

A professional office setting with two women in business attire. One woman stands holding a document, while the other sits at a desk with a laptop, smiling. The background shows office shelves and another person. The image has a blue and yellow geometric overlay.

# *Employee Benefit Plan Audit Services*

MOWERY &  
SCHOENFELD



# *Congratulations on your growth!*

This is an exciting time of growth for your company. As you continue to create new jobs and opportunities, so too come additional responsibilities. **If you have over 120 eligible employees at the start of calendar year 2021, the Department of Labor (DOL) requires an audit of your employee benefit plan as of December 31, 2021.**

Employee benefit plan audits help protect the financial integrity of the employee benefit plan, ensuring the necessary funds will be available to pay retirement, health, and other promised benefits to participants and their beneficiaries.

**Selecting a qualified employee benefit plan auditor who has the expertise to perform an audit in accordance with professional auditing standards is a critical responsibility** in safeguarding your plan's assets and ensuring your compliance with the reporting and fiduciary requirements under the Employee Retirement Income Security Act of 1974 (ERISA). Substandard audit work can be costly to both plan administrators and sponsors as it jeopardizes plan assets and can result in significant civil penalties being imposed on the plan administrator by the Department of Labor.

Therefore, the DOL encourages all employers to **choose an audit partner wisely**. In the coming pages, we review the criteria the DOL has outlined for selecting your employee benefit plan auditor.

## **Meet Mowery & Schoenfeld**

Our Firm was founded in 1996 by members of large firms looking for a new, more personal way to do accounting. With a focus on building a community of the highest quality accountants—partnering each day with our diverse network of clients—we realize this vision.

Made up of 16 partners and over 120 total employees, our Firm ranks among the top 10 in the state of Illinois. We continue to grow our expertise, client base, and employee count each year. Our founders and leadership team remain accessible and involved in the growth and support of all staff members. We pride ourselves on being nimble and entrepreneurial while looking at all projects and engagements through the lens of our clients.

At Mowery & Schoenfeld, we diligently remind each other to frame every client relationship from the perspective of a **partner and problem-solver**—rather than a service provider. As you make your employee benefit plan auditor selection, do not hesitate to reach out with questions and please **consider our Firm to help you continue to grow!**

# Selecting Your Employee Benefit Plan Auditor

As a leader in your company's employee benefit plan, one of your most important fiduciary responsibilities is the selection of an independent, qualified auditor. You need assurance the plan has obtained a quality audit in accordance with ERISA and DOL requirements. A quality audit will help protect the assets and financial integrity of your Plan and make sure your Plan is in compliance with the law. Care should be taken to select and retain a CPA who possesses the requisite knowledge of plan audit requirements and expertise to perform the audit in accordance with professional auditing standards. To ascertain the qualifications of a CPA firm to perform a plan audit, you should consider the following factors:



## **The number and type of employee benefit plans the CPA audits each year**

Mowery & Schoenfeld, LLC audits a significant number of employee benefit plans annually. We have a dedicated Employee Benefit Plan Audit Lead with a focus on sharing extensive knowledge and experience with our clients. Our services consist of full scope and ERISA Section 103 (a)(3)(C) (formerly known as limited scope) audits of defined contribution plans.



## **The status of the CPA's license with the applicable state board of accountancy**

Mowery & Schoenfeld's partners and managers in the Employee Benefit Plan Audit Group are all licensed CPA's within the State of Illinois.



## **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 AICPA for investigation.**

Mowery & Schoenfeld has not been the subject of any prior DOL findings or referrals or referred to a state board of accountancy or the AICPA for investigation.



### **The extent of specific annual training the CPA received in auditing plans**

Mowery & Schoenfeld has more than 20 audit staff servicing the Employee Benefit Plan Audit practice. Each member is required to complete 40 hours of CPE (Continuing Professional Education) annually, with approximately 10 of those hours dedicated to plan audit quality and process. Additionally, certain members of our Employee Benefit Plan Audit Group attend the AICPA's and Illinois CPA Society's employee benefits conferences annually.



### **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 whether that review had a positive result**

Mowery & Schoenfeld is a member of the AICPA's Employee Benefit Plan Audit Quality Center, which requires Peer Review procedures every 3 years. Firms can receive a rating of "pass," "pass with deficiency(ies)," or "fail." Mowery & Schoenfeld, LLC's most recent Peer Review Report (dated December 17, 2020) received a rating of "pass."

# *Our Process*

You and your company have invested a lot in the employee benefit package provided to your team. Our goal is to ensure you continue to meet your fiduciary responsibilities so you can focus on your business and employees.

Our four-step approach to completing an employee benefit plan audit is designed to make the most efficient use of your time and resources. We are transparent and upfront in our timeline, costs, and expectations, and we will be available to answer questions and provide guidance throughout the process.

## **1 Planning**

- Gain understanding of the plan and sponsor
- Complete documentation of internal controls
- Evaluate SOC 1 reports to determine key controls

## **2 Audit Procedures**

- Complete the testing of plan-level financial information
- Perform testing including eligibility and data testing, participant contribution and allocation testing, participant loan testing, distribution testing, and compliance and timeliness of contribution remittances to the plan

## **3 Financial Statements and Management Letters**

- Assist with preparation of the plan's financial statements
- Provide recommendations and process improvements to management

## **4 Review of Form 5500**

- Provide feedback on the Form 5500 prepared by the plan's third party service providers and allow for timely filing with the regulatory agencies



1



## PLANNING

Meet with plan admins and provide audit request list. Select participant-level samples for testing.

2



## AUDIT

Perform plan and participant-level testing. Discuss and resolve any issues identified.

3



## REPORT

Prepare the plan's financial statements and letters. Present draft to management.

4



## REVIEW

Obtain approval to finalize the plan's financial statements and allow the filing of Form 5500.





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