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CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Cumberland County Controller
Cumberland County
Carlisle, Pennsylvania

We have performed the procedures enumerated below on the System of Quality Control of the Internal Audit Department of Cumberland County (System of Quality Control) of the Cumberland County Controller (the specified party), for the year ended December 31, 2020. Cumberland County Controller's management is responsible for the System of Quality Control of the Internal Audit Department.

The Cumberland County Controller has agreed to acknowledge that the procedures performed are appropriate to meet the intended purpose of evaluating the System of Quality Control. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Procedures

Review two audit engagements for the year ended December 31, 2020, in accordance with guidance in Statement on Quality Control Standards (SQCS) No. 8 using Peer Review Checklists developed by the AICPA.

Findings

It was noted during our review of the audit engagements, the documentation relating to the risk assessment was not fully in compliance with AU-C Section 315 *Understanding the Entity and Its Environment and Assessing the Risks of Material*. We believe the systemic cause for the omission was not obtaining continuing professional education directly related to the risk assessment process. The lack of documentation relating to the risk assessment did not result in any missed audit procedures. We recommend the Cumberland County Controller obtain advanced training directly related to understanding and implementing the risk assessment standard. If we had performed a Peer Review of the Cumberland County Controller, we believe this item would have been reported as a Finding for Further Consideration.

It was noted during our review of the audit engagements that certain items required to be reported as emphasis of matters within the audit opinions were omitted. We believe the systemic cause for the omission was not properly identifying different reporting options within the practice aids. We recommend the Cumberland County Controller develop a tool to assist in evaluating applicability of reporting options and to aid in determining if modifications

or emphasis of matters are necessary. If we had performed a Peer Review of the Cumberland County Controller, we believe this item would have been reported as a Matter for Further Consideration.

Procedures

Review the System of Quality Control of the Internal Audit Department of Cumberland County in accordance with guidance in Statement on Quality Control Standards (SQCS) No. 8 using Peer Review Checklists developed by the AICPA, including Leadership Responsibilities for Quality Within the Firm (Tone at the Top), Relevant Ethical Requirements, Human Resources and Monitoring.

Findings

We noted during our review of the Relevant Ethical Requirements, one individual did not comply with the continuing professional education (CPE) requirements within the *Government Auditing Standards 2018 Revision*. The individual received 24 hours of *Subject Matter Directly Related to the Government Environment, Government Auditing, or the Specific or Unique Environment in Which the Audited Entity Operates*. They did not believe they needed, and they did not obtain, the additional 56 hours of *Subject Matter That Directly Enhances Auditors' Professional Expertise to Conduct Engagements*. We believe the systemic cause was not understanding the CPE interpretation, and not obtaining consultation on the matter. We recommend all staff within the Cumberland County Controller obtain both the 24 and 56 hour CPE requirement, and if they do not, they consult with the AICPA Ethics hotline before making a final determination on what is required. If we had performed a Peer Review of the Cumberland County Controller, we believe this item would have been reported as a Finding for Further Consideration and the audits involving this individual would be considered nonconforming to professional standards.

If we had performed a Peer Review of the Cumberland County Controller, we would recommend a report rating of Pass to the Report Acceptance Body.

We were engaged by the Cumberland County Controller to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the System of Quality Control. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Cumberland County Controller and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Cumberland County Controller
Page 3 of 3

This report is intended solely for the information and use of Cumberland County Controller and is not intended to be and should not be used by anyone other than the specified party.

Smith Elliott Kearns & Company LLC

Carlisle, Pennsylvania
December 16, 2021