



Report on the Firm's System of Quality Control

To the Partners of Cooper Arias, LLP
and the Peer Review Committee of the
Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Cooper Arias, LLP (the firm) in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

The firm's quality control policies and procedures regarding engagement performance have not been complied with to provide reasonable assurance that audit engagements are consistently performed in accordance with professional standards. The firm requires the use of certain third-party peer reviewed practice aids, including audit programs; however, for several key audit areas firm developed materials are substituted. Furthermore, the firm does not have adequate procedures in place for ensuring the reliability of the firm developed materials. During our review we noted numerous instances where procedures were inadequately documented. These issues included: internal controls description, evaluation and testing thereof, walkthroughs; risk assessment not documented appropriately including consideration of assertions, management override of controls as a fraud risk and control risk assessed at less than high without appropriate testing, and management's use of a specialist. On a Single Audit, there was insufficient documentation of audit evidence examined during compliance testing and determination of whether the entity was a low risk auditee. In our opinion, this contributed to two audit engagements performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act that did not conform to professional standards in all material respects.

Opinion

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of Cooper Arias, LLP in effect for the year ended June 30, 2020 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Cooper Arias, LLP has received a peer review rating of *pass with deficiency*.

Flaherty Salmin LLP

Rochester, New York
March 19, 2021