

Top 10 Signs Your Employee Benefit Plan Needs a New Auditor



When Employee Benefit Plan Sponsors leave relationships with their audit firms, many cite bad service for the breakup. Some industry watchers speculate that many accounting firms are realigning their client base to accommodate more lucrative clients and projects--thus, ignoring mid-sized companies. Companies that sever ties with their audit firms are typically frustrated and disappointed. It goes without saying that they don't want the problems they encountered with the last firm to recur with the new one.

Why is the choice of an auditor important?

A quality audit will help protect the assets and the financial integrity of your employee benefit plan and ensure that the necessary funds will be available to pay retirement, health, and other promised benefits to your employees. A quality audit also will help you carry out your legal responsibility to file a complete and accurate annual return/report for your plan each year.

The Top 10 Signs Your Employee Benefit Plan Needs a New Auditor:

Because an incomplete, inadequate, or untimely audit report may result in penalties being assessed against you as the plan's administrator, selection of an experienced and reliable auditor is very important. Some of the most common grievances these companies cite about their auditors include:

1. Poor service and lack of responsiveness
2. High turnover of firm's accounting staff
3. Not proactive informing plan sponsors about their role as fiduciary
4. Do not understand the unique nature of the various types of benefit plans and how they operate
5. Auditor doesn't make suggestions for improving internal controls throughout the audit process
6. No dialog from auditors on the current industry developments.
7. Does not review contracts with third-party service providers and fee arrangements
8. Firm does not have the appropriate level of resources
9. The lack of a quality audit subjected my plan to regulatory agency inquiries.
10. Firm does not have a dedicated Employee Benefit Plan Practice



These issues can be difficult or impossible to correct once a firm is engaged. Employing a thorough, diligent selection process helps ensure that underachieving firms don't make the cut - and that the firm you choose exceeds all your expectations.

Selecting a new auditor

If your employee benefit plan is required to have an audit, one of the most important duties of the plan administrator is to hire an independent qualified public accountant. Even as deadlines loom, selecting and building a solid relationship with a new firm requires patience and commitment. Taking the time to find the right audit firm will best serve companies - both public and private - in the long run and will significantly ease the transition process.



The Freed Maxick & Battaglia Difference

As Western New York's largest public accounting firm, Freed Maxick & Battaglia, CPAs has a dedicated Employee Benefit Plan Group with the substantial resources, training and technical expertise to ensure quality employee benefit plan audits. When you engage Freed Maxick for your employee benefit plan audit needs, you can be assured that your plan and management will receive excellent service in a timely, professional, and personalized manner.

Service

If one word could describe our Firm's philosophy, it would be "involved". The organizational structure ensures that firm management is accessible and personally involved in your account.

Communication

We make a concerted effort to always be informed about any changes in our clients' employee benefit plans or changes in corporate structure.

Proactive Philosophy

We have assisted many clients in self-correcting operational errors in accordance with Internal Revenue Service's approved guidelines and to correct operational and compliance problems before they are discovered by the Internal Revenue Service or Department of Labor. We have also assisted clients in designing and implementing plans, selecting investment advisors and third-party administrators, and monitoring plan performance.

Depth of Talent and Technical Expertise

We currently perform approximately 75 employee benefit plan audits each year, and have a core group of 20 people who have been trained in the numerous rules and regulations impacting this highly specialized industry. Our annual audits consist of Defined Contribution Plans, Defined Benefit Plans, Employee Stock Ownership Plans and VEBA Plans. In addition, our people go through over 1,000 hours of CPE training (over a three year period) directly related to employee benefit plans.



Staff Continuity

Our firm takes great pride in its ability to attract and retain qualified professionals and our staff turnover rate is well below the national average of public accounting firms. Our director-to-staff ratio of one-to-five is significantly less than the national firms who are structured to work primarily through a less seasoned middle management group. Approximately 20% of our audit work is performed mainly by directors and managers who represent the most talented group of any certified public accounting firm. This helps us provide high quality service to your company and reduce the amount of turnover in the people that will be responsible for your account.

High Standards, Quality & Integrity

We are members of the American Institute of Certified Public Accountants Employee Benefit Plan Audit Quality Center. This program was established to help its members achieve the highest standards in performing quality employee benefit plan audits. Membership requires that Firms maintain a consistent level of quality with respect to audits of employee benefits plans and staff continuing education requirements. Our firm is a member of the Center for Public Audit Firms of the AICPA. Additionally, we are registered, and in good standing with the Public Company Accounting Oversight Board (PCAOB). We go through a rigorous peer review every three years to ensure the quality of our work is in accordance with our professional standards. Our most recent peer review was an unqualified opinion with no letter of comments, a rating that less than 15% of all firms obtain.

Resources

Our combined staff of over 200 professional and administrative staff ensures access to qualified professionals for timely service delivery. While Freed Maxick & Battaglia, CPAs, PC is a locally owned Firm, we have access to the resources of a national firm, RSM McGladrey, Inc., if those resources become necessary. RSM McGladrey is the 5th largest accounting firm in the country.

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