CALIBRE

Welcome

2026 Employee Benefit Plan Conference

CALIBRE CPA GROUP, PLLC
November 19, 2026



Accounting and Audit Update

JESSE C. SARGENT | PRINCIPAL
CALIBRE CPA GROUP, PLLC

Agenda

- Summary of Recently Issued ASUs
- ASU 2023-09: Income Tax Disclosures
- ASU 2025-06: Internal Use Software
- SAS 150:External Confirmations

Summary of Recently Issued ASUs

Recently Issued ASUs - 2025

Issued In 2025

Update 2025-04—Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer

Update 2025-03—Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity

Update 2025-02—Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122

Update 2025-01—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date

Recently Issued ASUs - 2025

Issued In 2025

Update 2025-07—Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract

Update 2025-06—Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

Update 2025-05—Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

Recently Issued ASUs - 2025

Issued In 2025

Update 2025-12—Codification Improvements

Update 2025-11—Interim Reporting (Topic 270): Narrow-Scope Improvements

Update 2025-10—Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities

Update 2025-09—Derivatives and Hedging (Topic 815): Hedge Accounting Improvements

Update 2025-08—Financial Instruments—Credit Losses (Topic 326): Purchased Loans

Recently Issued ASUs - 2026

Issued In 2026

Update 2026-03—Fair Value Measurement (Topic 820): Investment Companies with Equity Securities Subject to Contractual Sale Restrictions

Update 2026-02—Environmental Credits and Environmental Credit Obligations (Topic 818)

Update 2026-01—Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock



ASU 2023-09: Income Taxes - Disclosure Improvements

Income Tax Disclosures

- Effective for years beginning after December 15, 2025 (CY26/FY27)
- Materiality does apply
- Qualitative disclosure of difference between statutory and effective tax rates
- Disaggregation of net income tax
  - Federal, State, and Foreign
  - Specific identification for jurisdictions ≥ 5% of total



ASU 2025-06: Intangibles - Internal Use Software

Current Capitalization Method

- Preliminary Project Stage - Expense
- Application Development Stage - Capitalize
- Postimplementation Operation Stage - Expense
- Upgrades and Enhancements - Capitalize if result in additional functionality, otherwise expense

New Capitalization Method

- Eliminates “stages”
- Start Capitalizing when 2 Criteria are met:
  - Management has authorized and committed to funding the software project
  - It is probable that the project will be completed and the software will be used to perform the function intended

Transition

- Effective for years beginning after December 15, 2027 (CY28/FY29)
- Early adoption is permitted
- Can apply prospectively, modified, or retrospectively



SAS 150: External Confirmations

External Confirmations

- Effective for periods ending on or after December 15, 2028 (CY 28/FY29)
- Reinforces the need for external confirmations as audit evidence
- Can no longer rely on observation
- More emphasis on understanding IT systems and internal controls of intermediaries

Best Practice Recommendations

- Start Evaluating Now:
  - What accounts are your auditors confirming currently?
  - Can auditors be added as users to existing portals?
  - Is there an intermediary option?



Using Key Financial Indicators to Manage Employee Benefit Plans

MARY MARGARET PRANGE, CPA | PARTNER
CALIBRE CPA GROUP, PLLC

KPIs are useful only when they change the conversation

The goal is not more data. It is faster recognition, better questions and documented follow-through.

1 MONITOR

What changed inside the plan?

Trend, target and tolerance - viewed in context.

2 INTERPRET

Is the change expected?

Connect outcomes to demographics, cash flow, services and markets.

3 ACT

What happens next?

Assign an owner, action and due date when a trigger is crossed.

Best practice: every KPI has a definition, owner, cadence, trigger and response.

Two lenses, both provide meaningful information

Use internal monitoring to detect trends.
Use peer comparison to add context - not to substitute for judgment.

1 INTERNAL MONITORING

Funding and cash flow

Demographics and employer participation stability

Investments

Administration and participant services

2 PEER COMPARISONS

Select a genuinely comparable group

Explain variance before judging it

Turn outliers into targeted follow-up



Internal Monitoring

Start with the decision – not the available data

A compact scorecard should connect outcomes to the drivers and operating measures that the Plan can influence.

OUTCOMES **Can the plan meet commitments and sustain service?**

Funded ratio • cash flow • participant satisfaction

DRIVERS **What is moving the outcome?**

Active-to-retiree ratio • employer base • investment return • Additional hiring

OPERATIONS **What can be managed now?**

Processing time • accuracy • delinquency collections

Design test: if a KPI moves, can the Plan ask the next relevant question and identify the person who owns the answer?

Use a Dashboard - creates a complete view

Funding

Promises vs. resources

Investments

Return, risk, fees, policy

Administration

Cost, quality, control

Participant Services

Access, speed, satisfaction

Employer Participation

Contributions and stability

Demographics

Maturity and anticipated retirements

Cash Flow

Inflows vs. payments

ONE-PAGE VIEW | Current period • trailing trend • target/range • status • owner • action

Funding and cash flow - a connected system

One ratio cannot explain financial health. Pair asset/liability, contributions and payment details.

1 FUNDED RATIO

Assets ÷ Actuarial Liability

2 CONTRIBUTION SUFFICIENCY

Actual Contributions vs. Actuarial Required Contributions

3 BENEFIT / CONTRIBUTION

Benefit Payments ÷ Contributions

4 CASH FLOW

Contributions + investment Income vs. Benefits + Expenses

Trigger questions: Is movement structural or temporary? • Are contributions and benefit payments within forecast? • What resources are readily available?

Demographics can explain pressures before the financials change

Track the participant mix and contributing-employer base as leading indicators of future cash flow and service needs.

1	2	3	4	5
Active contributing employers	**Contribution delinquency**	**Active participant base**	**Retirement flow**	**Benefit-recipient load**
Employer base stability	Rate and collections	Active #s and age Changes in rates within CBAs	Retirement and vesting	Active-to-retiree ratio

Watch combinations - not isolated points: a shrinking employer base + rising retirements + slower collections is a stronger signal than any one metric.

Separate performance, policy and cost

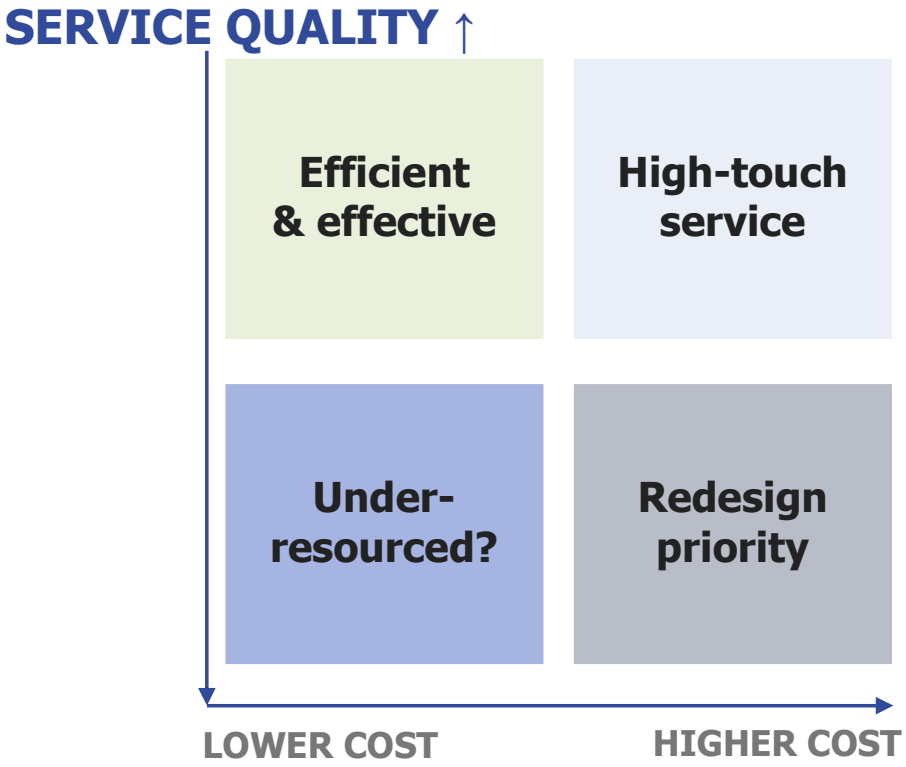
Investment KPIs answer different questions; do not collapse them into a single "good/bad" score.

KPI	QUESTION	PRIMARY SOURCE
TOTAL INVESTMENT RETURN	Did the portfolio produce the desired return?	Performance report
BENCHMARK OUTPERFORMANCE	Did implementation add value versus policy?	Policy benchmark
FUNDED STATUS VOLATILITY	How did markets and liabilities interact?	Actuarial vs. investment data
ASSET ALLOCATION COMPLIANCE	Is the portfolio within approved ranges?	Investment policy
INVESTMENT EXPENSE RATIO	What did implementation cost?	Fee and asset records

Net investment income relative to assets is a diagnostic comparison - not an actual time - weighted investment return.

Balance operating cost with service quality

KPIs evaluating administrative expenses should be balanced with participant experience in mind.



Cost

Administrative expense per participant
Total expense ratio

Control

Pension payment accuracy
Error rate

Speed

Application processing
Complaint resolution

Experience

Call response
Satisfaction • portal use

Review the portfolio of measures - not one cost ratio.

Create a rhythm for escalation and follow-through

For each considered KPI determine appropriate measurement period.
When does it makes sense to analyze (this might evolve as you implement).

MONTHLY

Operations

Accuracy • processing • calls • delinquency

OWNER **Department Heads**

QUARTERLY

Plan dynamics

Cash flow • demographics • investments • costs

OWNER **Plan Administrator**

ANNUALLY

Strategic reset

Funding • assumptions • benefit design • peer comparisons

OWNER **Board of Trustees**

TRIGGER PROTOCOL | Confirm data → explain variance → assess impact → assign action → close the loop

CALIBRE

Peer Comparisons

Benchmarking begins with peer selection

Differentiate plans by type first, then a similar asset or participant group.

1 PLAN TYPE

Pension / DB
Defined contribution
Health & welfare

2 SIZE LENS

Year-end net assets or total participants

3 DATA FITNESS

Same calculation
Usable source fields Comparable period

4 SERVICE CONTEXT

Benefits maturity
Complexity
Geography
Provider model

Rule: benchmark to ask better questions—not to set a universal spending, funding or reserve target.

Pension-plan benchmarks show why context matters

A sourced snapshot of 2025 plan-year starts - useful as a question set, not as a composite "ideal plan."

97.92%

Funded percentage

n = 614

1.05x

Active / benefit recipient

n = 657

0.70x

Contribution sufficiency

n = 641

1.39x

Benefit / contribution

n = 624

0.72%

Admin costs / assets

n = 663

$539

Admin cost / participant

n = 676

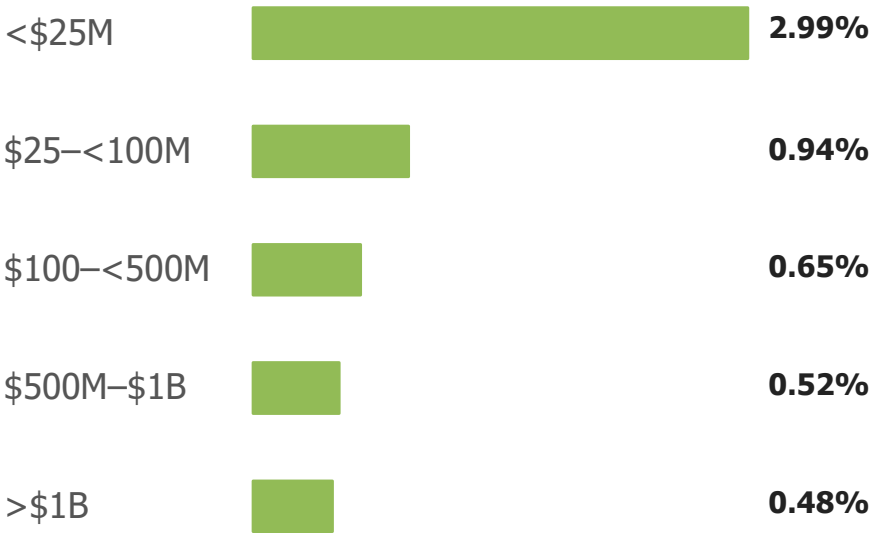
Interpret together: funding position + maturity + contribution support + operating cost.

Scale changes the cost comparison

For pension plans, median administration-to-assets and reported investment fees both decline across larger asset groups.

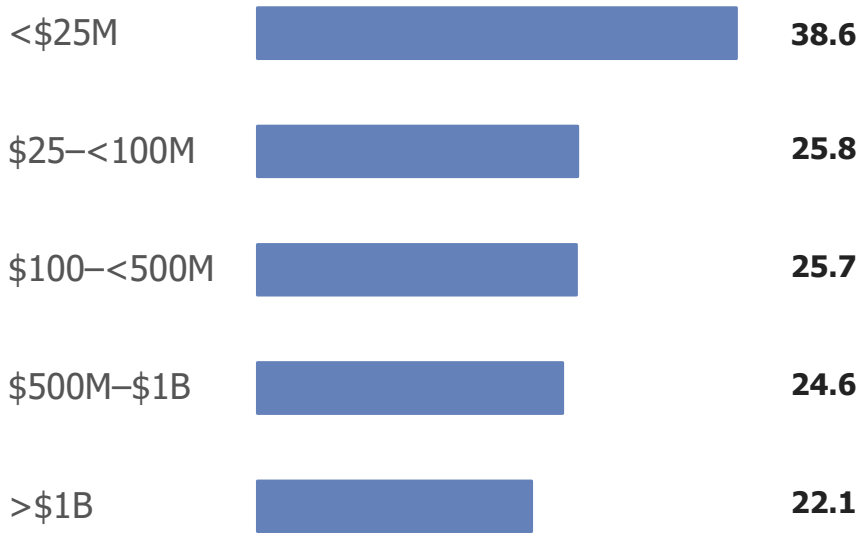
Median administrative expense ratio

% of average net assets



Median reported investment fees

Basis points; separately reported fees only



Interpretation: fixed costs and service differences can explain higher ratios in smaller plans; scale does not prove efficiency or inefficiency.

Treat every variance as a hypothesis

Benchmark gaps become useful only after data, design and service differences are investigated.

1 VALIDATE

Is the definition and source consistent?

Recalculate • confirm period • inspect source fields

2 EXPLAIN

Does a plan feature drives the difference?

Scale • maturity • benefits • geography • provider model • number of employees

3 EVALUATE

Does the difference affect risk or value?

Materiality • trend • participant impact • fiduciary priority

4 ACT

What follow-up is proportionate?

Accept • monitor • deep dive • redesign • procure

Known gaps in the supplied benchmarking data: contribution adequacy, a full liquidity ratio, and selected professional-fee comparisons.

A 180-day path to build KPIs into your routine

Build a small scorecard first. Add sophistication only when the review process is working.

DAYS 0–90

DEFINE

Choose 8–12 KPIs

Document data needed, formula, source and owner

Set baseline and data quality checks

DAYS 91–120

CALIBRATE

Add trend and plan-specific target

Select external peer groups (for annual monitoring)

Agree on triggers and escalation

DAYS 121–180

OPERATE

Run first review

Assign follow-ups and due dates

Retire measures that do not drive action (be ready to pivot)

THREE QUESTIONS | What changed? Why? What are we doing about it?

Appendix: Internal KPI catalog

Funding

- Funded ratio
- Funding deficiency / surplus
- Contribution sufficiency
- Benefit payments/contributions
- Cash flow ratio

Investments

- Total investment return
- Benchmark outperformance
- Funded status volatility
- Investment expense ratio
- Asset allocation compliance

Administration

- Admin expense / participant
- Total expense ratio
- Payroll accuracy
- Processing time
- Error rate

Participant Services

- Call response time
- Participant satisfaction
- Portal usage
- Application processing
- Complaint resolution

Employer Compliance

- Contribution delinquency
- Delinquent collections
- Active contributing employers

Demographics

- Active-to-retiree ratio
- Average participant age
- Vesting rate
- Retirement rate

CALIBRE

Break

2026 Employee Benefit Plan Conference

CALIBRE CPA GROUP, PLLC
November 19, 2026



Popcorn & Red Flags:

The Plot Twists of Employee Benefit Plan Fraud

MARK A. BATLINER, CPA, CFE | PARTNER
CALIBRE CPA GROUP, PLLC

POPCORN & RED FLAGS

THE PLOT TWISTS OF EMPLOYEE BENEFIT PLAN FRAUD

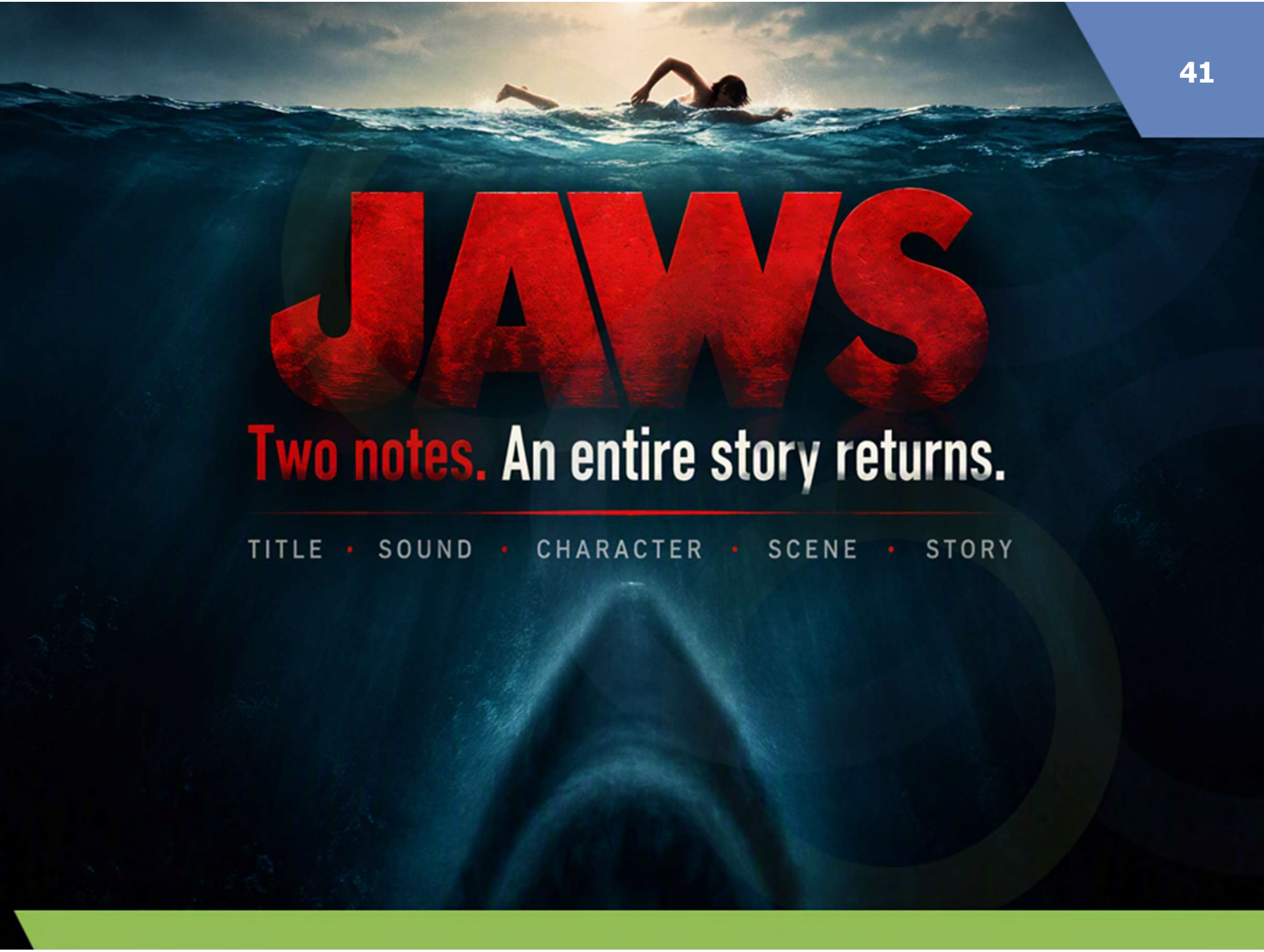


BASED ON ACTUAL EVENTS

PEOPLE | TRUST | RED FLAGS | REAL STORIES


Rules inform us.
Stories stay with us.
One little detail can bring an entire story back.
SAME LESSONS
DIFFERENT STORIES
MEMORABLE CHARACTERS


duh-dum, duh-dum


JAWS
Two notes. An entire story returns.
TITLE • SOUND • CHARACTER • SCENE • STORY

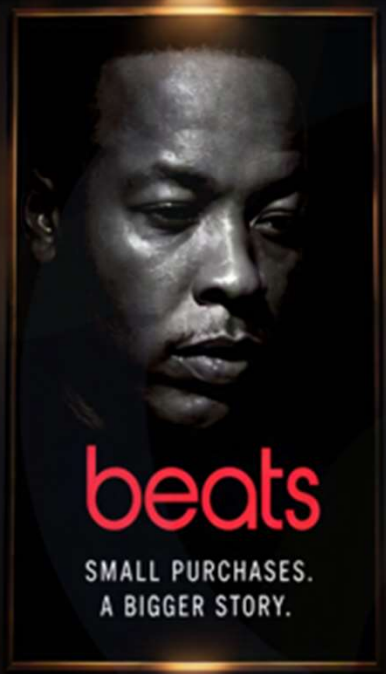

MEET THE CAST
THE FRAUD TRIANGLE
PRESSURE
"I need it."
OPPORTUNITY
"I can do it."
RATIONALIZATION
"I deserve it."
BILLS
DEBT
DEADLINES
EXPECTATIONS
ACCESS
WEAK CONTROLS
LACK OF OVERSIGHT
TRUST
JUSTIFICATION
ENTITLEMENT
IT'S ONLY TEMPORARY
NO ONE WILL NOTICE
SAME PLOT.
DIFFERENT CHARACTERS.
REAL CONSEQUENCES.

COMING ATTRACTIONS

FIVE FRAUD STORIES. REAL LESSONS.











FRAUD HITS DIFFERENT ON THE BIG SCREEN.

SAME PLOT TWISTS. DIFFERENT SCAMS.


SOME THINGS AREN'T
ALWAYS WHAT THEY APPEAR TO BE.
GONE GIRL
THE CASE OF THE DISAPPEARING CASH
THE CLUES:
BANK STATEMENTS
AUTHORIZED SIGNATURES
DIGITAL DOCUMENTS
WHAT WOULD YOU CHECK FIRST?
REAL FRAUD.
REAL CONSEQUENCES.
BASED ON ACTUAL EVENTS


GONE GIRL
THE CASE OF THE DISAPPEARING CASH
THE PLOT TWIST
THE BANK STATEMENTS
WERE PART OF THE FRAUD.
Business Economy Checking
Your Account at a Glance
RECEIVED FROM BANK
Account Number 1234567890
Statement Period 05/01/12 through 05/31/12
Number of Deposits/Credits 4
Number of Withdrawals/Debits 7
Number of Deposited Items 12
Statement Beginning Balance $124,581.56
Amount of Deposits/Credits $7,507.37
Amount of Withdrawals/Debits $124,621.66
Statement Ending Balance $56,467.27
Date Posted Amount ($) Description
05/03 5,000.00 Deposit
05/04 12,500.00 Check #1012
05/08 3,200.00 ACH Payment
05/10 1,024.35 Deposit
05/11 8,750.00 Check #1013
05/14 25,000.00 Wire Transfer
05/16 2,250.00 Deposit
05/18 10,000.00 Check #1014
05/20 35.00 Service Charge
05/22 4,800.00 ACH Payment
05/24 496.36 Deposit
05/25 7,500.00 Check #1015
05/28 1,200.00 Deposit
05/30 6,300.00 ACH Payment
05/31 — Ending Balance $56,467.27
Business Economy Checking
Your Account at a Glance
ALTERED
Account Number 1234567890
Statement Period 05/01/12 through 05/31/12
Number of Deposits/Credits 4
Number of Withdrawals/Debits 0
Number of Deposited Items 6
Statement Beginning Balance $124,581.56
Amount of Deposits/Credits $7,507.37
Amount of Withdrawals/Debits $0.00
Statement Ending Balance $134,552.27
Date Posted Amount ($) Description
05/03 5,000.00 Deposit
05/10 1,024.35 Deposit
05/16 2,250.00 Deposit
05/24 496.36 Deposit
05/28 1,200.00 Deposit
05/31 — Ending Balance $134,552.27
Where are the highlighted transactions?
REAL FRAUD.
REAL CONSEQUENCES.


GONE GIRL
THE CASE OF THE DISAPPEARING CASH
THE RED FLAG
VERIFY THE SOURCE.
NOT JUST THE DOCUMENT.
LOOK BEYOND WHAT YOU'RE GIVEN.
Business Economy Checking
Your Account at a Glance
Account Number 1234567890
Statement Period 05/01/12 through 05/31/12
Number of Deposits/Credits 2
Number of Withdrawals/Debits 4
Number of Deposited Items 0
Statement Beginning Balance $124,581.56
Amount of Deposits/Credits $1,520.71
Amount of Withdrawals/Debits $7,507.37
Statement Ending Balance $118,594.90
wondershare™
Deposits and Credits
Date Posted
Amount ($)
Description
05/10 1,024.35 Deposit
05/24 496.36 Deposit
FRAUDULENT
wondershare™
PDF Editor
REAL FRAUD.
REAL CONSEQUENCES.


A FILM BY DAVID FINCHER
SOME THINGS AREN'T ALWAYS WHAT THEY APPEAR TO BE.
ROSAMUND PIKE
BEN AFFLECK
GONE GIRL
THE TRUTH CAN DISAPPEAR.
Popcorn
THE REVIEW
REAL STORIES. REAL LESSONS.
WHAT DIDN'T FIT?
Checks were bouncing while the statements showed available cash.
THE RED FLAG
Transaction control and evidence were in the same hands.
WHY IT MATTERS
A review depends on reliable, independent evidence.
GOOD PRACTICE
Obtain bank records independently. Separate transaction access from review. Investigate contradictions.
DIFFERENT FRAUDS. SAME PLOT TWIST.


SNAKE EYES
SAS 99
Management Representations
Are you aware of any fraud risks within the organization?
INVOICES
PURCHASE ORDERS
APPROVALS


THE PLOT TWIST
SNAKE EYES
ORGANIZATION PROPERTY
TOWN WATER
INVOICE
Item: Septic Tank
PAID


THE RED FLAG
IF THE SEPTIC TANK WAS INSTALLED, WHY ARE WE PAYING FOR TOWN WATER?
SNAKE EYES
DELIVERED TO DAUGHTER'S HOUSE
SEPTIC TANK PURCHASE ORDER
Item: Septic Tank
Amount: $12,500
Approved:
PAID
TOWN WATER
TOWN WATER BILL
Account:
Service Address:
Amount Due:
PAID


A FILM BY DAVID FINCHER
NOT EVERYTHING ENDS UP WHERE IT SHOULD.
CAGE SNAKE EYES
THE REVIEW
REAL STORIES. REAL LESSONS.
WHAT DIDN'T FIT?
The organization bought a septic tank, then connected the property to town water.
THE RED FLAG
An asset was paid for without independent verification of where it was delivered.
WHY IT MATTERS
An approved invoice proves a payment was processed. It doesn't prove the organization received the asset.
GOOD PRACTICE
Match authorization, invoice, and receiving evidence. Verify unusual delivery addresses. Confirm significant assets.
DIFFERENT FRAUDS. SAME PLOT TWIST.
Popcorn

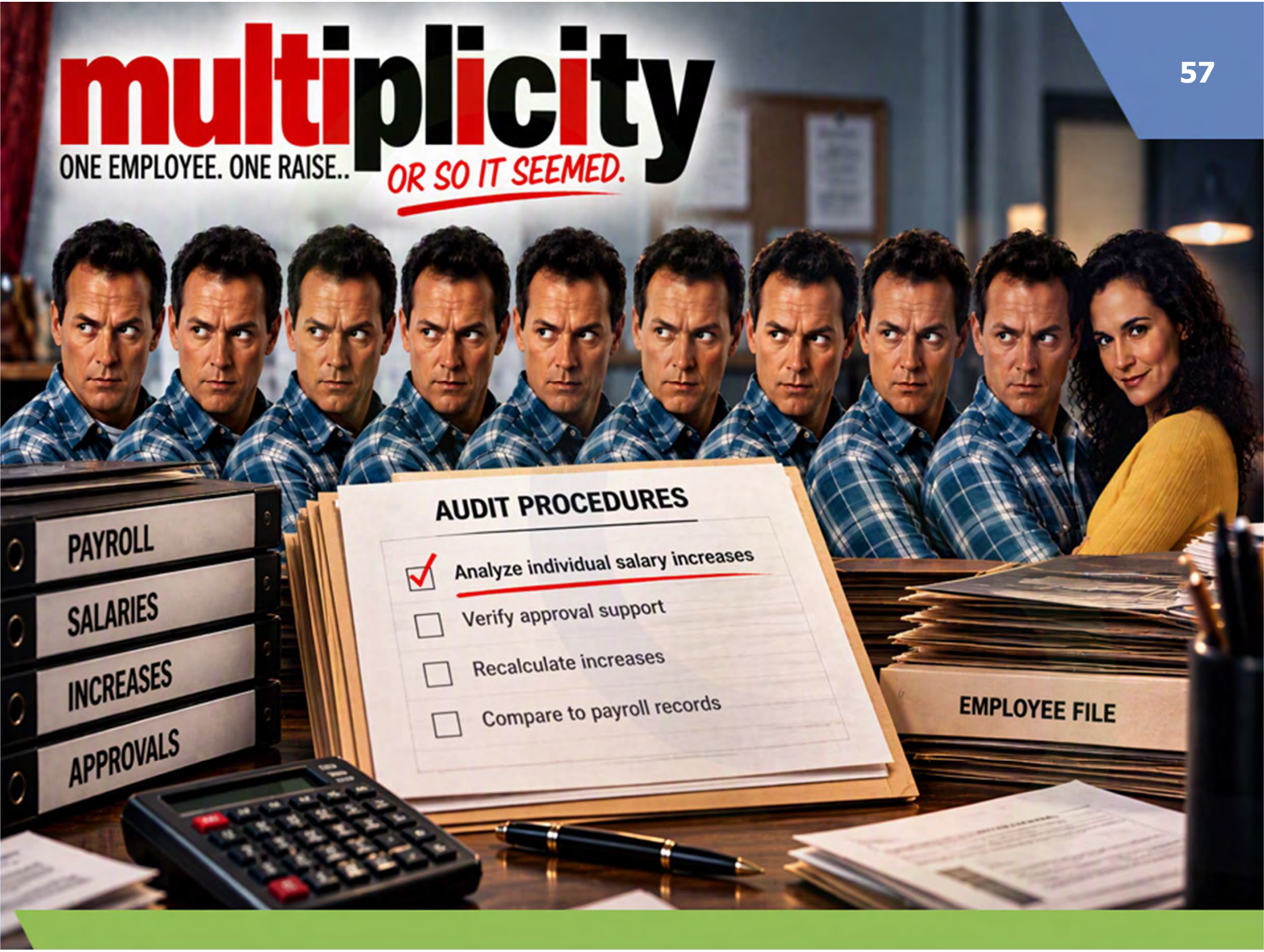

MUSIC
INSPIRES.
TRUST
CAN BE
EXPENSIVE.
beats
A ROUTINE PURCHASE.
AN UNEXPECTED CALL.
Bookkeeper
Out Today
Receptionist
Out Today
PURCHASE ORDERS
VENDOR CALLS
MAIL
BEST BUY
Calling...
Beats
Headphones?
Why would we be
ordering these?
BEST BUY
Order:
Beats Headphones
Quantity:
1
Status:
OUT OF STOCK
Account:
Corporate

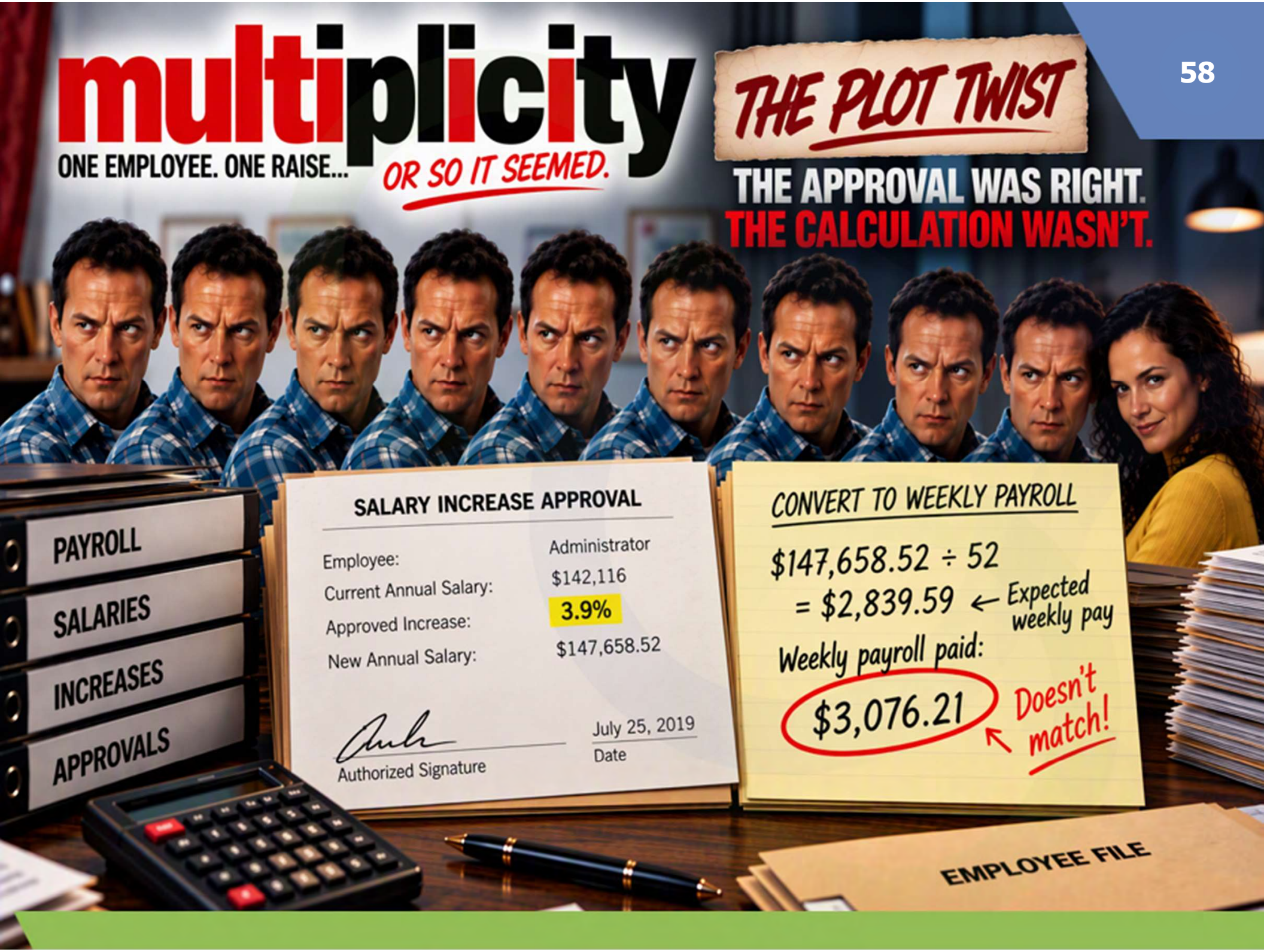

THE PLOT TWIST
THE HEADPHONES WERE
ONLY THE BEGINNING.
beats
SMALL PURCHASES.
A BIGGER STORY.
BEST BUY
DELIVERED TO HER HOME
NESPRESSO
CREDIT CARD STATEMENT
Date Description Amount
02/14 Best Buy $349.99
03/03 Electronics $499.99
03/18 Online Purchase $299.99
04/02 Home Goods $1,200.00
04/11 Retail Store $159.99
04/25 Electronics $429.99
05/04 Online Purchase $129.99
05/19 Miscellaneous $249.99
UNAUTHORIZED PURCHASES
BEST BUY

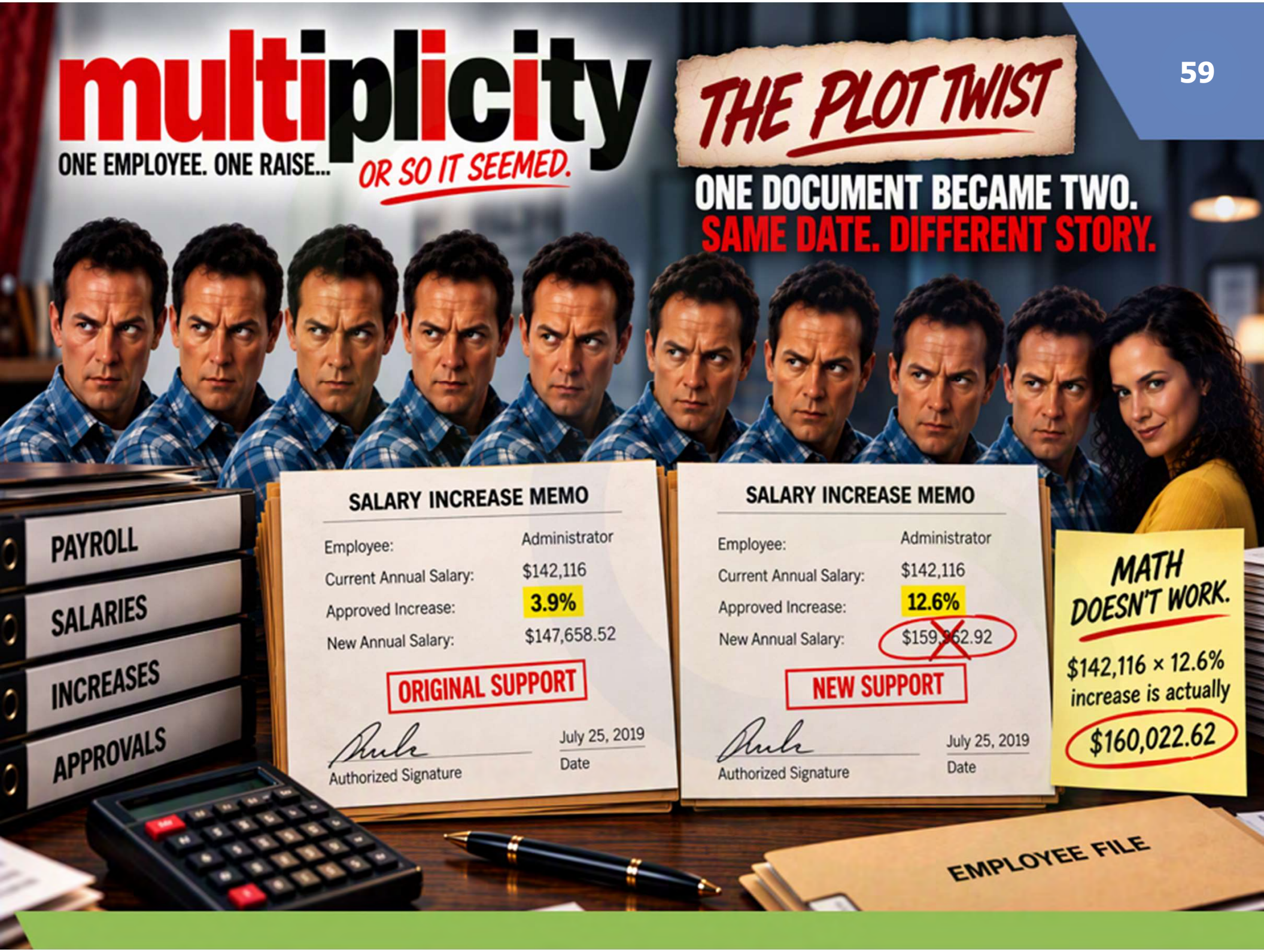

THE PLOT TWIST
THE RATE WAS RIGHT.
THE PAYROLL WASN'T.
beats
SMALL PURCHASES.
A BIGGER STORY.
PAYROLL REGISTER
Pay Date | Hours | Amount
04/03 | 40 | $1,200.00
04/10 | 40 | $1,200.00
04/17 | 40 | $1,200.00
04/24 | 80 | $2,400.00
05/01 | 80 | $2,400.00
05/08 | 80 | $2,400.00
05/15 | 40 | $1,200.00
05/22 | 40 | $1,200.00
SAME HOURLY RATE. DOUBLE THE PAYROLL.
Payroll
Employee Files
ADDITIONAL PAYROLL RUNS
UNAUTHORIZED


THE RED FLAG
DON'T JUST APPROVE THE INPUT.
REVIEW THE OUTPUT.
beats
SMALL PURCHASES.
A BIGGER STORY.
DELIVERED TO HER HOME
CREDIT CARD STATEMENT
Date Description Amount
02/14 Best Buy $349.99
03/03 Electronics $449.99
03/18 Online Purchase $299.99
04/02 Home Goods $1,200.00
04/11 Retail Store $159.99
04/25 Electronics $429.99
PAYROLL REGISTER
Pay Date Hours Amount
04/03 40 $1,200.00
04/10 40 $1,200.00
04/17 40 $1,200.00
04/24 80 $2,200.00
05/01 80 $2,400.00
05/08 80 $2,400.00
05/15 40 $1,200.00
05/22 40 $1,200.00
WHAT WAS BOUGHT?
WHERE DID IT GO?
HOW MUCH WAS PAID?
INDEPENDENT REVIEW MATTERS.
BEST BUY


SMALL PURCHASES. A BIGGER STORY.
beats
THE TRUE LIFE STORY OF DR. DRE
Popcorn
THE REVIEW
REAL STORIES. REAL LESSONS.
WHAT DIDN'T FIT?
Personal purchases were being delivered home, and additional payroll runs were being paid.
THE RED FLAG
Purchases and payroll were being processed without independent review.
WHY IT MATTERS
Fraud can continue in plain sight when nobody reviews the activity.
GOOD PRACTICE
Review purchasing activity and delivery addresses. Review every payroll register and cumulative compensation independently.
DIFFERENT FRAUDS. SAME PLOT TWIST.


multiplicity
ONE EMPLOYEE. ONE RAISE..
OR SO IT SEEMED.
PAYROLL
SALARIES
INCREASES
APPROVALS
AUDIT PROCEDURES
Analyze individual salary increases
Verify approval support
Recalculate increases
Compare to payroll records
EMPLOYEE FILE


multiplicity
ONE EMPLOYEE. ONE RAISE...
OR SO IT SEEMED.
THE PLOT TWIST
THE APPROVAL WAS RIGHT.
THE CALCULATION WASN'T.
PAYROLL
SALARIES
INCREASES
APPROVALS
SALARY INCREASE APPROVAL
Employee: Administrator
Current Annual Salary: $142,116
Approved Increase: 3.9%
New Annual Salary: $147,658.52
Authorized Signature
July 25, 2019
Date
CONVERT TO WEEKLY PAYROLL
$147,658.52 ÷ 52
= $2,839.59 ← Expected weekly pay
Weekly payroll paid:
$3,076.21
Doesn't match!
EMPLOYEE FILE

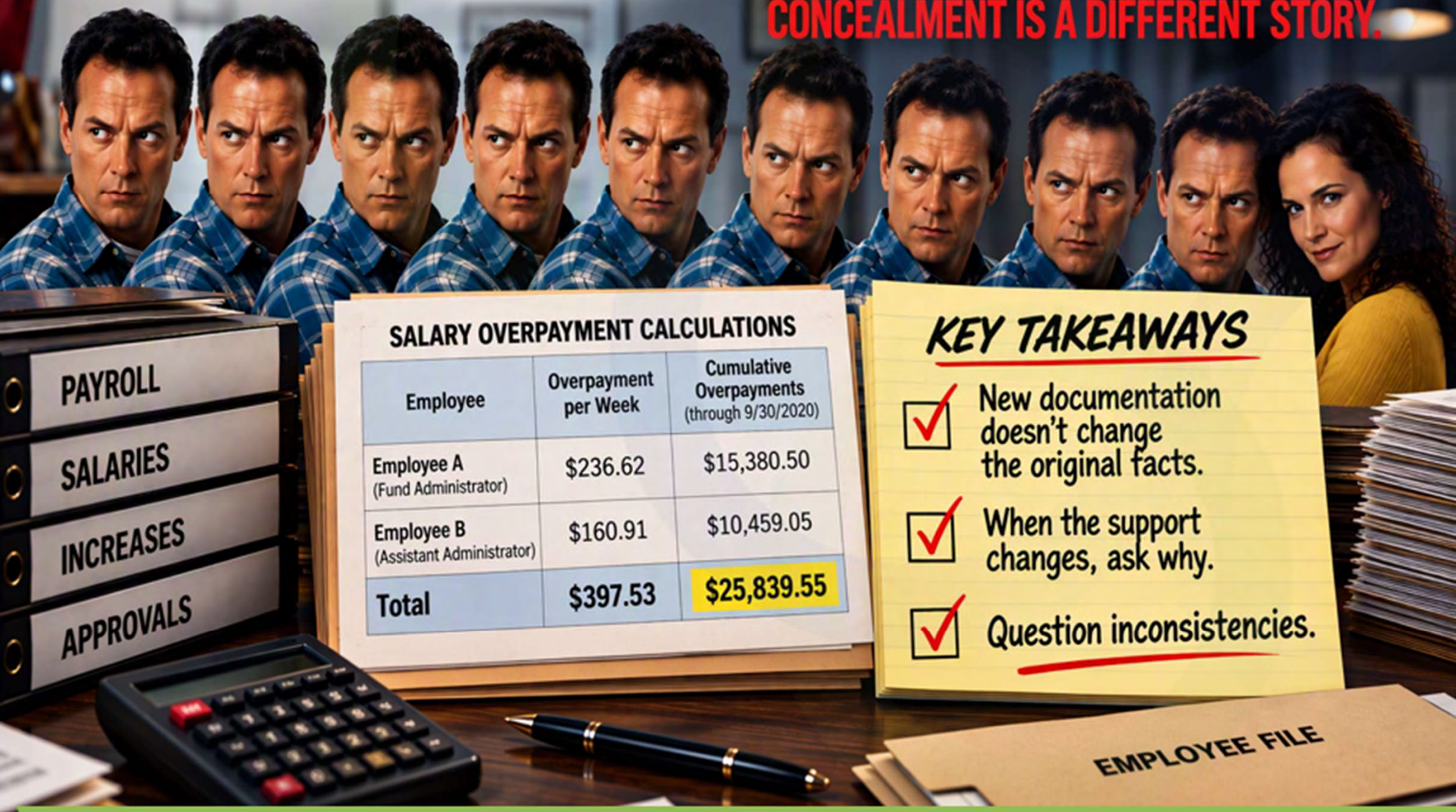

multiplicity
ONE EMPLOYEE. ONE RAISE...
OR SO IT SEEMED.
THE PLOT TWIST
ONE DOCUMENT BECAME TWO.
SAME DATE. DIFFERENT STORY.
PAYROLL
SALARIES
INCREASES
APPROVALS
SALARY INCREASE MEMO
Employee: Administrator
Current Annual Salary: $142,116
Approved Increase: 3.9%
New Annual Salary: $147,658.52
ORIGINAL SUPPORT
Authorized Signature
July 25, 2019
Date
SALARY INCREASE MEMO
Employee: Administrator
Current Annual Salary: $142,116
Approved Increase: 12.6%
New Annual Salary: $159,962.92
NEW SUPPORT
Authorized Signature
July 25, 2019
Date
MATH DOESN'T WORK.
$142,116 × 12.6% increase is actually
$160,022.62
EMPLOYEE FILE

multiplicity

ONE EMPLOYEE. ONE RAISE... OR SO IT SEEMED.

THE RED FLAG

AN ERROR CAN BE CORRECTED.
CONCEALMENT IS A DIFFERENT STORY.

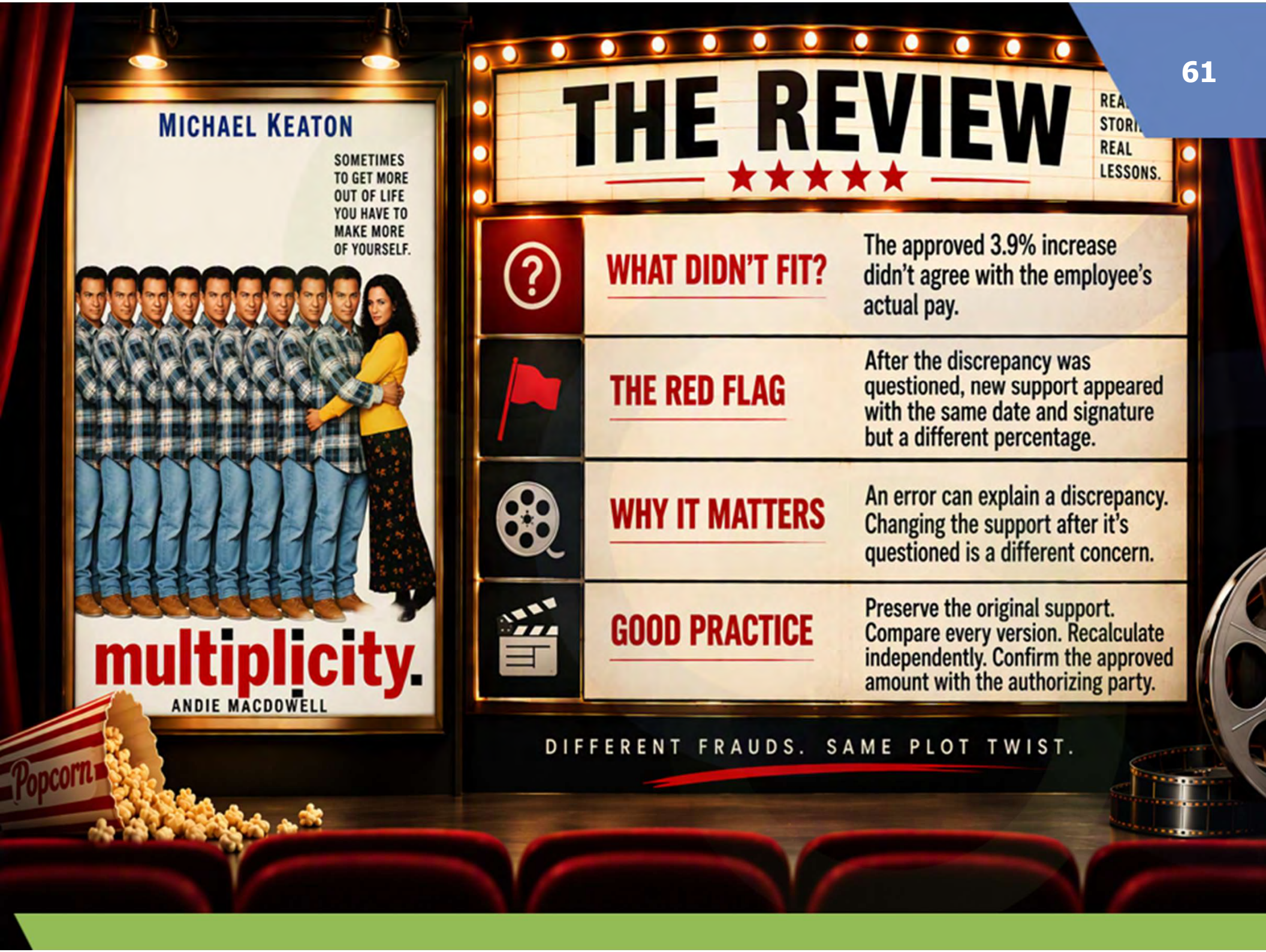


SALARY OVERPAYMENT CALCULATIONS

Employee	Overpayment per Week	Cumulative Overpayments (through 9/30/2020)
Employee A (Fund Administrator)	$236.62	$15,380.50
Employee B (Assistant Administrator)	$160.91	$10,459.05
Total	**$397.53**	**$25,839.55**

KEY TAKEAWAYS

- ☑ New documentation doesn't change the original facts.
- ☑ When the support changes, ask why.
- ☑ Question inconsistencies.

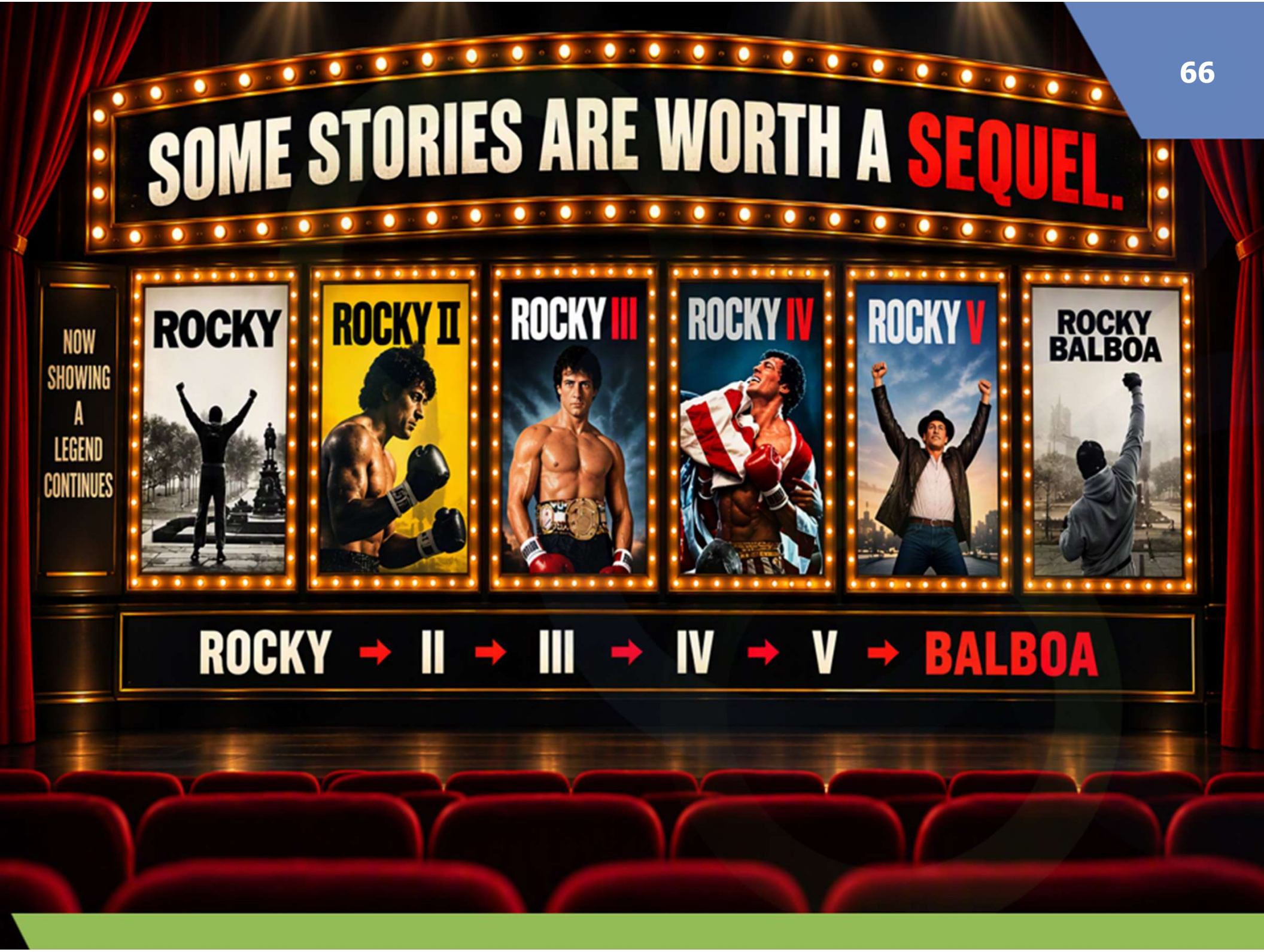

MICHAEL KEATON
SOMETIMES TO GET MORE OUT OF LIFE YOU HAVE TO MAKE MORE OF YOURSELF.
multiplicity.
ANDIE MACDOWELL
Popcorn
THE REVIEW
★★★★★
REAL STORIES. REAL LESSONS.
WHAT DIDN'T FIT?
The approved 3.9% increase didn't agree with the employee's actual pay.
THE RED FLAG
After the discrepancy was questioned, new support appeared with the same date and signature but a different percentage.
WHY IT MATTERS
An error can explain a discrepancy. Changing the support after it's questioned is a different concern.
GOOD PRACTICE
Preserve the original support. Compare every version. Recalculate independently. Confirm the approved amount with the authorizing party.
DIFFERENT FRAUDS. SAME PLOT TWIST.


THE BIG CONN
INVESTMENT STATEMENT
January
Money Market Account
$500.00
Interest $0.00
Holdings Detail —
INVESTMENT STATEMENT
February
Money Market Account
$500.00
Interest $0.00
Holdings Detail —
INVESTMENT STATEMENT
March
Money Market Account
$500.00
Interest $0.00
Holdings Detail —
WHERE IS THE INTEREST?
INVESTMENTS


THE BIG CONN
THE PLOT TWIST
THE INTEREST APPEARED.
THE EVIDENCE DIDN'T.
ORIGINAL STATEMENT
INVESTMENT STATEMENT
March
Money Market Account $500.00
Interest $0.00
Holdings Detail —
REVISED STATEMENT
INVESTMENT STATEMENT
March
Money Market Account $500.00
Interest $12.34
Holdings Detail See Attached
HOLDINGS DETAIL
Security | Maturity Date | Par Value | Market Value
Certificate of Deposit - Bank A | 04/15/2024 | $250,000 | $251,250
Certificate of Deposit - Bank B | 06/30/2024 | 500,000 | 502,100
Certificate of Deposit - Bank C | 09/12/2024 | 250,000 | 248,750
Certificate of Deposit - Bank D | 11/20/2024 | 500,000 | 503,600
U.S. Treasury Note (2.875%) | 01/31/2025 | 300,000 | 297,450
U.S. Treasury Note (4.125%) | 06/15/2025 | 250,000 | 252,875
Government Agency Bond | 08/01/2025 | 200,000 | 198,600
Certificate of Deposit - Bank E | 12/10/2025 | 300,000 | 301,200
U.S. Treasury Note (3.750%) | 02/28/2026 | 250,000 | 248,900
Total | | $2,800,000 | $2,804,725
NO CLIENT NAME
NO ACCOUNT NUMBER
WHOSE HOLDINGS ARE THESE?
INVESTMENTS


THE BIG CONN
THE RED FLAG
Investment exists?
Owned by the client?
Interest received?
Confirmed independently?
VERIFY THE INVESTMENT. NOT JUST THE STATEMENT.
INVESTMENT STATEMENT
March
Money Market Account $500.00
Interest $0.00
Holdings Detail —
INVESTMENT STATEMENT
March
Money Market Account $500.00
Interest $12.34
Holdings Detail See Attached
Holdings Detail
Security | Maturity Date | Par Value | Market Value
Certificate of Deposit - Bank A | 04/15/2024 | $250,000 | $251,250
Certificate of Deposit - Bank B | 06/30/2024 | 500,000 | 502,100
Certificate of Deposit - Bank C | 09/12/2024 | 250,000 | 248,750
Certificate of Deposit - Bank D | 11/20/2024 | 500,000 | 503,600
U.S. Treasury Note (2.875%) | 01/31/2025 | 300,000 | 297,450
U.S. Treasury Note (4.125%) | 06/15/2025 | 250,000 | 252,875
Government Agency Bond | 08/01/2025 | 200,000 | 198,600
Certificate of Deposit - Bank E | 12/10/2025 | 300,000 | 301,200
U.S. Treasury Note (3.750%) | 02/28/2026 | 250,000 | 248,900
NO CLIENT NAME
NO ACCOUNT NUMBER
INVESTMENTS


THE BIG CONN
HIGH RETURNS. SMOOTH TALK. A COSTLY ILLUSION.
BASED ON ACTUAL EVENTS
THE REVIEW
REAL STORIES. REAL LESSONS.
WHAT DIDN'T FIT?
Interest appeared only after it was questioned, and the holdings couldn't be tied to the client.
THE RED FLAG
The investment adviser was the only source of evidence that the investments existed.
WHY IT MATTERS
A statement supplied by the person managing the assets isn't independent evidence of ownership or custody.
GOOD PRACTICE
Obtain records directly from the custodian. Confirm the account, ownership, holdings, and investment activity independently.
DIFFERENT FRAUDS. SAME PLOT TWIST.
Popcorn


SOME STORIES ARE WORTH A SEQUEL.
NOW SHOWING A LEGEND CONTINUES
ROCKY
ROCKY II
ROCKY III
ROCKY IV
ROCKY V
ROCKY BALBOA
ROCKY → II → III → IV → V → BALBOA

THE RECURRING CHARACTER OPPORTUNITY



THE SOURCE WAS NOT INDEPENDENTLY VERIFIED.



NOBODY FOLLOWED THE ASSET TO ITS DESTINATION.



PURCHASES AND PAYROLL LACKED MEANINGFUL REVIEW.



A CALCULATION ERROR BECAME DELIBERATE CONCEALMENT.

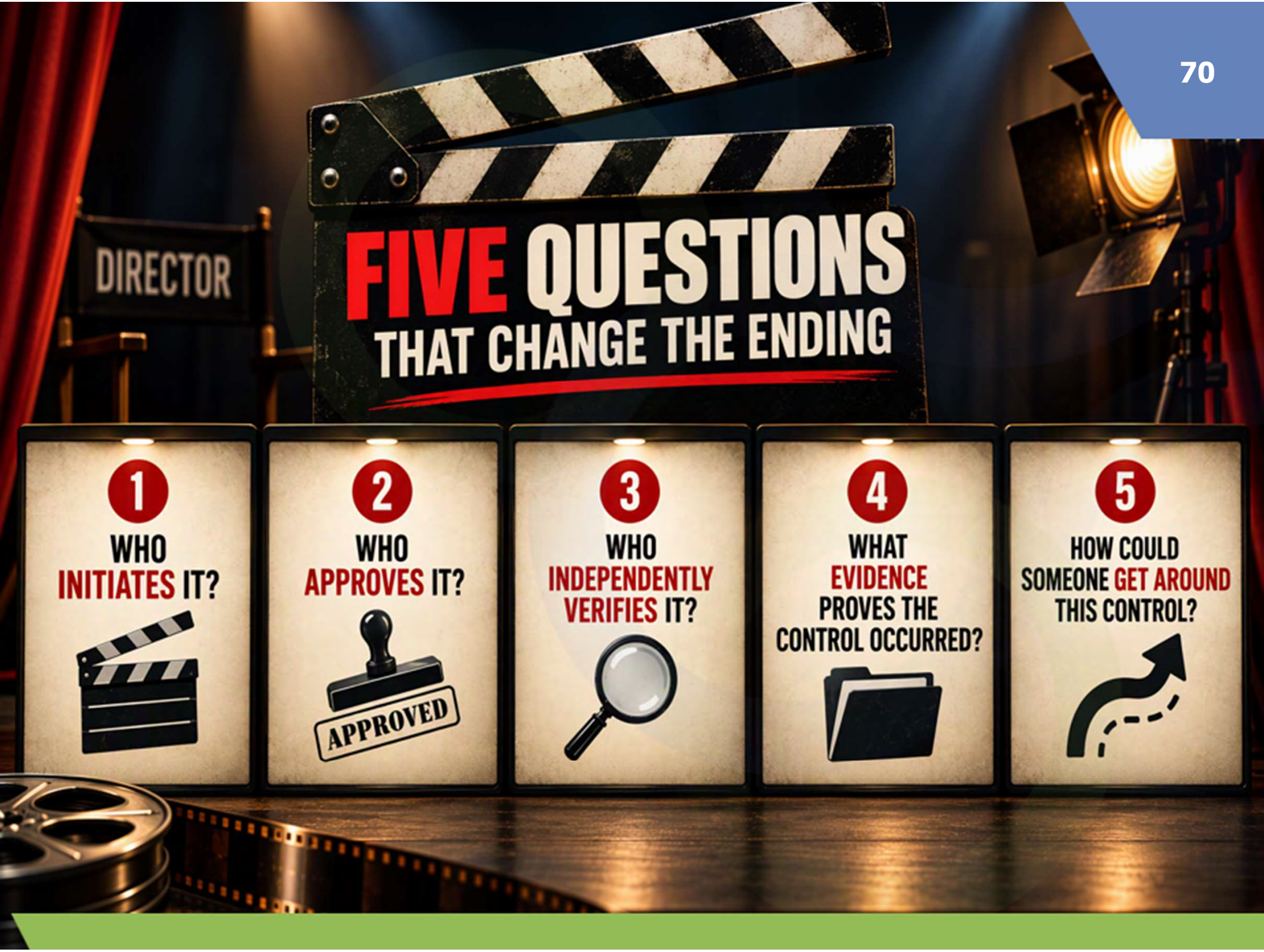


RETURNS AND REPRESENTATIONS WENT UNVERIFIED.

FIVE STORIES. FIVE FRAUDS. ONE RECURRING CHARACTER.


EXIT
STOP
THE SEQUEL
REMOVE THE OPPORTUNITY
BEFORE THE STORY REPEATS.
3
2
1
THE END
NOT AGAIN


BEST REVIEW:
THE FRAUD THAT NEVER GETS A SEQUEL.
★★★★★
DETECT
CATCH IT BEFORE THE CREDITS ROLL.
Who would notice if this happened?
PREVENT
CHANGE THE SCRIPT.
What would stop it from happening in the first place?


DIRECTOR
FIVE QUESTIONS
THAT CHANGE THE ENDING
1
WHO INITIATES IT?
2
WHO APPROVES IT?
APPROVED
3
WHO INDEPENDENTLY VERIFIES IT?
4
WHAT EVIDENCE PROVES THE CONTROL OCCURRED?
5
HOW COULD SOMEONE GET AROUND THIS CONTROL?


ROLL CREDITS
EVERY FRAUD HAS A PLOT.
EVERY PLOT LEAVES CLUES.
Pay attention to the plot twists.
SOME THINGS AREN'T ALWAYS WHAT THEY APPEAR TO BE.
GONE GIRL
SNAKE EYES
NOT EVERYTHING ENDS UP WHERE IT SHOULD.
beats
SMALL PURCHASES. A BIGGER STORY.
ONE EMPLOYEE. ONE RAISE. OR SO IT SEEMED.
multiplicity
THE BIG CONN
LOOKS LEGITIMATE. UNTIL IT WASN'T.

Segal

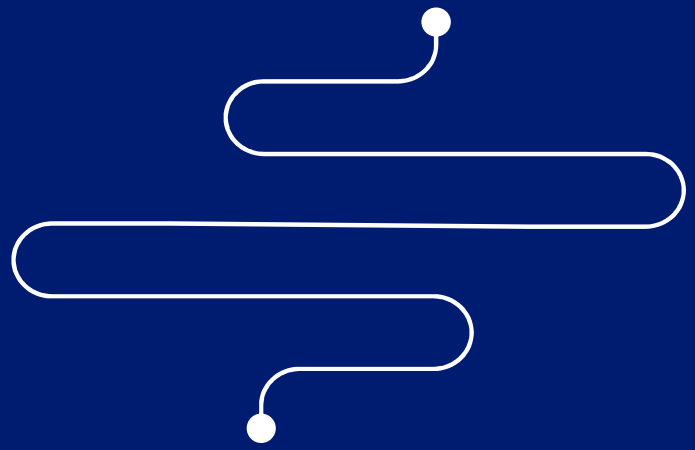
CALIBRE CPA GROUP ANNUAL EMPLOYEE BENEFIT PLAN VIRTUAL CONFERENCE

AI Is Already in Your Benefit Plan

How Trustees and Finance Leaders Can Govern Value, Vendor Risk, and Human Judgment

Michael Stoyanovich, CDPSE
VP, Senior Consultant | Segal

November 19, 2026



People | Systems | Service Providers

© 2026 by The Segal Group, Inc. All rights reserved.

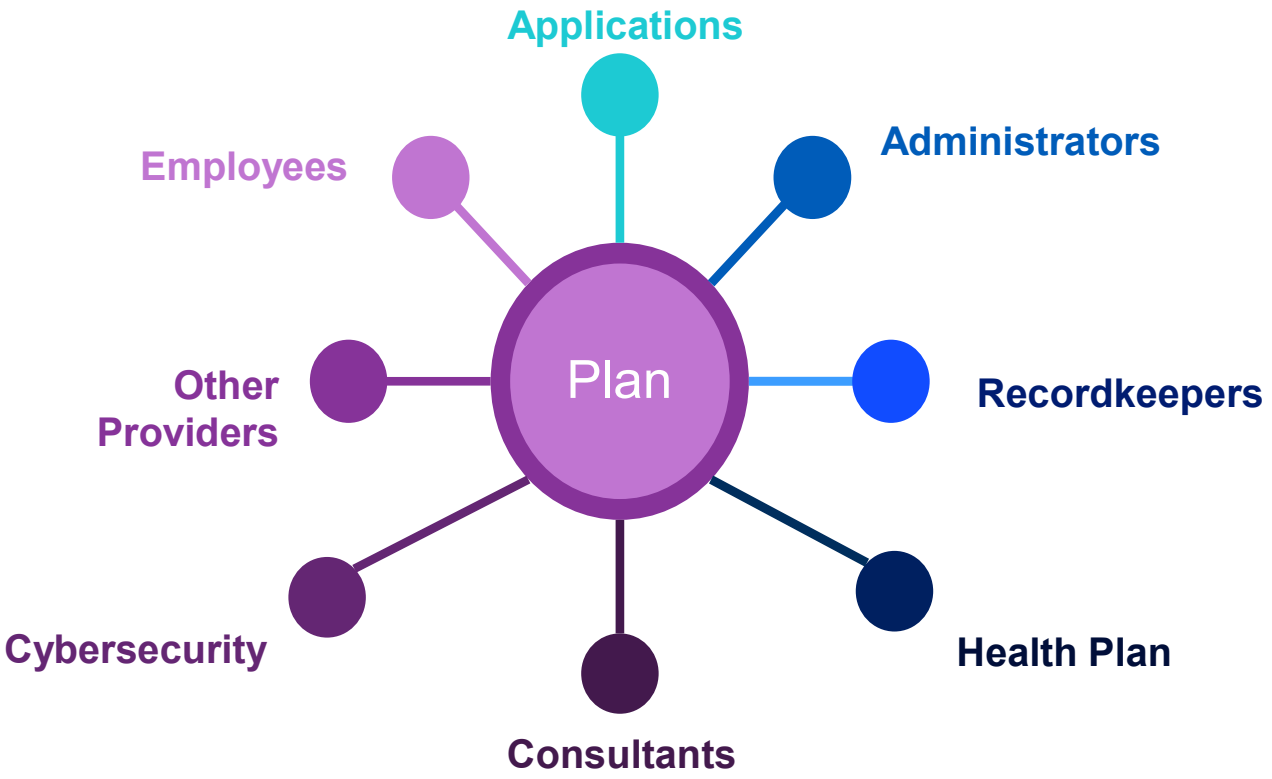
The Question has Changed

Not only:

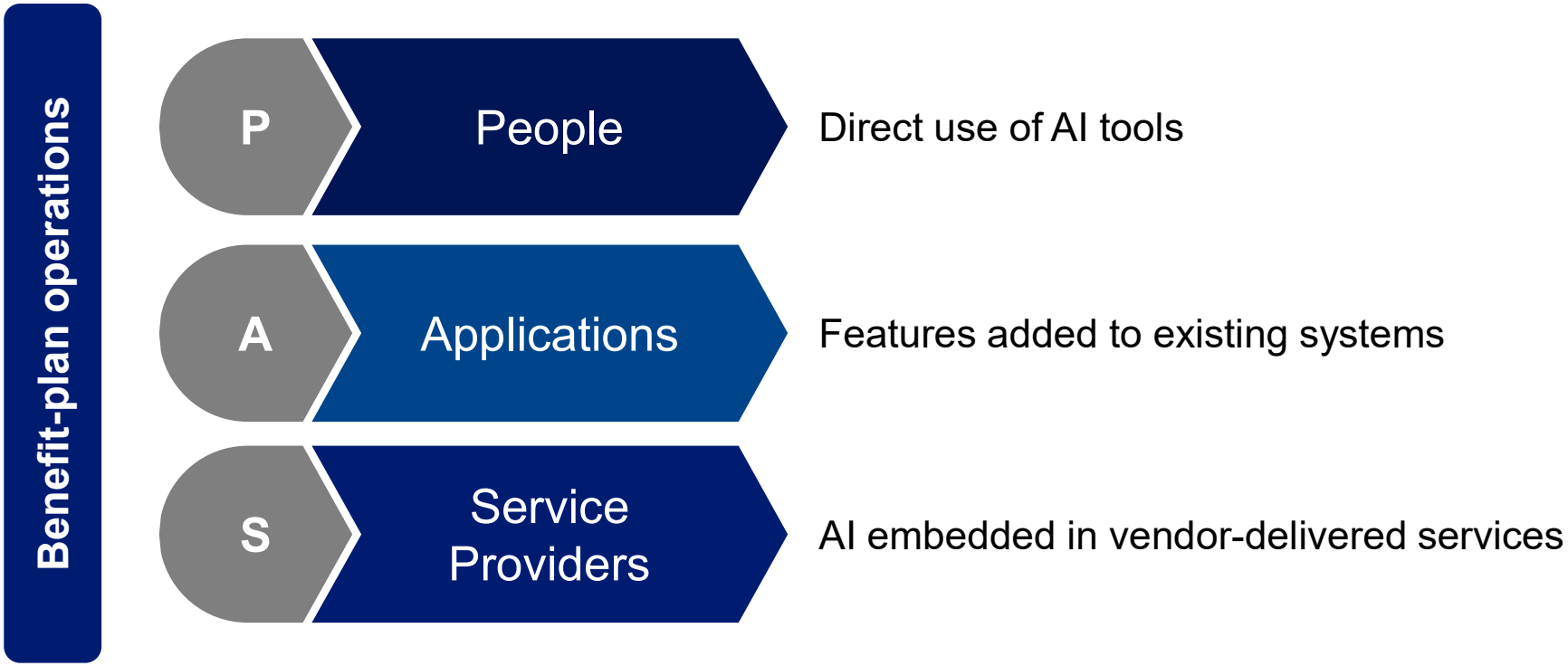
"Are we using AI?"

But:

"Where is AI influencing the services, information, and decisions on which the plan relies?"



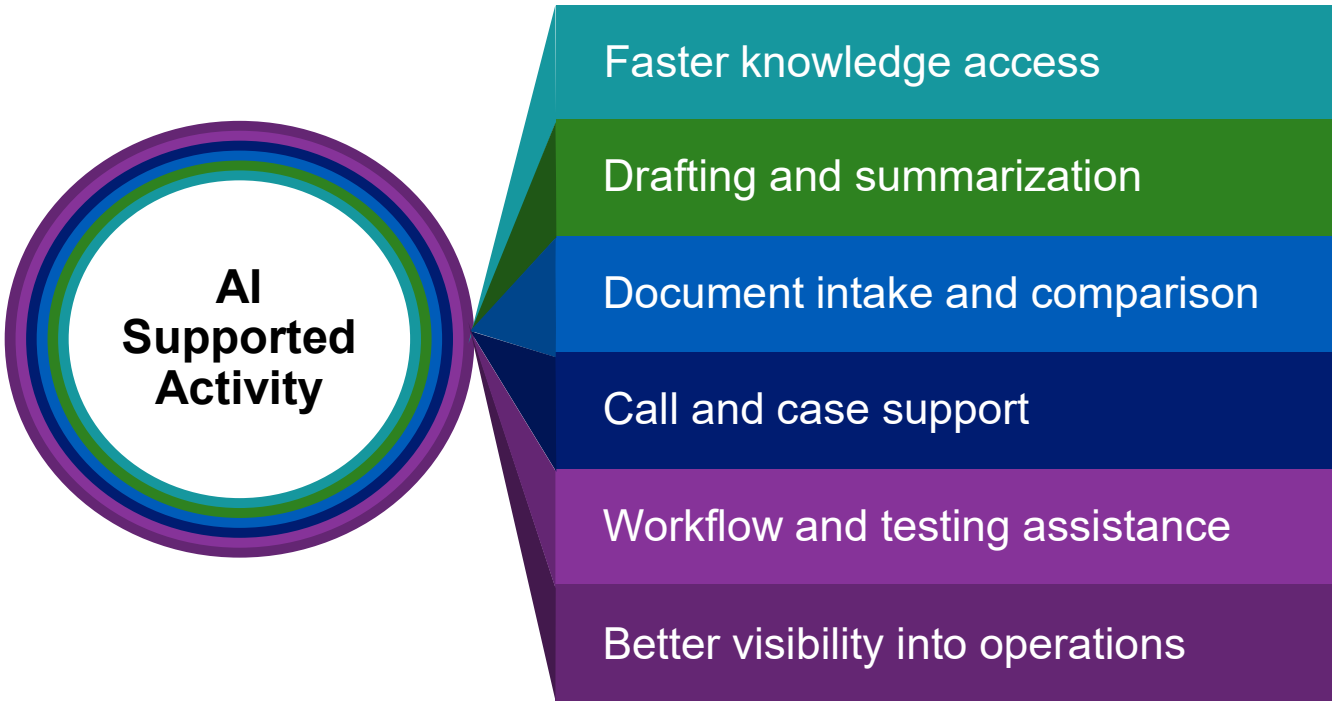
AI Enters Through Three Paths



You may inherit AI without making a separate AI purchase.

AI Can Create Real Value

Fragmented Inputs



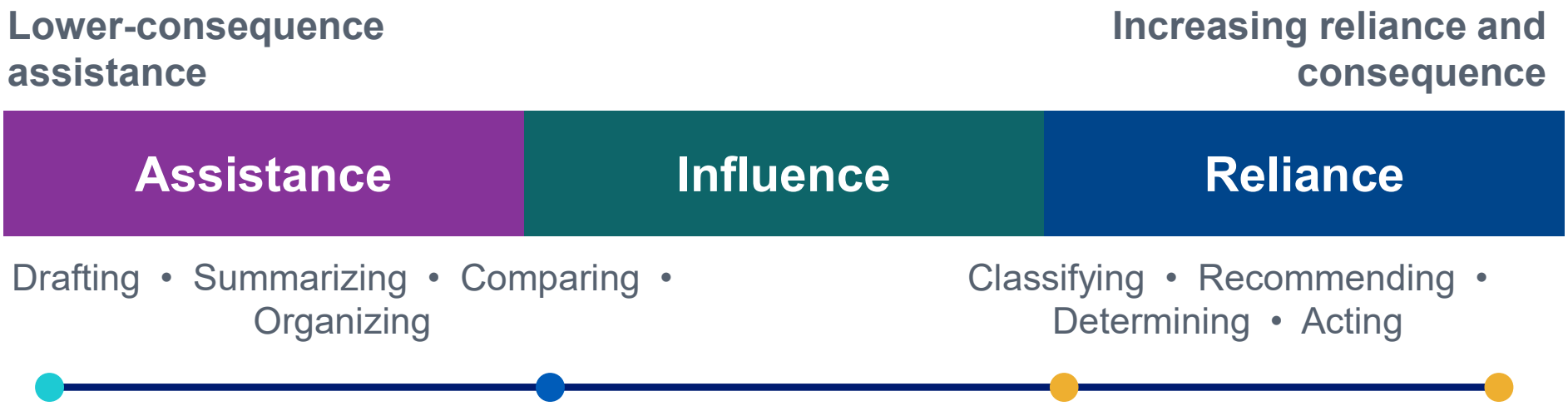
Reviewed Work Product



Reviewed • Traceable • Usable

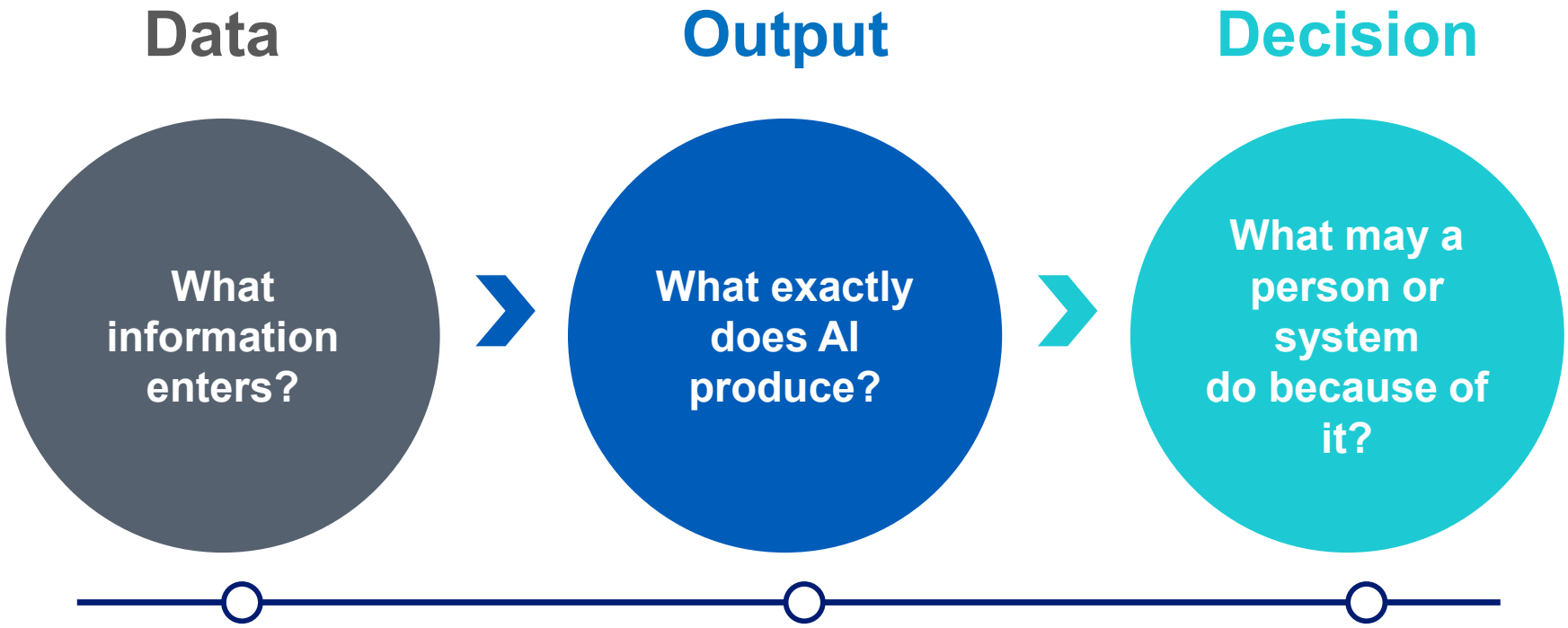
Value is strongest when the work is bounded, reviewable, and measurable.

Assistance is Not the Same as Reliance



Accuracy always matters. Reliance determines consequence.

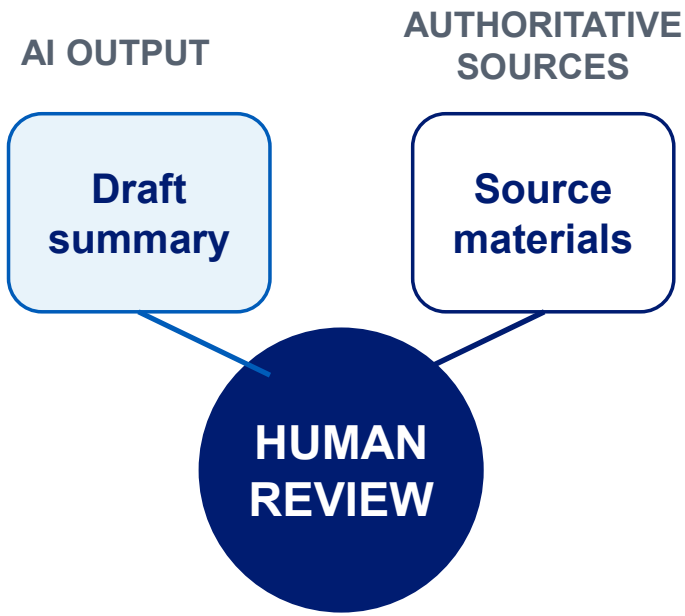
A Simple Framework



Assign responsibility at every consequential handoff.

Human Review Must be Meaningful

1. **Relevant expertise**
2. **Access to authoritative sources**
3. **Sufficient time**



4. **Authority to challenge or override**
5. **A clear escalation path**

The reviewer needs all five enabling conditions.

A human in the process is not necessarily human oversight.

Vendor AI is Plan AI



Use

Where and how is AI used?



Data

What data is involved?

Is it used for model improvement?

What other providers are involved?



Control

Can the capability be configured, limited, or disabled?

What monitoring and incident processes apply?

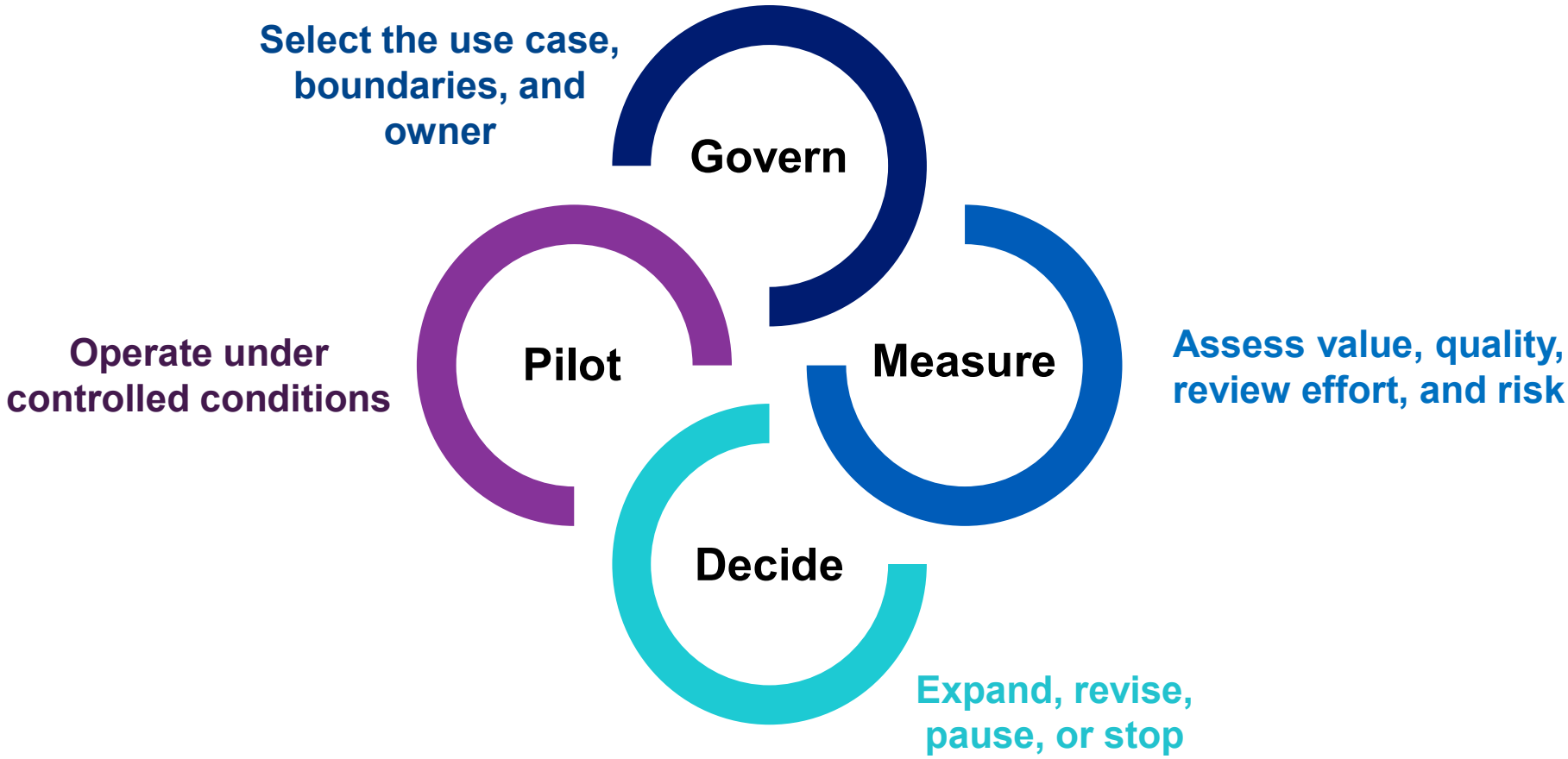
Make vendor AI visible, comparable, and governable.

Oversight Does Not End at Procurement



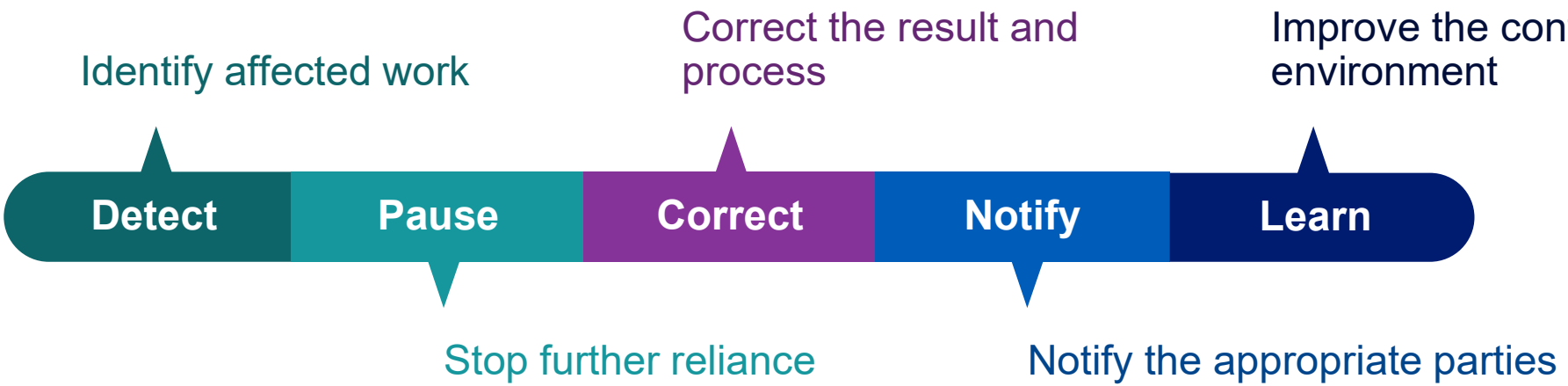
Before → During → Exit

Prove Value Under Controlled Conditions



Plan for Correction Before the Error

When something goes wrong:



Feed lessons back into governance

Correction readiness is part of AI readiness.

Five Questions Leaders Should Ask Now

1. Where is AI already present?
2. What information does it receive?
3. What output does it produce?
4. What may happen because of that output?
5. Who can review, override, correct, and remain accountable?



AI is Already Becoming Part of the Benefit-Plan Operating Environment

The objective is not maximum adoption.

- **Useful innovation**
- **Proportionate governance**
- **Visible vendor accountability**
- **Meaningful human judgment**

Know where AI enters. Understand what follows. Preserve accountable authority.

CALIBRE

Q&A

2026 Employee Benefit Plan Conference

CALIBRE CPA GROUP, PLLC
November 19, 2026



Washington, DC	202.331.9880
Chicago, IL	312.655.0037
New York, NY	212.695.1300
Los Angeles, CA	213.341.4684

866.454.2839 toll free | calibrecpa.com

© CALIBRE CPA GROUP, PLLC