



Audit



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Is a qualified CPA auditing your employee benefit plan?



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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:

The amendments in the proposal would be effective upon issuance of a final ASU, and entities would be allowed to apply the amendments on a either a prospective or a retrospective basis.

- 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 for further assistance in relation to this or any other matter.



DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

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