

Ms. Hazel,

I am writing in response to the AICPA's exposure draft regarding "Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA". Rather than provide comments on the specific paragraphs within the proposed SAS, my comments below discuss an alternative method of improving the quality of EBP audits.

I don't believe the proposed changes will have the intended effect of improving audit quality. In my experience it is lack of knowledge regarding the complex nature of EBPs which results in poor audit quality. As my firm's "resident expert" I find myself constantly educating others within the firm on the nuances of EBPs and EBP audits. While the proposed changes (enhanced language in the audit opinion, etc.) will highlight some of the unique challenges of auditing EBPs, I believe requiring auditors to participate in CPE/training (as is required for yellow book audits) will be more effective in enhancing audit quality.

If firms are required to receive a certain amount of EBP specific training each cycle, those who choose to continue auditing EBPs will be better informed and more likely to improve the quality of their EBP audits while firms auditing only one or two EBPs may decide that it is not worth the time/money to continue performing EBP audits (thereby eliminating a large majority of the poor quality audits).

Thank you for considering my thoughts on this matter. Please feel free to contact me if you would like to discuss this issue further.

Sincerely,

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