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The Importance of Hiring a High-Quality Auditor for Your Employee Benefit Plan

ERISA

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This week, the Department of Labor (DOL) began issuing formal notifications to companies regarding the importance of selecting a qualified CPA firm that has the expertise to perform a high-quality audit. An inadequate audit puts your plan assets as well as your plan fiduciaries at risk. The DOL recently completed a study that found that almost 40% of all employee benefit plan audits had significant deficiencies.

Employee benefit audits are unique and should be performed by a CPA who has expertise to perform the audit in accordance with professional standards.

CONSIDERATIONS WHEN HIRING A CPA FIRM FOR YOUR EMPLOYEE BENEFIT PLAN AUDIT

1. The number of employee benefit plans the CPA audits each year, including the types of plans;
2. The extent of specific annual training the CPA received regarding auditing plans;
3. The status of the CPA's license with the applicable state board of accountancy;
4. Whether the CPA has been the subject of any prior DOL findings or referrals, or has been referred to a state board of accountancy or the American Institute of CPAs for investigation; and
5. Whether or not your CPA's employee benefit plan audit work has recently been reviewed by another CPA (this is called a "Peer Review") and, if so, whether such review resulted in negative findings.

Considering these factors and other points in the DOL's pamphlet "Selecting an Auditor for Your Benefit Plan" (see link below) can help you to obtain a high-quality audit and protect your plan assets and plan fiduciaries.

As a member of the AICPA Employee Benefit Plan Audit Quality Center since the center's inception, Schneider Downs performs more than 250 plan audits on an annual basis, including defined contribution, defined benefit, health and welfare and ESOP plans. Our professionals receive 8-10 hours of specific training regarding the unique aspects related to employee benefit plan audits. We attend the AICPA National Employee Benefit Plan Conference and regularly participate in the AICPA Employee Benefit plan Audit Quality Center webinars offered throughout the year. [If you have any questions please contact us and visit our Employee Benefit Plan services page to learn about our ERISA services.](#)

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