

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

To the Directors of  
Piltz, Williams, LaRosa & Company  
And The Partners in Peer Review

We have reviewed the system of quality control for the accounting and auditing practice of Piltz, Williams, LaRosa & Company (the firm) in effect for the year ended June 30, 2022. 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 on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of the applicable 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 and compliance with the firm's system of quality control 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, and an audit of an employee benefit plan.

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 human resources have not been suitably designed or complied with to provide reasonable assurance that its personnel will have the competence necessary to perform engagements in accordance with professional and regulatory requirements. The firm requires that that each engagement be supervised by an engagement director with appropriate competence, capabilities, and authority. Additionally, all personnel assigned to

engagements must possess the necessary competence and capabilities to perform engagements that comply with professional standards and applicable legal and regulatory requirements (including licensing requirements) and enable the firm to issue reports that are appropriate in the circumstances. During our review, we noted that an engagement team assigned to a housing and urban development (“HUD”) audit and an agreed-upon procedures (“AUP”) engagement did not possess the competence (the blending of technical knowledge, skills, and abilities) needed for their assigned roles to address the engagement objectives and perform the work in accordance with applicable standards. This resulted in the omission of required internal control documentation, tests of design and operating effectiveness of internal controls and compliance, as well as the omission of the schedule of findings and questioned costs, and the auditor’s reports over internal control and compliance. In addition, this resulted in the firm issuing a HUD AUP report where certain procedures related to audit reports that had not yet been completed. In our opinion, this contributed to a HUD audit performed under *Government Auditing Standards* and a HUD-related AUP engagement performed under attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* 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 Piltz, Williams, LaRosa & Company in effect for the year ended June 30, 2022, 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*. Piltz, Williams, LaRosa & Company has received a peer review rating of *pass with deficiency*.

A handwritten signature in black ink that reads "KraftCPAs PLLC". The letters are cursive and fluid, with the "K" being particularly large and stylized.

KraftCPAs PLLC  
February 16, 2023