sample of days during the testing period and confirmed that the bank instructions were signed by a manager.	No relevant exceptions noted.
5. Wire requests are authorized by two managers.	Confirmed, through corroborative inquiry with two Associate Managers of Investments and an Associate Manager of Separate Accounts Administration that the control activity stated is in place.	No relevant exceptions noted.
	Inspected wire instructions for a sample of days during the testing period and confirmed that the wire instructions were signed by two managers.	No relevant exceptions noted.
6. Daily activity for custody accounts in the Employer Stock Trade Reports, wires, and stock trade settlement, are reviewed to verify the accuracy of transactions.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected the Variance and Employer Stock Trade Reports for a sample of days during the testing period and confirmed that variances between what was traded and what should have traded variances were reviewed by the Investment Team as evidenced by information obtained on the Employer Stock Trade Reports.	No relevant exceptions noted.

Investments – Employer Stock Purchases and Redemptions

Control Objective 31: Controls provide reasonable assurance that the appropriate employer stock purchases are accurately and completely traded and recorded in a timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
7. Monthly asset reconciliations are prepared by Financial Control comparing custody account balances to the ISIS recordkeeping system balances for each employer stock.	Confirmed, through corroborative inquiry with an Associate Manager of Financial Control and a Supervisor Trading Reconciliation of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected asset reconciliations for a sample of months during the testing period and confirmed that comparisons of custody account balances to the ISIS recordkeeping system balances were performed.	No relevant exceptions noted.
8. Employer Stock Trade Report is independently reviewed daily by Financial Control to help ensure trade data entered into the ISIS system is complete and accurate.	Confirmed, through corroborative inquiry with an Associate Manager of Investments and an Associate Manager of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, Financial Control Account Reconciliation Analysts performing a cross-check of trade data entered into ISIS.	No relevant exceptions noted.

Investments – Asset Purchases and Redemptions

Control Objective 32: Controls provide reasonable assurance that asset purchases and redemption transactions are authorized and traded and recorded in an accurate, complete, and timely manner.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. The Confirmed Trade report, purchase/redemption requests, and wire transfer requests are reviewed and approved by management.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected Confirmed Trade reports for a sample of days during the testing period and confirmed that the Confirmed Trade reports were reviewed and approved by management as evidenced by management's sign-offs on the selected reports.	No relevant exceptions noted.
2. The Investments Department reconciles the ISIS activity file to FundLinx load on a daily basis.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of Trade Audit Reports and confirmed that the ISIS activity file was reconciled to the FundLinx load.	No relevant exceptions noted.
3. Suspense accounts related to trading activity are reconciled on a daily basis and reconciling items are identified, documented, and aged.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected suspense reconciliations for a sample of days during the testing period and confirmed that suspense accounts related to trading activity were reconciled and reconciling items were identified, documented, and aged.	No relevant exceptions noted.
4. Trade tickets prepared by FundLinx, are electronically time stamped and transmitted to the mutual fund company before the trading deadline.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected trade tickets for a sample of days during the testing period and confirmed that the trade tickets were produced, time-stamped, and electronically transmitted to the mutual fund company before the trading deadline.	No relevant exceptions noted.

Investments – Asset Purchases and Redemptions		
Control Objective 32: Controls provide reasonable assurance that asset purchases and redemption transactions are authorized and traded and recorded in an accurate, complete, and timely manner.		
Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
5. Wire transfers to fund houses are reviewed and agreed to trading system amounts. Wire transfer requests and transmissions are reviewed and approved by management online.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, with an Associate Manager of Investments and confirmed that the Associate Manager of Investments reviewed the wire transfer and was required to enter a user ID and password to approve the wire transfers for the online interface in TWA.	No relevant exceptions noted.
6. Material transactions are reviewed by management from Financial Control.	Confirmed, through corroborative inquiry with an Associate Manager of Financial Control and a Supervisor Trading Reconciliation of Financial Control that the control activity stated is in place.	No relevant exceptions noted.
	Inspected a sample of material transactions and confirmed that the material transactions selected were reviewed by management.	No relevant exceptions noted.
7. The Investment Department reconciles shares from the mutual fund account statement or electronic position files to the FundLinx system upon receipt; bank accounts are reconciled by Accounting Services monthly and investment cash clearing bank accounts are reconciled daily.	Confirmed, through corroborative inquiry with two Associate Managers of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Inspected bank account reconciliations for a sample of months and days and confirmed that bank accounts were reconciled by Accounting Services monthly and investment cash clearing bank accounts were reconciled daily.	No relevant exceptions noted.
	Inspected investment holding reconciliations for a sample of months and days and confirmed that the Investment Department reconciled shares from the mutual fund account statement or electronic position files to the FundLinx system upon receipt.	No relevant exceptions noted.

Investments – Asset Purchases and Redemptions

Control Objective 33: Controls provide reasonable assurance that dividends and capital gains are processed on ISIS to participants accurately and on a timely basis.

Control Activity	Tests Performed by Deloitte & Touche LLP	Results of Tests
1. For wrapped and unwrapped funds, dividend and capital gains information is transmitted into PAM (wrapped funds only), ISIS, and FundLinx. A review is performed before the data is transmitted into the ISIS system. Reconciliations between mutual fund share balances and PAM and FundLinx systems are performed to identify any differences and resolved on a timely basis.	Confirmed, through corroborative inquiry with an Associate Manager of Unit Value Administration and an Associate Manager of Investments that the control activity stated is in place.	No relevant exceptions noted.
	Observed, on two occasions during the testing period, an Associate Manager of Investments review the data transmitted into PAM, ISIS, and FundLinx before transmitting the data to the ISIS system. Also noted that the Associate Manager of Investments reviewed mutual fund share balances between the PAM and FundLinx systems.	No relevant exceptions noted.

SECTION FOUR

**OTHER INFORMATION PROVIDED BY THE SERVICE
ORGANIZATION**

The information included in Section Four is presented by Great-West to provide additional information to user organizations and is not a part of Great-West's description of controls. The information in Section Four has not been subjected to the procedures applied in the examination of the aforementioned description of Great-West's controls related to its defined contribution plan recordkeeping services and related general computer controls and, accordingly, Deloitte & Touche LLP expresses no opinion on the descriptions contained within Section Four.

Disaster Recovery and Business Resumption Plans

A Business Continuity Program has been established to help provide reasonable assurance that critical business functions could be resumed on a timely basis should a disruption prevent normal operations from continuing at the headquarters where processing is performed.

The senior management team will direct business resumption activities during an emergency from the Company's Emergency Operation Center (EOC), which is maintained at an alternate site. The EOC will provide support to Data Processing, Telecommunications, Headquarter Services and Corporate Properties.

The main components of the Business Continuity Program include the following:

- ***Distributed Systems Recovery Plan - Safe-Site*** - This facility houses a number of UNIX based computer systems, which allow for complete connectivity of its computing platforms. In the event of a disaster that disables the primary UNIX network servers at the home office; these systems can be configured to handle essential Great-West processing functions.
- ***Business Unit Recovery Facility*** - Critical business units will be able to re-establish their key operations at this facility located next to the Safe-Site.
- ***Data Center - Backup Power Plan*** - Computer systems in the home office data center are protected from power failures with an UPS. This system helps to provide reasonable assurance that the continuity and integrity of computer and communications processing are maintained. It consists of both battery and diesel generator power supplies.
- ***Off-site Storage of System Files*** - The Computer Operations Department maintains a program to safely store critical system files at an off-site, highly secured facility. Data files (as well as critical documentation) are stored at this off-site facility. In addition, a "near time" copy of the database exists at the Business Continuity site. As changes are made they are batched, electronically transferred and applied to the remote copy of the production database.

Management's Responses to Testing Exceptions

Organizational Structure & Personnel

Control Objective 1: Controls provide reasonable assurance that a reasonable segregation of duties between Great-West and other SBUs, as well as between the FSS Department and the two key FASCore user departments, Operations and Financial Control, is maintained.

Control Activity: Formal personnel policies and procedures exist and are followed in the hiring, evaluation, and termination of employees.

Results of Tests: Exception noted. One of 25 terminations selected had access enabled to the network; however, access was disabled from ISIS. Noted that the network access was removed on 6/7/06. In addition, inspected logs evidencing that the terminated user did not access the system post-termination.

Management Response: Great-West has implemented a solution into the production environment to address this audit finding related to the termination workflow process.

Systems Development & Maintenance

Control Objective 2: Controls provide reasonable assurance that changes to application system, database, and operating system programs are formally authorized, tested, reviewed and approved prior to implementation in the production environment.

Control Activity: Logical access to promote system changes is segregated and restricted to personnel commensurate with job responsibilities.

Results of Tests: Exception noted. One user retained access to promote ISIS changes to the production environment after transferring departments/job duties, which no longer required such access. Noted, through observation with a Sr. Programmer Analyst I on 6/6/06, that this access to promote ISIS changes was removed from this user. In addition, inspected a log evidencing that this user did not promote changes to the production environment after the transfer.

Management Response: Once we discovered that the user was still on the access list, the UID was immediately removed, effective 3/30/2006. The access list verification process has been enhanced to ensure verification of the access updates.

Voice Response System

Control Objective 6: Controls provide reasonable assurance that data transmissions between Great-West and participants via the Voice Response System are authorized.

Control Activity: A monthly review is performed over the personnel who accessed customer account information.

Results of Tests: Exception noted. Great-West was unable to provide evidence that a review was performed over those employees with access to emulate customer accounts through the VRS System for one of the databases for the month of July 2005.

Management Response: The performance of the monthly review has been transitioned to the ISIS Production Support team. The production of the reports has been automated and the review process has been enhanced. For access to the VRS system, see the aforementioned control activity (#3), related tests performed and results of tests.

Logical Security

Control Objective 9: Controls provide reasonable assurance that logical access security is administered and maintained according to management's intentions and access to sensitive computer resources is limited to authorized individuals.

Control Activity: Access rights of terminated users are disabled immediately upon notification from the Human Resources Department.

Results of Tests: Exception noted. See above under "Organizational Structure & Personnel" for wording of the exception noted.

Management Response: See above under "Organizational Structure & Personnel" for wording of management's response.

We, Great-West management, feel that the following business process narratives may be relevant to user organizations of Great-West. Note that, as with all information included in Section Four of this report, the following information should be used for informational purposes only.

Returned Checks Process Narrative

Issued checks that are returned to the Home Office, either as undeliverable or requesting further action are delivered by the Corporate Mail Room to the Account Resolution Department daily. Two Account Resolution Analysts are assigned the responsibility of opening AR tickets on all returned checks, imaging all related backup into Web Retriever and date stamping all checks. Some of these checks are routed to other departments for processing while others are handled internally. On average, 30-40 returned checks are handled in Account Resolution per day.

Checks are returned for a variety of reasons. One of the most common reasons are checks that have been returned by the Post Office as undeliverable. If the returned check has a yellow forwarding address sticker attached to the envelope, the address on ISIS is updated and the check is mailed to the new address. The request is processed within 5 business days from the date received in Account Resolution.

Checks returned as undeliverable without a yellow forwarding address sticker and less than \$50 are stored in a locked, fireproof filing cabinet and sorted by month of issue. A mail hold date is placed on the participant's account. After 180 days from the date of issue, checks are logged and then forwarded to Company Records to be destroyed. This is done on a monthly basis.

An address vendor lookup is conducted on all checks more than \$50 that have been returned as undeliverable without a yellow forwarding address sticker. If the search is successful, an address change is made and the check is mailed to the new address. The request is processed within 5 business days from the date received in Account Resolution. Distributions are reviewed and authorized by someone other than the processor. Any existing mail hold dates are removed. If the address vendor lookup is unsuccessful, the check is stored in a locked, fireproof filing cabinet and sorted by month of issue. A mail hold date is placed on the participant's account. After 180 days from the date of issue, checks are logged and then forwarded to Company Records to be destroyed. This is done on a monthly basis.

If the participant contacts Client Services and requests that a check placed in the 180-day hold file be reissued to a new address, an AR ticket is assigned to Account Resolution and processed within 3 business days.

Often times, the returned check has already been stop paid and reissued. If this is the case, the check is stamped "Void" and stored in a locked, fireproof filing cabinet. The checks are then logged and forwarded to Company Records to be destroyed on a monthly basis.

If the check is returned as a result of a processing error (i.e. incorrect address), an AR ticket is opened, the distribution is reversed and reprocessed with the correct information within 5 business days the date received in Account Resolution. The distribution is reviewed and authorized by someone other than the processor.

ISIS has an automatic control built in place to prevent the processor from authorizing his/her own distribution.

Recoveries Process Narrative

Great-West administers life policies, annuities, and retirement savings accounts. The premiums received for life and annuities are invested in various securities, until redemption. The contributions received for retirement saving accounts are invested in various funds (directed by the participant). Great-West receives fee and miscellaneous income (recoveries) from the various administrative fees, investments, and fund houses, for the recordkeeping services of these accounts.

Recoveries are charges to the participant's account or billed charges to a group/plan for these administrative fees. Recoveries may be shared with the group or another third party or kept by Great-West, depending on the contract. Great-West receives much of its income for administering plans through these fee revenue sharing programs.

Great-West Fee and Miscellaneous Income processes are divided between Corporate, Financial Services, and Employee Benefits.

ISIS Recoveries run periodically, (i.e. weekly, monthly, quarterly, semi-annually or annually), depending on the contract and may be set up with either a maximum or minimum dollar amount per assessment period. For new groups, an exemption period (typically measured in months, or quarters) may be used, thus allowing the new participants a grace period before assessing fees.

The fees are assessed as either percent or flat fee. A Percent calculates the administrative fee by multiplying group forfeiture, participant assets, or both combined by the basis/rate, whereas the Fee-charge-type is a flat fee (per head) charge. Annual fees may be prorated for new participants, based upon the date they start contributing to the plan.