



Report on the Firm's System of Quality Control

June 15, 2018

To DSWA CPAs, P.C. and the Peer Review Committee of the Missouri Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of DSWA CPAs, P.C. in effect for the year ended December 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.

Firms' 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.

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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 single audit engagements are consistently performed in accordance with professional standards. The firm has resources to utilize in the performance of single audits. However, during our review we noted a single audit of a school district where the audit documentation did not meet professional standards. There was no documentation of the compliance requirements that were considered applicable and also which compliance requirements were direct and material to be tested for each major program. Also, there was no documentation as to why applicable compliance requirements not tested were not considered direct and material. The documentation of internal control over compliance was not sufficient to support a low risk assessment for each direct and material compliance requirement. The testing of internal control over compliance was not specific to the compliance requirements. The testing of internal control over compliance and testing of compliance was not sufficient to support the opinion given for major programs. Also, there was no documentation of the assessment of the risk of material noncompliance due to fraud. In our opinion, this contributed to a single audit engagement 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 DSWA CPAs, P.C. in effect for the year ended December 31, 2017, has been suitably designed or 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*. DSWA CPAs, P.C. has received a peer review rating of pass with deficiency.

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