

Report on the Provider's System of Quality Control and Resultant Materials

October 16, 2020

Thomson Reuters (Tax and Accounting) Inc. and the National Peer Review Committee:

We have reviewed the system of quality control for the development and maintenance of the following audit and accounting reference materials (hereafter referred to as *materials* or *QCM*) of Thomson Reuters (Tax and Accounting) Inc. (the provider) and the resultant materials in effect at December 31, 2019:

- PPC's Guide to Auditor's Reports (August 2019 – 38th Edition)
- PPC's Guide to Audits of Employee Benefit Plans (February 2019 – 29th Edition)
- PPC's Guide to Audits of Financial Institutions (April 2019 – 27th Edition)
- PPC's Guide to Audits of Local Governments (February 2019 – 34th Edition)
- PPC's Guide to Audits of Nonprofit Organizations (January 2019 – 32nd Edition)
- PPC's Guide to Audits of Nonpublic Companies (February 2019 – 37th Edition)
- PPC's Guide to Cash, Tax, and Other Bases of Accounting (September 2019 – 23rd Edition)
- PPC's Guide to Compilation and Review Engagements (May 2019 – 41st Edition)
- PPC's Guide to Construction Contractors (May 2019 – 31st Edition)
- PPC's Guide to Dealerships (August 2019 – 24th Edition)
- PPC's Guide to Forecasts and Projections (June 2019 – 34th Edition)
- PPC's Guide to Homeowners' Associations and Other Common Interest Realty Associations (July 2019 – 30th Edition)
- PPC's Guide to HUD Audits (September 2019 – 26th Edition)
- PPC's Guide to Nontraditional Engagements (October 2019 – 26th Edition)
- PPC's Guide to Preparing Financial Statements (October 2019 – 37th Edition)
- PPC's Guide to Preparing Nonprofit Financial Statements (March 2019 – 26th Edition)
- PPC's Guide to Quality Control (February 2019 – 32nd Edition)
- PPC's Guide to Quality Control – Compilation and Review (April 2019 – 12th Edition)
- PPC's Guide to Single Audits (July 2019 – 27th Edition)
- PPC's Practice Aids for Limited-Scope Audits of Standard 401(k) Plans (February 2019 – 15th Edition)
- PPC's Practice Aids for Audits of 403(b) Plans (March 2019 – 11th Edition)
- PPC's Practice Aids for Reporting on Controls of Service Organizations – SOC 1 Engagements (July 2019 – 11th Edition)
- PPC's Practice Aids for Reporting on Controls of Service Organizations – SOC 2 Engagements (February 2019 – 5th Edition)
- PPC's Practice Aids for Audits of Health Care Entities (July 2019 – 7th Edition)
- PPC's Practice Aids for Audits of Real Estate Entities (May 2019 – 6th Edition)
- PPC's Practice Aids for Audits of School Districts (March 2019 – 5th Edition)

Our quality control materials 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 Quality Control Materials Review as described in the Standards may be found at www.aicpa.org/prsummary.

Provider's Responsibility

The provider is responsible for designing and complying with a system of quality control that provides reasonable assurance that the materials are reliable aids to assist users in conforming with the components which are integral to the professional standards that the materials purport to encompass. The provider is also responsible for evaluating actions to promptly remediate materials not deemed as reliable aids, when appropriate, and for remediating weaknesses in its system of quality control, if any.

QCM Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system, the provider's compliance with that system, and the reliability of the resultant materials, based on our review.

User's Responsibility

Users of the materials and this report should carefully consider the scope of this review. They should also understand the intended uses and limitations of the materials as reflected in their user instructions and related information, as well as the level of explanatory guidance provided by the materials. Users of the materials are responsible for evaluating their suitability and implementing, tailoring, and augmenting the materials as appropriate. Therefore, the reliability of the materials is also dependent on the effectiveness of these actions and could vary from user to user. Further, there may be important elements of a quality control system in accordance with the Statements on Quality Control Standards that are not included in the materials that have been subject to this review.

Opinion

In our opinion, the system of quality control for the development and maintenance of the quality control materials of Thomson Reuters (Tax and Accounting) Inc. was suitably designed and was being complied with during the year ended December 31, 2019, to provide users of the materials with reasonable assurance that the materials are reliable aids. Also, in our opinion, the quality control materials previously referred to are reliable aids to assist users in conforming with the components which are integral to the professional standards the materials purport to encompass at December 31, 2019. Providers can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Thomson Reuters (Tax and Accounting) Inc. has received a review rating of *pass*.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP
October 16, 2020



October 29, 2020

Steve B. Eason, CPA
Senior Director of Editorial, Accounting & Auditing
Thomson Reuters (Tax & Accounting) Inc.
2395 Midway Rd, A2S-404
Carrollton, TX 75006

Dear Mr. Eason:

It is my pleasure to notify you that on October 29, 2020, the National Peer Review Committee accepted the report on the most recent review of the materials described on the following attachment (Attachment 1) and the system of development and maintenance of those materials.

As you know, the report had a rating of pass. The Committee asked me to convey its congratulations to the organization.

Sincerely,

A handwritten signature in black ink that reads "Michael Fawley". The signature is fluid and cursive, with a long, sweeping tail on the letter "y".

Michael Fawley,
Chair National Peer Review Committee
nprc@aicpa.org
919.402.4502

Cc: Jeff Gendreau, CPA

Attachment 1

PPC's Guide to Auditor's Reports (August 2019 - 38th Edition)
PPC's Guide to Audits of Employee Benefit Plans (February 2019 - 29th Edition)
PPC's Guide to Audits of Financial Institutions (April 2019 - 27th Edition)
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