



# Employee Benefit Plan Audits

## NAVIGATING THE COMPLEXITIES OF EMPLOYEE BENEFIT PLANS

In an era where the American Institute of CPAs (AICPA) and the Department of Labor (DOL) have increased their scrutiny on employee benefit plan audits, ensuring your plan is in the hands of a skilled and qualified audit firm is essential. If you are seeking a partner committed to maintaining the highest audit quality standards for your employee benefit plan, SEK is here to help.

If you have an employee benefit plan with 100 or more participants at the start of the plan year—or 120 participants if the plan hasn't been previously audited—you are likely required to submit audited plan financial statements along with your annual Form 5500 filings. As regulations continue to evolve, partnering with an auditor who stays current on these changes is crucial.

We specialize in auditing various types of plans, including:

- Defined contribution plans, including 401(k)s, 403(b)s, and Employee Stock Ownership Plans (ESOPs)
- Defined benefit plans
- Health and welfare ERISA plans

## STRATEGIC EXPERTISE AND TRUSTED RESULTS

With decades of specialized experience, our partners and managers have mastered the nuances of employee benefit plan audits. Our dedicated employee benefits division handles third-party administration for over 450 pension plans, offering insights and expertise that set us apart.

Each year, we audit approximately 70 plans and ensure our team stays informed through conferences and continuing education on the latest audit standards and industry developments. Whether you need on-site and remote services, we are equipped to serve clients beyond local markets where we are licensed.

Beyond audits, we maintain strong relationships with retirement plan specialists who provide expert plan design and fiduciary consulting services. We also offer management advice to enhance internal procedures, improving the efficiency of plan operations.

## THE IMPORTANCE OF AUDIT QUALITY

As members of the AICPA Employee Benefit Plan Audit Quality Center (EBPAQC) since its inception in 2003, we are committed to upholding the highest quality standards in our audits. Our team leaders, recognized by the AICPA's peer review program, are qualified to review other firms' employee benefit plan audits, further demonstrating our dedication to excellence.

The DOL emphasizes the strong correlation between audit quality and the number of employee benefit plan audits performed by a CPA firm. In its September 2018 publication, *Selecting an Auditor for Your Employee Benefit*

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*Plan*, the DOL advises plan sponsors to choose auditors with significant experience in employee benefit plan audits to ensure compliance and reduce audit deficiencies.

A DOL Audit Quality Study released in November 2023 reinforces these findings, showing that CPA firms conducting fewer than five employee benefit plan audits per year had significantly higher deficiency rates compared to firms conducting more than five. The study also confirmed that membership in the EBPAQC is linked to substantially lower deficiency rates than non-member firms, highlighting the importance of specialized expertise.

### **LEVEL UP YOUR COMPLIANCE**

SEK can guide you through the complexities of employee benefit plan audits. With our expert team, comprehensive services, and commitment to quality, we're ready to jump in to support your plan's success. Contact us today using the form below.

*Visit [www.sek.com](http://www.sek.com) for more information or to schedule a consultation today!*