

# Employee Benefit Plan Audit Checklist

No matter how prepared you are, having your benefit plan audited by the Department of Labor (DOL) is not a pleasant experience. Having the right information at your fingertips can make the process a lot easier and faster!

The following is a checklist of items to maintain in your “audit file” in case the DOL comes knocking on your door:

## **Plan Documents:**

This includes the most recent, fully-executed, prototype or volume submitter plan document and adoption agreement, or the plan-specific plan document, if applicable to the plan. Also include all fully executed plan amendments since the adoption of the plan document.

## **Minutes of the Plan/Investment Committees:**

Minutes should be maintained for all meetings of the committee(s) charged with plan governance. As a best practice, committees should meet on a quarterly basis.

## **Service Agreements with Third-Party Providers:**

This includes investment custodians, third-party administrators, investment advisors, auditors, lawyers, actuaries and any other service providers providing services to the plan.

## **SOC 1 Reports:**

Plan management should obtain and review the annual service providers’ reports on internal controls and operating effectiveness of their internal controls.

## **Required Communications to Employees:**

This would include the summary annual report (SAR), summaries of material modifications (SMM), any blackout notices relating to trustee changes and annual fee disclosures.

## **Evidence of Employee Education:**

Documentation of educational sessions held for participants related to the benefit plan. This is generally a service offered by the third-party administrator and can be in-person or via electronic means. This should be provided on an annual basis.

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## **Fee Benchmarking:**

As a best practice, plan management should have the plan's investment and administrative fees benchmarked on an annual basis by an investment advisor.

## **ERISA Fidelity Bond and Fiduciary Insurance Policies:**

Plans are required to maintain a fidelity bond in an amount greater than 10% of assets or \$500,000 (consult the plan's advisor for specific requirements).

## **Form 5500 Filings:**

This includes the audited financial statements (for large plans). As a best practice the plan should maintain the last three years of filings.

## **Trust and Participant Reports:**

As a best practice, the plan should maintain the last three years of reports. Trustees should provide an annual reporting package in addition to quarterly reporting to plan sponsors.

## **Reconciliations of Contributions:**

Contributions into the plan should be reconciled from the trust reports to the supporting documentation (cash disbursements and payroll registers) per the plan sponsor's records. This includes employer contributions and participant deferral contributions.

## **Documentation of Corrections:**

In the event plan management needs to make a correction for an error in plan administration, complete documentation of the error and correction should be maintained in the files. This would include any correspondence, reports used and applicable filing with the IRS or DOL as a result.

## **Non-Discrimination Testing and Census Information:**

This would include any corrections made as a result of non-discrimination testing.

## **Actuary Reports:**

If applicable to the plan, annual actuarial reports should be maintained for the last three years.