

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Principals of Glenn Burdette Attest Corporation,
and the California Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Glenn Burdette Attest Corporation (the firm) in effect for the year ended May 31, 2017. 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 compliance audit under the Single Audit Act) and audits of employee benefit plans).


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 requires all personnel to complete the required continuing professional education (CPE) to provide reasonable assurance that the personnel have the competence necessary to perform engagements in accordance with professional standards. During our review, we noted the firm's personnel did not have the necessary competence when assessing the risk assessment for internal control at low or moderate for significant audit assertion and the linkage of the necessary test of effectiveness of control performed. This was noted on all the audits of employee benefit plans and engagements performed under *Governmental Auditing Standards*. In addition, we noted the firm's personnel did not have an understanding of the required documentation for the evaluation of the SOC 1 report, including the sufficiency of the period covered, audit areas covered and sufficiency of testing and carve out from the report, user controls, and evaluation of the SOC 1 auditor and the firm design of the required audit procedures and reliance on internal controls. This was noted on all audits of employee benefit plans. In our opinion, this systematic problem contributed to audits of employee benefit plans that did not conform to professional standards in all material respects.

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Glenn Burdette Attest Corporation in effect for the year ended May 31, 2017, 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*. Glenn Burdette has received a peer review rating of *pass with deficiencies*.



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