

# Selecting an Auditor for Your Employee Benefit Plan



## Selecting an Auditor

You buy a camera. But what you want are *memories*. You buy running shoes. But what you want is *exercise*.

You hire an accounting firm. But what you want is ***peace of mind***.

You want the confidence that the financial end of your business or personal life is in the hands of people with a history of success.

Any certified public accountant can claim to be an employee benefit plan expert. But there are three essential components your auditor should have to ultimately deliver that peace of mind...

# 1. Experience is Key

One of the most common reasons for deficient accountants' reports is the failure of the auditor to perform tests in areas unique to employee benefit plan audits. The more training and experience that an auditor has with employee benefit plan audits, the more familiar the auditor will be with benefit plan practices and operations, as well as the special auditing standards and rules that apply to such plans.

Accordingly, you should make sure that your auditor considered the following areas:

- Whether plan assets covered by the audit have been fairly valued;
- Whether plan obligations are properly stated and disclosed;
- Whether contributions to the plan were timely transmitted to the trust;
- Whether plan transactions such as contributions or benefit payments were made in accordance with plan terms;
- If applicable, whether participant accounts are fairly stated;
- Whether issues were identified that may impact the plan's tax status; and
- Whether any transactions prohibited under ERISA were properly identified and disclosed.

Your auditor's expertise is vital and in the best interest of plan participants, plan sponsors and most of all, plan fiduciaries.

Questions to Ask Your Auditor...

How many benefit plan audits do you usually perform each year?

- With enough experience under the auditor's belt, you don't have to spend time educating the auditor's staff on the mechanics of ERISA and the buzzwords of your industry.

Are you an ERISA specialist full-time or part-time?

- Determine if your auditor's staff performs benefit plan audits on a part-time basis or if the benefit plans is the sole specialty of the auditor. ERISA specialists are recognized and valued for their efficiency.

Do you know the industry players?

- Confirm your auditor performs multiple audits with most of the large service providers in the industry - only then will they be familiar with your type of records and operating procedures. An experienced auditor will likely know your service providers and have worked with them well in the past.

MNW performs over 500 employee benefit plan audits every year.

MNW is pleased to announce that the DOL auditors noted **no deficiencies** in their review.

## 2. Track Record of No Deficiencies

It is also prudent to determine if an auditor has been reviewed by the Department of Labor and if so, have any deficiencies been noted. In 2008, MNW was selected for review by the Department of Labor because the firm is one of the largest providers of employee benefit plan audits in the United States market. The DOL representatives made a selection of audits completed by the firm and reviewed MNW's procedures and processes as well as reviewing the actual audit work performed and the financial statements that were issued.

Auditors recognized and reviewed with no deficiencies by the DOL further supports their position as a leader in the employee benefit plan audit industry.



## 3. Employee Benefit Audit Quality Center Membership

Be sure to ask your auditor if they are a member of the AICPA's Employee Benefit Audit Quality Center. Their membership in this center will ensure that your auditor is kept abreast of the current audit requirements for employee benefit plans. Each member is also required to have one of its pension audits subject to "Peer Review" every 3 years by an independent CPA firm who has been authorized to perform such a review. The peer review report is then submitted to the AICPA. The AICPA helps ensure that CPAs are applying required professional auditing standards. This is very important because CPAs that are found to be grossly negligent could lose their practicing license.

MNW has been a member of the Employee Benefit Audit Quality Center since 2005.

# Conclusion

You want to select an accounting firm who makes the audit of your employee benefit plan audit go as smoothly as possible.

MNW provides everything you need in top quality employee benefit plan audits - we have the experience, the track record of no deficiencies, and the discipline to apply professional auditing standards.

Which gives you confidence. And peace of mind.

Why else would you hire an accounting firm?



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