

Employee Benefit Plans

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Do You Need an Employee Benefit Plan Audit?

Do you sponsor a 401(k)? If you do, federal law may require you to obtain an annual independent audit. Plans that have 100 or more eligible participants are required to submit an audit report along with their annual return filing. Failure to complete an audit can result in the assessment of significant penalties against the plan sponsor. Smaller plans that don't require an audit also benefit from a third party audit or review. A recent Supreme Court ruling put plan sponsors at risk for lawsuit by plan participants if any fiduciary misconduct or plan mismanagement can be proven. An annual review is essential to mitigating potential risk and ensuring that your plan is managed properly.

Our Audit Services

An audit performed by Cassidy Schiller is the most detailed and extensive service we provide. Audits can be performed using a full-scope or a limited-scope approach. Either approach is acceptable to the Department of Labor. Full-scope audits result in an unqualified opinion with audit procedures performed on each area. Limited-scope audits disclaim an opinion on the audited financial statements.

As part of the audit engagement, Cassidy Schiller provides suggestions on operational aspects of your plan. These comments are drawn from our experience auditing a variety of plans. Cassidy Schiller will also review the SAS 70 report on controls provided by the third party administrator.

In order to complete an audit, Cassidy Schiller performs a review of Form 5500. Form 5500 is usually prepared by the plan's third party administrator. Once the review of Form 5500 has been completed, a final financial statement can be issued and attached to the return for the Department of Labor.

