

Mastering Employee Benefit Plan Complexities

Employee benefit plan (EBP) audits are higher risk and require more specialized knowledge than the average financial statement audit. In fact, the U.S. Department of Labor's most recent [assessment](#) of the quality of EBP audits found that 39% are deficient. And an incomplete, inadequate, or late audit report can result in significant penalties for an organization.

As part of our commitment to employee benefit audit quality, several members of our EBP audit team have earned the [AICPA Intermediate Employee Benefit Plans Audit Certificate](#). The certificate program tests auditors' ability to plan, perform, and evaluate EBP audits in accordance with Department of Labor and IRS requirements and AICPA standards.

Augmenting Our Knowledge

"The program augmented our existing knowledge while ensuring all our EBP team leads have the same information," said Emily Toler, who serves as partner and Employee Benefit Plan Services Director at CapinCrouse.

The program also provided a reminder of how complex employee benefit plans can be, as well as the number of little nuances that can have a large effect on a plan, said Tammara Williamson, a partner in the West region. "Programs like this help us stay aware of all those nuances so our clients don't have to."

Advancing Our Service

Patricia Willhite, a senior manager in the North region, found the program's information about why certain procedures are performed and certain requirements exist helpful. "This enables us to answer questions more quickly and accurately the first time," she observed.

"The program gave me insight into best practices and what we need to look out for when performing EBP audits," added Nathan Davis, who serves as a senior manager in the North region. "It has helped the firm ensure we're always providing clients with high-quality audits."

Tammara noted that the firm's participation in the program also benefits clients that may not already have an EBP audit. "The program provided information and references on when audits are necessary (and some of the basic exceptions), and when a plan is subject to the Employee Retirement Income Security Act (ERISA)," she said. "That helps us provide some assurance as to why a client may or may not need to look into an audit or file Form 5500."

Continual Improvement

Emily noted that the team is working to incorporate learnings from the program and revisit its overall EBP audit strategies to improve the efficiency and effectiveness of its audits. This includes revisiting sampling methodology and incorporating ideas for analytically testing investments and investment income that can provide a high level of information without increasing the amount of time spent auditing investments.

"I was surprised at the difficulty level of the exam. It takes a lot of knowledge to pass it," Emily said. "The fact that our Employee Benefit Plan Services Director and team leads have obtained this certification demonstrates that our team and our firm have what it takes to provide a high-quality EBP audit."

If your organization has an employee benefit plan, it's important to ensure you're in compliance with the many

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rules and regulations. Our team is specifically trained to work with plans within nonprofit organizations. Learn more about our [EBP audits](#) and our [Employee Benefit Plan Compliance Assessment](#), or [contact us](#) to discuss your specific needs.

This article has been updated.

About CapinCrouse

As a national full-service CPA and consulting firm devoted to serving nonprofit organizations, CapinCrouse provides professional solutions to organizations whose outcomes are measured in lives changed. Since 1972, the firm has served domestic and international outreach organizations, universities and seminaries, foundations, media ministries, rescue missions, relief and development organizations, churches and denominations, and many others by providing support in the key areas of financial integrity and security. With a network of offices across the nation, CapinCrouse has the resources of a large firm and the personal touch of a local firm. Learn more at capincrouse.com.

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