

## Report on the Firm's System of Quality Control

February 18, 2022

The Owner of Buel CPA, P.C.  
and the Peer Review Committee  
of the Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Buel CPA, P.C. (the firm) in effect for the year ending May 31, 2021. 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](http://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 a 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.

## Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. 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 third-party practice aids, including audit programs. During our review we noted numerous instances where procedures were inadequately documented. These issues included: significant audit areas not properly identified, missing audit programs, control risk assessed as less than high without appropriate testing, inadequate documentation of controls related to information technology and journal entry testing. On a Single Audit there was insufficient documentation of controls over compliance, controls over the preparation of the Schedule of Expenditures of Federal Awards, testing of the schedule of employer allocations for a government defined benefit plan, testing of the census for other post-employment benefits, and testing of other post-employment benefits expense. 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.
2. The firm's quality control policies and procedures regarding monitoring require the firm to perform and document monitoring procedures on all elements of the firm's quality control system to determine whether the firm has complied with professional standards, applicable legal and regulatory requirements and its stated quality control policies and procedures. During our review we noted that the firm failed to document the monitoring procedures performed and the results of those procedures. Furthermore, the procedures performed were inadequate as they failed to identify the issues noted above.

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Buel CPA, P.C. in effect for the year ended May 31, 2021 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*. Buel CPA, P.C. has received a peer review rating of *pass with deficiencies*.

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