



In 2007 alone the Department of Labor extracted \$1.5 billion from companies.

EMPLOYEE BENEFIT PLAN AUDIT SERVICES

A few questions to consider...

Does your auditor possess the necessary expertise and experience and are they up to date on all technical and professional guidance with respect to EBP audits?

Does your auditor perform a significant number of EBP audits?

Does your auditor understand how to fairly value plan assets?

Does your auditor consider the plan's definition of compensation when testing contributions?

Does your auditor belong to the AICPA Employee Benefit Plan Audit Quality Control Center?

Does your auditor have a clean peer review report?

Does your auditor give you expected completion dates?

Experience Matters More Than Ever

It's no secret, the U.S. Department of Labor (DOL) says that selecting the right auditor for your employee benefit plan audit is vital to the protection of your company and employees. The risks your company takes to save a small amount of money largely overshadows the short-term cost savings of taking a "lowest bid" approach. A high-quality audit by an experienced firm like White, Nelson can assist in protecting your plan and help you monitor available funds to pay future benefits to your employees, whether retirement, health or other. Additionally, since it is a legal obligation to complete an accurate annual report for your plan each year, penalties may be assessed to your organization should your audit report be insufficient or untimely, underscoring the need to select the right certified independent auditor.

It is important that the firm you select to perform your employee benefit plan audit is qualified and experienced like White, Nelson, a member of the American Institute of Certified Public Accountants' (AICPA) Employee Benefit Plan Audit Quality Center. Member firms are held to standards that demonstrate a commitment to audit quality and accuracy.



The DOL conducted over 3200 civil investigations in 2007. Almost 75% of them ended in monetary results or other corrective actions.

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One area in which we see many errors being made is that of benefit calculation and defining compensation. The definition of compensation in the plan document is a critical factor in calculating employee 401k contribution amounts. These amounts are often different due to bonuses, commissions, car allowances and other forms of compensation. We see many companies making errors in basic computations, an area that is highly reviewed in a Department of Labor audit.

White, Nelson & Co. is One of OC's Largest Local Certified Public Accounting and Tax Firms.

Why worry about the audit?

- The DOL has stepped up its enforcement activities dramatically, looking for prohibited transactions, delinquent remittances of 401k employee contributions and other ERISA noncompliance.
- ERISA holds plan administrators responsible for ensuring that plan financial statements are audited in accordance with generally accepted auditing standards (GAAS).
- Federal agencies and Congress have adopted tough new rules that place responsibility for mismanaged retirement plans squarely in the hands of company directors and officers.
- Both the DOL and IRS have developed audit programs that impose sanctions of up to 20% of plan assets for failing to manage a plan in accordance with the plan document, the Internal Revenue Code and ERISA requirements.

Take the time to meet with a professional from White, Nelson to discuss your company and its audit needs.

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