



# Independent Assessment Report

**ABC**

## CEFEX Retirement Plan Service Provider Certification



### Service Provider Definitions

Recordkeeping: Bookkeeping for retirement plans' trading transactions and individuals' accounts (the major activity in recordkeeping).

Administration: Administrative functions including compliance testing against relevant pension and tax laws and filing of government reports such as form 5500.

**SECTION 1 – COMPANY INFORMATION**

CEFEX File No.: CFX10654  
 Company Name: ABC Retirement Group  
 Address: 74 Batterson Park Road, Floor 1, Farmington, CT 06032, USA  
 Phone: 860.606.0977

**SECTION 2 – ASSESSMENT DETAILS**

Date of Registration: 2025.12.31

Assessment Number: Initial

Assessment Team:

Position	Name	Company
Lead Analyst	Thomas Welsh	CEFEX

**CEFEX Registration Committee (CRC)**

The CEFEX Registration Committee is responsible for ensuring the consistency, impartiality and technical merit of CEFEX assessments. Members of the CRC include: David A. Vriesenga, Senior Partner Vriesport Consulting Services, Carlos Panksep, Vice President, CEFEX and CEFEX Analysts as required.

**Attestation**

The Lead Analyst is independent of the registered firm. He/she has not been employed or compensated by the registered firm for a period of at least 2 years prior and 6 months following this assessment, for the purposes of providing consulting services for this certification.

The Lead Analyst has the expertise and proficiency to perform this assessment. The Analyst must also hold at least one of the following designations: Qualified 401(k) Administrator (QKA), Qualified Pension Consultant (QPA), Certified Pension Consultant (CPC) or Fellow, Society of Pension Actuaries (FSPA).

**Purpose and Scope of this Assessment:**

To evaluate the firm’s conformance to the practices and associated criteria as defined in the document “*Standard of Practice for Retirement Plan Service Providers*” (the Standard) for the declared scope of registration.

A full copy of the Standard which is the basis for this assessment, can be found in the Standard [here](#)

The scope of registration is as follows:

*Third Party Administration Services*

**Summary of Assessment Methodology:**

The assessment requires that the Analyst plan and perform a review of a representative sample of the firm’s written records, interviews with appropriate personnel of the firm and, on a test basis,

evidence supporting the actions taken by the firm in providing services to its clients. Assessment elements include:

- Document review including organization chart, financial statements, partnership agreements, mission statement, business plan, succession plan, client materials, risk management policy, service agreements, vendor agreements, operational flow charts, policy manuals, Conflict of Interest manual, SOC Type 2 or SSAE16 audit report (if applicable), sales/marketing policy, proof of insurance, and trading procedures.
- Historical review of operations including number of vehicles and staff turnover.
- Review of client types including concentration.
- Review of affiliations and/or alliances with other Service Providers.
- Review of Information Technology including record retention policy, maintenance plan, development plan, disaster recovery plan, and security measures.
- Review of human resource functions including job descriptions, staff credentials and training programs.
- Financial statement analysis, as described in Section 3 below.

SAMPLE

**SECTION 3 - ASSESSMENT FINDINGS**

The following Practices were assessed within the 3 months prior to the Date of Registration shown above and found to be in conformity.

No.	Practice	Status
1.1	<b>Senior management demonstrates expertise in its field, and there is a clear succession plan in place.</b>	Conforms
	Detail: 1.1.1 The organization has the depth of experienced management to mitigate key man risk. 1.1.2 There is a defined succession plan for senior management to deal with sudden, unexpected disruption. 1.1.3 The recruiting process for senior management includes proper background checks and active involvement by external management.	
	Substantiation: Coming soon. Please see CEFEX Analyst.	
1.2	There are clear lines of authority and accountability, and the mission, operations, and resources operate in a coherent manner.	Conforms
	Detail: 1.2.1 There is a well-defined mission statement for the organization as a whole that is communicated to all levels of personnel. 1.2.2 There is a focus and coherence to the organization. 1.2.3 Significant organizational changes are reported to clients on a timely basis. 1.2.4 There is a disciplined performance review process. 1.2.5 The roles and responsibilities of all parties are defined and documented.	
1.3	The organization has the capacity to service its client base.	Conforms
	Detail: 1.3.1 The organization has a suitable distribution and support structure (physical locations and staff) for each type of client. 1.3.2 The organization provides timely and appropriate communications with clients. 1.3.3 The organization monitors and manages the concentration of individual clients and client types. 1.3.4 The organization can demonstrate that it has the capability to process instructions in accordance with its service contracts. 1.3.5 There is a well developed methodology for providing investment options and/or trading platforms.	
1.4	Information systems and technology have a strong infrastructure, staff support and are adequately secured.	Conforms
	1.4.1 The organization has a well documented technology plan addressing hardware and software maintenance and development needs. 1.4.2 Back-up procedures and disaster recovery plans are in place. 1.4.3 The organization has up-to-date technology, which is supported by qualified staff.	

	1.4.4 There are adequate processes and procedures to ensure that client assets and information are protected from theft and embezzlement.	
1.5	The organization has developed programs to attract, retain, train and motivate employees.	Conforms
	<p>Detail:</p> <p>1.5.1 Employees demonstrate an understanding of how their individual tasks and objectives fit with the organization’s mission statement.</p> <p>1.5.2 A formal system is in place to foster open communications from employees at all levels, including questions, comments and complaints.</p> <p>1.5.3 Well-defined employee training and professional development programs are available.</p> <p>1.5.4 Compensation and benefit packages are competitive and suitable for attracting qualified employees.</p>	
	<b>Substantiation</b>	
1.6	There is a formal structure supporting effective procedural and operational oversight.	Conforms
	<p>Detail:</p> <p>1.6.1 The organization has defined policies and procedures that are kept current.</p> <p>1.6.2 There is a regular management review process to ensure that policies and procedures are appropriate.</p> <p>1.6.3 The organization has an appropriate quality control process.</p> <p>1.6.4 A formal review system exists to ensure that the organization upgrades its policies and procedures in order to meet regulatory changes as they occur, that affect its business type.</p>	
1.7	There is an effective risk-management process to manage the organization’s business risk.	
	<p>Detail</p> <p>1.7.1 There is an effective process for evaluating business risk and ensure business continuity.</p> <p>1.7.2 The organization has adequate and current proof of comprehensive general liability and errors and omissions insurance coverage.</p> <p>1.7.3 The organization has defined policies and procedures and designated senior staff tasked with the responsibility of overseeing and managing the organization’s conflicts of interest policies.</p> <p>1.7.4 Service agreements and contracts are in writing, and the terms serve the needs of plan fiduciaries.</p>	
2.1	The organization provides disclosures which demonstrate that there are adequate resources to sustain operations.	Conforms
	<p>Detail:</p> <p>2.1.1 Standard financial statements or executive disclosures provide evidence of adequate resources to sustain operations.</p>	
	<p><b>Substantiation</b></p> <p>The CEFEX assessment requests indicators of corporate stability including years of operation, capitalization, and audited financial statements at the firm. If independently audited or reviewed financial statements are not available, the CEFEX assessment seeks evidence for Practice 2.1 by reviewing compiled financial statements and/or the firms tax returns. The analysis compares calculated indicators to industry indicators aggregated by the Risk Management Association (“RMA”). The indicators comprise 14 financial ratios for liquidity, coverage, leverage and operations, most commonly used by commercial bank loan committees to assess the credit worthiness of loan applicants. The comparison to other recordkeeping and administration firms helps determine whether or not the firm has sufficient resources to operate.</p>	

	Also, any substantial discrepancy (ie. greater than 10%) between the candidate's compiled statements and its tax returns may cause a more detailed investigation by the CEFEX Analyst. A discrepancy may reduce the reliability of a candidate's financial statements.	
2.2	The organization maintains defined business strategies which support its competitive positioning.	Conforms
	Detail: 2.2.1 The organization has a discernable business plan to develop the organization. 2.2.2 The organization demonstrates an effective process that fosters service and product innovations.	
	<b>Substantiation</b>	
2.3	There is an effective process for allocating and managing both internal and external resources and vendors.	Conforms
	Detail 2.3.1 The organization has a competitive evaluation process for selecting service providers. 2.3.2 The organization has a review process in place to assess the performance of internal and external service providers.	
2.4	There is adequate and appropriate disclosure and delineation of the cost of services provided to each client serviced.	Conforms
	Detail: 2.4.1 The organization can demonstrate policies and procedures that ensure that costs are appropriately delineated, properly accounted for and disclosed to clients. 2.4.2 The organization can demonstrate that fees paid to the organization by the administered vehicle are disclosed to clients. 2.4.3 Procedures exist to determine if fees paid by the administered vehicle are commensurate with governance document provisions. 2.4.4 The organization has a process to identify and disclose to plan fiduciaries all fees and expenses associated with the plan, including investment products in the plan, internal expenses of the investments products as well as expenses of any accompanying vehicles such as group annuity contracts paid by the plan sponsor, plan or plan participants. (This information is presented in a manner to allow the plan fiduciaries to determine the total plan cost and compare it with alternatives and against benchmarks to determine reasonableness.) 2.4.5 The organization has a process to identify and disclose to plan fiduciaries any money or value to include but not be limited to, commissions, 12-B1 fees, shareholder service fees, etc., which may be paid to anyone as a result of the plans investments. (This information would enable fiduciaries to determine if conflicts of interest (real or potential) exist with any of the service providers.) 2.4.6 The organization has the capability to offset plan costs and report the offset to plan fiduciaries at the plan sponsor, plan and or participant level, to the extent any money as defined in 2.4.5 exists in accordance with written plan contracts and agreements if applicable.(This is necessary because in some cases the offset is to be contractually applied to the plan sponsor, the plan or the plan participants.) 2.4.7 Fees generated from investments or third parties that benefit the organization or any specific client are fully disclosed.	
	<b>Substantiation</b>	

	Responsible fiduciaries should review information regarding fees and potential conflicts when engaging a retirement plan service provider. To comply with best practices, companies should provide disclosures to existing and potential clients in areas such as compensation and conflicts of interest. The CEFEX Assessment includes a review of the Service Provider’s service agreement, marketing material and invoices to verify whether it is making appropriate disclosures.	
2.5	The organization has responsible and ethical reporting, marketing, and sales practices.	Conforms
	Detail: 2.5.1 Documented guidelines are applied for sales and marketing practices. 2.5.2 There is management or a legal and compliance review (if applicable) of all marketing communications. 2.5.3 There is a defined policy for remuneration of third-party representatives. 2.5.4 There is a documented and disclosed process for selection of third parties that provide operational access to, and processing of, investment options.	
3.3	Detail 3.3.1 There is an adequate information retention policy. 3.3.2 Recordkeeping and administrative information is sufficiently reliable, comprehensive, and accessible to allow fiduciaries and other authorized parties to prudently evaluate the service provider’s capabilities, costs and performance. 3.3.3 Recordkeeping and administrative information is reported to authorized parties in conformance with contractual and regulatory obligations.	Conforms
	Administration activities are performed in a timely and accurate manner.	
3.4	Detail: 3.4.1 Systems and services are capable of operating and administering the plan in accordance with its submitted governance document and the provisions therein. 3.4.2 Compliance procedures are performed properly, timely and completely in accordance with Internal Revenue and Department of Labor rules and regulations. 3.4.3 Form 5500 and 1099R returns (if applicable) are completed properly and filed on a timely basis in accordance with Internal Revenue and Department of Labor rules and regulations. 3.4.4 There is adequate coordination with fiduciaries and/or plan sponsors to maintain relevant and accurate data related to key employees, control groups or affiliated employees or employers. 3.4.5 Compliance activities are performed by staff with appropriate qualifications. 3.4.6 Policies, procedures and appropriate management oversight exists to ensure plan continuity at all times.	
	There is a process to periodically review the organization’s effectiveness in meeting its client responsibilities.	
4.1	Detail: 4.1.1 Reviews are conducted at planned intervals to determine whether appropriate policies and procedures are in place and such policies and procedures are effectively implemented and maintained. 4.1.2 Reviews are conducted in a manner that ensures objectivity and impartiality.	Conforms

## **SECTION 4 - ASSESSMENT CONCLUSIONS AND RECOMMENDATION**

Based on the findings obtained during the Assessment, the Company is in substantial conformity to the Standard, and is recommended for CEFEX registration.

This assessment has been reviewed by the CEFEX Registration Committee to maintain impartiality and consistency in the registration process. For details on the complete assessment process, please visit [www.cefex.org](http://www.cefex.org)

### **Note to Report**

The information contained in this report is a summary of an assessment conducted by CEFEX, Centre for Fiduciary Excellence and is valid for 1 year from the Date of Registration shown. The report is suitable for public distribution at the discretion of the certified firm. For any questions related to this report, please contact CEFEX at [cefexadmin@broadridge.com](mailto:cefexadmin@broadridge.com).

The certification is not a source of legal or investment advice, a financial audit or expression of opinion regarding the completeness or accuracy of financial statements, a compliance or regulatory audit, a guarantee that the firm is in compliance with applicable fiduciary laws or standards, or a guarantee that the firm is adhering to the standard with respect to any specific client.

CEFEX, Centre for Fiduciary Excellence is an independent certification organization, and is part of Broadridge Fi360. CEFEX works closely with industry experts to provide comprehensive assessment programs to improve the fiduciary practices of investment stewards, advisors, recordkeepers, administrators and managers.

Broadridge Fi360 is a fiduciary education, training and technology company, and helps financial intermediaries use prudent fiduciary practices to profitably gather, grow and protect investors' assets. Since 1999, the firm has provided financial professionals with the tools necessary to act as a fiduciary in their work with investors. Broadridge Fi360 is also the home of the Accredited Investment Fiduciary® (AIF®) designation, the Fiduciary Focus Toolkit™ and the Fi360 Fiduciary Score®.

