

Report on the Firm's System of Quality Control

October 24, 2018

To the Partners of Matthews, Carter & Boyce, P.C., and the AICPA National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Matthews, Carter & Boyce, P.C. (the firm) in effect for the year ended April 30, 2018. 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 an engagement performed under *Government Auditing Standards* including a 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.

Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

1. The firm's quality control policies and procedures regarding engagement performance have not been suitably complied with to provide reasonable assurance that audit engagements are consistently performed in accordance with professional standards. The firm requires that engagements are properly supervised and reviewed in accordance with the requirements of professional standards and applicable regulatory and legal requirements. During our review we noted procedures were not performed related to participant data in employee benefit plans and there was missing documentation related to evaluation of SOC 1 reports in order to rely on a low level of risk. In our opinion, the firm's inadequate supervision and review contributed to audit engagements in the ERISA industry 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 Matthews, Carter & Boyce, P.C. in effect for the year ended April 30, 2018, 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*.

Matthews, Carter & Boyce, P.C. has received a peer review rating of *pass with deficiency*.

A handwritten signature in cursive script that reads "Rea & Associates, Inc.".

Rea & Associates, Inc.
Marietta, Ohio