

Commitment to Quality - Why Auditor Selection Matters



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The Department of Labor (DOL) has begun the process of sending letters to plan administrators of employee benefit plans across the country to discuss the importance of having a quality plan audit performed. As you are aware, in most cases, employee benefit plans with 100 or more participants are required to have an independent audit as part of the annual Form 5500 filing. The selection of a qualified, independent auditor is one of the most important duties for a plan sponsor, trustee, or administrator. An independent audit provides interested parties, including the DOL, with information regarding the plan's assets, liabilities, income, and expenses. The audit process assists management to improve the plan's operational efficiencies, internal control, and compliance with regulations.

The DOL has recently completed a study of audit quality based on review of audit work from a wide variety of firms, and the results were disappointing. The study found that serious problems existed with nearly 40 percent of employee benefit plan audits performed nationwide. Auditors who conduct audits without the proper experience, training, and dedication to quality hurt our profession and place plan sponsors at risk for increased DOL scrutiny and civil penalties.

At Weyrich, Cronin & Sorra (WC&S), we take the quality of our employee benefit plan audit work very seriously. We are proud of the work that we do, and we would like to share with you some of the ways that we are committed to providing you with a high-quality audit.

- WC&S has a specialized team in place to perform audits of employee

To learn more
about Dave, Jeff,
and our employee
benefit plan audit
practice, visit our
website at
www.wcscpa.com.

benefit plans. Our employee benefit plan audit practice is overseen by a partner with 25 years of experience. Audit planning, fieldwork, and wrap-up are overseen by managers with between 15 and 20 years of experience in the employee benefit plan area.

- We provide audit services to a wide variety of plans, such as 401(k), 403(b), pension, health & welfare, and ESOPs, and including both single-employer plans and multi-employer plans. On an annual basis, WC&S provides audit services to approximately sixty plans.
- WC&S is a member of the AICPA Employee Benefit Plan Audit Quality Center (EBPAQC). EBPAQC members must meet several membership requirements, including maintaining a program to ensure specific continuing professional education (CPE) requirements, participation in EBPAQC events, documenting and maintaining policies and procedures specific to the firm's ERISA employee benefit plan audit practice, and establishing an internal inspection. We routinely attend both regional and national conferences to stay up-to-date with the latest developments involving employee benefit plans and the related audit and financial statement disclosure requirements.
- WC&S is a member of the American Institute of Certified Public Accountants (AICPA) and Maryland Association of Certified Public Accountants (MACPA). As a member of these associations, WC&S is enrolled in the Peer Review Program. The peer review process evaluates the quality of our firm's attest services, techniques, processes, and continuing education of our staff. Firms can receive a rating of pass, pass with deficiency(ies), or fail. WC&S received a "pass" rating in peer review, the highest rating available.

We believe that a quality annual audit is the best mechanism to ensure that a plan is in compliance with the law and to protect the plan sponsor. We would be pleased to discuss any specific questions that you may have about the audit process.

Weyrich
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CHARTERED

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