

Selecting and Monitoring Auditors

Use the following questions offered by the DOL to evaluate auditors. Generally, ERISA requires employee benefit plans with 100 or more participants with a balance at the beginning of the plan year to have an audit as part of their obligation to file an annual return/report (Form 5500). If a qualified retirement plan is required to have an audit, then the plan sponsor (or other named fiduciary so designated) must hire an independent qualified public accountant. The following questions are designed to assist fiduciaries in selecting an auditor and reviewing the audit work and subsequent report.

SELECTING AND MONITORING SERVICE PROVIDERS		
	Question	Response
(1)	Is the plan auditor licensed or certified as a public accountant by a state regulatory authority as required under ERISA?	
(2)	Is the plan auditor independent of any financial interests in the plan or the plan sponsor that would affect his ability to render an objective and unbiased opinion about the plan's financial condition?	
(3)	Does the plan auditor have experience auditing ERISA covered plans?	
(4)	Has the auditor provided references and is his license valid and up-to-date?	

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(5)	<p>Does the auditor take the following into consideration when he audits an ERISA-covered plan:</p> <ul style="list-style-type: none"> • Whether plan assets covered by the audit have been fairly valued; • Whether plan obligations are properly stated and described; • Whether contributions to the plan were timely received; • Whether 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 prohibited transactions were properly identified. 	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> </table>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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(6)	Does the auditor provide a signed copy of the audit in a timely manner (i.e., in advance of the 5500 filing due date)?															
(7)	Does the auditor have a quality control mechanism in place to ensure that audits are accurate?															