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## How not to hire an auditor for your ERISA plan

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It's ERISA audit time again. The regular tax season is winding down, and accountants will soon be turning their attention to ERISA plan audits. And if you're a plan sponsor whose plan is subject to an ERISA audit, selecting a plan auditor is a fiduciary function. So here are a few mistakes to avoid when selecting an auditor:

- *Don't go through a competitive bidding process, but automatically go with your corporate auditor.* Employee benefit plan auditing is a specialized field, and many otherwise capable accounting firms don't have the necessary experience.
- *Always select the one with the lowest price.* While cost is an important factor, it should not be the only reason an auditor is hired. Sometimes the old adage is true, "you get what you pay for."
- *Don't ask what training your auditors receive and what continuing education they get.* Consider whether they are involved with the [Employee Benefit Plan Audit Quality Center](#) at the American Institute of Certified Public Accountants (AICPA).
- *Don't be concerned about continuity of your audit team.* Accounting firms, like all firms, have employee turnover. You don't want to be charged for "training" a new plan auditor every year.

Your fiduciary responsibilities don't end after the selection process. You also have a duty to monitor. The law does not permit the Department of Labor (DoL) to take direct enforcement action against the plan auditor for a "bad audit", substandard work. The DoL can, however, take indirect enforcement action against the plan administrator, the person who engages a plan auditor, by imposing civil penalties. An experienced ERISA auditor is good insurance for you to meet your fiduciary responsibility, *and* to have a better managed retirement plan.