

Audit Insight: Is your employee benefit plan audit performed by a qualified CPA?

The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) has completed an assessment of the quality of audit work performed by certified public accountants with respect to financial statements audits of employee benefits plans covered under the Employee Retirement Income Security Act of 1974 (ERISA).

Among the most significant findings resulting from this assessment are:

- principal audit deficiencies were found in areas such as contributions, benefit payments, participant data and party-in-interest/prohibited transactions, which are unique to the employee benefits plan industry.
- firms that performed the fewest benefit plan audits had a 76% deficiency rate in complying with generally accepted auditing standards (GAAS).
- peer reviews and practice monitoring efforts have had limited success in identifying substandard benefit plan audit work.

If an employee benefit plan audit was selected by the Department of Labor (DOL) for examination and concludes that it was a substandard work or that there were licensing violations, this may result in the referral of an audit firm to disciplinary bodies such as the AICPA's Professional Ethics Division or the corresponding state board of public accounting. Additionally, their clients could be

subject to civil penalties for filing deficient Forms 5500 and resulting rejected by the DOL.

At Kevane Grant Thornton we pride ourselves of having a dedicated team dealing with employee benefit plans audits with significant experience helping plan administrators mitigate risks and adhere to regulatory requirements.

We are currently a member of the AICPA Employee Benefit Audit Quality Center and as part of their Peer Review program we have received nine clean/no comments opinions.

We have served as instructors for the Puerto Rico State Society of CPAs and dictated employee benefit audit trainings in several occasions.

With vast experience in this sector, our professionals will work with you to address your concerns head-on and actively keep you abreast of the issues that may affect your plan.

We are committed to keep you updated of all developments that may affect the way you do business in Puerto Rico. Please contact us should assistance in relation to this or any other matter is required.



Contact us

For assistance in this matter, please contact us via lohanna.perez@pr.gt.com or julio.villegas@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



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