

Employee Benefits Security Administration
29 CFR Part 2509
Response to Request for Information
Re: Independence of Employee Benefit Plan Accountants

December 11, 2006

Overview

Weinstein Spira & Company is a member of AGN International-North America, Inc, (AGN-NA), an association of 52 independently-owned and operated CPA/CA firms, located in 31 US states, 3 Canadian Provinces, Mexico and Puerto Rico. We audit in excess of 75 employee benefit plans for both public and privately-held companies.

Response

Over the past several years, the AICPA has worked with the EBSA to assist in improving audit quality and educating the profession on the EBSA requirements of the independent auditor. The AICPA has gone to great lengths to address independence rules over the last few years, and we believe that the EBSA should generally adopt the rules of the AICPA for the following reasons:

The AICPA rules represent a comprehensive policy that the profession has followed consistently over several years. Although less restrictive, the AICPA rules are more specific and current than the EBSA rules. We believe it would be beneficial to the profession to have the two governing bodies follow the same independence rules, as it will provide a consistent basis for accounting firms to monitor their independence.

With regard to financial interest, we also feel that the AICPA rules relating to this matter should be followed. Family attribution should not apply unless there is significant influence with regard to family members. We do not feel that any standard disclosures to plan clients regarding the accountant's firm and independence are needed, since our auditor's report indicates that we are independent. Finally, we do not believe EBSA needs to specifically address "appearance of independence".

The AICPA rules define the services that a firm can provide without impairing its independence. We suggest that the EBSA clearly define the difference between organizing records versus creating records. Other than that, we agree with those services listed by the AICPA and request that the EBSA adopt those same guidelines relating to services provided by a firm.

The EBSA rule relating to independence covering the period of professional engagement, at the date of the opinion and during the period covered by the financial statements, is too restrictive. We feel that the time frame should exclude "the period covered under the financial statements". Also, with regards to the phrase "direct financial interest", we feel this is too restrictive and should follow the AICPA's guidance of significant influence.

EBSA has posed the question as to whether there should be provisions for plans that have audit committees to approve the auditors. In many instances, audit committees do not oversee the employee benefit plan audits of the companies. We do not feel that there is significant benefit to having an audit committee approve our engagement and that more appropriate approval would be by the plan sponsor.

With regard to the inquiry of the Department relating to procedures in referring accountants to the state licensing boards, we feel that following the AICPA's guidelines in these instances is sufficient.

Conclusion

Overall, we believe that EBSA should adopt the AICPA's independence rules with consideration of the items noted above. We feel that the consistency in rules between the two organizations will improve audit quality.

Sincerely,

WEINSTEIN SPIRA & COMPANY

Dianne Peckham