

## Independent Accountant's Report

To Management  
Thomson Reuters (Tax and Accounting) Inc.

We have examined:

- *PPC's Guide to Quality Control - Compilation and Review*, May 1, 2023, 16th Edition, available in print and online at [Checkpoint.RIAG.com](http://Checkpoint.RIAG.com) (the "quality control materials" or QCM)
- The accompanying description, "Description, as of February 8, 2024, of the Content of *PPC's Guide to Quality Control - Compilation and Review*, May 1, 2023, 16th Edition" (the "Description")

Management of Thomson Reuters (Tax and Accounting) Inc. is responsible for the QCM and the Description being in accordance with the QCM Content Criteria and the Description Criteria, respectively (collectively, the "QCM Criteria"), included in Attachment A. Our responsibility is to express an opinion on the QCM and the Description based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the QCM and the Description are in accordance with the QCM Criteria in all material respects. An examination involves performing procedures to obtain evidence about the QCM and the Description. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the QCM and the Description, whether due to fraud or error. In making an assessment of the risks of material misstatement, we considered and obtained an understanding of internal control relevant to the subject matter in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, in all material respects:

- The QCM are presented in accordance with the QCM Content Criteria specified in Attachment A.
- The Description is presented in accordance with the Description Criteria specified in Attachment A.

This report is intended solely for the information and use of management of Thomson Reuters (Tax and Accounting) Inc., users and potential users of the QCM, and users' peer reviewers and regulators.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

*Plante & Moran, PLLC*

April 22, 2024

## **Attachment A: QCM Content Criteria and Description Criteria**

### **QCM Content Criteria**

The quality control materials (QCM) are in accordance with the following criteria:

**CC1:** The quality control materials content accurately reflects the standards and interpretive guidance addressed by the QCM and addresses the standards and interpretive guidance in the manner described in the description, including the following:

- a. QCM content reproduced in whole or in part from standards and interpretive guidance does the following:
  - i. Appropriately references the relevant standards and interpretive guidance to enable user firms to locate the content
  - ii. Agrees with the relevant standards and interpretive guidance
- b. QCM content derived from the standards and interpretive guidance explains, elaborates, interprets, or paraphrases the relevant standards and interpretive guidance in a manner that does not change the meaning and intent of the standards and interpretive guidance.
- c. QCM content that illustrates the application of the relevant standards and interpretive guidance is not in conflict with the standards and interpretive guidance.

**CC2:** QCM content

- a. Identifies assumptions or judgments made in developing QCM content related to the relevant standards and interpretive guidance, if any
- b. Identifies QCM content that is based on widely recognized or generally accepted practice rather than on the relevant standards and interpretive guidance
- c. Identifies QCM content that represents the QCM provider's opinion or interpretation of the relevant standards and interpretive guidance
- d. Uses the same terminology and definitions used in the relevant standards and interpretive guidance

**CC3:** QCM content does not omit relevant principles, topics, requirements, considerations, procedures, or other aspects of the relevant standards and interpretive guidance.

**CC4:** If the description indicates that a purpose of the QCM content is to provide a means to document compliance with the standards and interpretive guidance that the QCM address, the QCM content enables user firms to do so.

### **Description Criteria**

The description of the content of quality control materials (the "Description") contains the following information:

**DC1:** An identification of the quality control materials addressed by the Description, including the following:

- a. The title of the QCM, including the version name, number, or date
- b. An indication of all formats in which the QCM are provided and, if the QCM are in the format of application software, all delivery methods

**Attachment A: QCM Content Criteria and Description Criteria  
(Continued)**

**DC2:** An identification of any elements of the QCM content that are provided by another QCM provider

**DC3:** An identification of any elements (parts) of the QCM content that are not addressed by the Description. If applicable, identify how the elements relate to the entire QCM.

**DC4:** The date of the Description

**DC5:** A statement that “[*Identification of the QCM addressed by the description*] are quality control materials (QCM). The AICPA defines QCM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm’s system of quality control and promote consistency in performing quality engagements. QCM may be made available through technology, for example, through automated tools and techniques, and IT applications. QCM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services.”

**DC6:** An identification of the characteristics of the QCM, including the following:

- a. The type of QCM (what the QCM are) and purpose of the type of QCM
- b. The topics addressed by the QCM
- c. If the QCM are intended to be used for a specific type of engagement or specific aspects of an engagement, an identification of the characteristics of that engagement, including the following:
  - i. The relevant characteristics of the type of client for which the QCM are intended to be used, including the following:
    - Area of practice
    - Industry
    - Form or type of organization
    - Operational characteristics
  - ii. The characteristics of the type of engagement for which the QCM are intended to be used, including the following:
    - Area of service
    - Level of service
    - Unique characteristics of the engagement

**DC7:** An identification of any other QCM intended to be used in conjunction with the QCM content

**DC8:** An identification of the standards and interpretive guidance relevant to the QCM that the QCM address, including the following:

- a. The standard-setting body that issued the standards and interpretive guidance
- b. Either:
  - i. The date through which the QCM address issued and effective standards and interpretive guidance (date approach)
  - ii. The number and title of the most recently issued and effective standards and interpretive guidance addressed by the QCM (title approach)

**Attachment A: QCM Content Criteria and Description Criteria  
(Continued)**

**DC9:** An identification of standards and interpretive guidance relevant to the QCM that were issued and effective up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii) but:

- a. Not addressed by the QCM
- b. Not fully addressed by the QCM, including why the relevant standards and guidance were not fully addressed, and how they were addressed by the QCM

**DC10:** A description of how the QCM address standards and interpretive guidance relevant to the QCM that were issued but not effective up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii), including the following:

- a. The title and effective date of the standards and interpretive guidance
- b. Whether the standards and interpretive guidance are addressed by the QCM and, if so, how they are addressed
- c. Whether the standards and interpretive guidance allow for early implementation or adoption

**DC11:** A description of the QCM provider's policy for updating the QCM content, including the nature and anticipated timing of updates

**DC12:** A statement that user firms are responsible for the following:

- a. Determining whether the QCM are suitable for the user firm's purposes
- b. Understanding that the QCM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment
- c. Using the most up-to-date QCM available that are applicable in the circumstances, including accessing and using the most recent and effective relevant standards and interpretive guidance that are not addressed or not fully addressed by the QCM
- d. Properly implementing the QCM and using professional judgment in the application of the QCM based on the facts and circumstances (for example, of each engagement)
- e. Providing the appropriate training for the use of the QCM and performing the appropriate supervision and review procedures regarding the use of the QCM based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QCM; in that case, understanding that the QCM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance
- i. Understanding that the effectiveness of the QCM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions

## **Description, as of February 8, 2024, of the Content of PPC's Guide to Quality Control - Compilation and Review, May 1, 2023, 16th Edition**

*PPC's Guide to Quality Control - Compilation and Review*, May 1, 2023, 16th Edition (the "Guide"), is available in print and online at Checkpoint.RIAG.com. The Guide consists of chapter text and multiple practice aids. These practice aids are included in this description and are available as uneditable PDFs on Checkpoint.RIAG.com as part of the Guide.

PPC's Workflow Tools are not included in this description. The Workflow Tools, which are designed to enhance productivity, efficiency, and quality when used in combination with the Guide, are available as PPC's Practice Aids. PPC's Practice Aids: *Quality Control - Compilation and Review* (version 4/23) are editable Microsoft Word and Excel versions of all the practice aids in the Guide.

### **Definition of QCM**

*PPC's Guide to Quality Control - Compilation and Review* are quality control materials (QCM). The American Institute of Certified Public Accountants (AICPA) defines QCM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm's system of quality control and promote consistency in performing quality engagements. QCM may be made available through technology, for example, through automated tools and techniques, and IT applications.

QCM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services.

### **Other QCM Providers**

The elements of the QCM provided and within this description are delivered by Thomson Reuters (Tax and Accounting) Inc. (Thomson Reuters) and no other QCM provider.

### **Characteristics of the QCM**

The Guide is a full set of guidance and practice aids to assist firms in developing, implementing, and maintaining a system of quality control pursuant to the AICPA Statements on Quality Control Standards (SQCS). The Guide has been designed for firms that are subject to engagement reviews, which includes firms that have an accounting practice and perform only services under the Statements on Standards for Accounting and Review Services (SSARs) or services, excluding examinations, under the Statements on Standards for Attestation Engagements (SSAEs). It also includes summary peer review-related information that applies to firms undergoing engagement reviews. The practice aids provide a means to document compliance with relevant standards and interpretive guidance.

The Guide generally does not provide guidance for firms that are subject to system reviews. Firms that perform services under the Statements on Auditing Standards (SASs) or examinations under the SSAEs and, thus, are subject to system reviews, should use *PPC's Guide to Quality Control* instead of the Guide.

An important part of any system of quality control is its engagement forms, checklists, programs, and other practice aids. Thus, to comply with the quality control requirements for an individual engagement, the Guide is intended to be used in conjunction with the applicable engagement guide. The peer review chapter is a summary of the more important aspects of the peer review process and undergoing an engagement review. It is not a peer review manual.

### **Relevant Standards and Interpretative Guidance Addressed by the Guide**

The Guide addresses relevant professional standards issued and effective through May 1, 2023 as follows:

- SQCS No. 8, *A Firm's System of Quality Control*
- *Standards for Performing and Reporting on Peer Reviews* (effective for peer reviews commencing on or after May 1, 2022)

**Description, as of February 8, 2024, of the Content of *PPC's Guide to Quality Control - Compilation and Review*, May 1, 2023, 16th Edition  
(Continued)**

- AICPA *Code of Professional Conduct* Rules and Interpretations
- SSARSs through SSARS No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*
- SSAEs through SSAE No. 22, *Review Engagements*
- *The Statement on Standards for Continuing Professional Education (CPE) Programs*, revised December 2019

Although not fully effective at the time of publication, the following professional standards were issued before May 1, 2023 and are incorporated into the Guide as follows:

- Systems of quality management that comply with Statement on Quality Management Standards (SQMS) No. 1, *A Firm's System of Quality Management*, are required to be designed and implemented by December 15, 2025. An evaluation of the system of quality management should be performed within one year of implementation. The Guide includes a discussion of how the current quality control standards are changing and suggestions for beginning implementation of SQMS No. 1. The Guide also includes a comparison of SQMS No. 1 to the applicable requirements of SQCS No. 8 and a risk assessment form to assist in implementing the new risk assessment requirement of SQMS No. 1. SQMS No. 1 will be fully incorporated into a future edition of the Guide and does not prohibit early implementation.
- SQMS No. 2, *Engagement Quality Reviews*, is effective for reviews of financial statements and for other engagements in a firm's accounting practice for periods beginning on or after December 15, 2025 and does not prohibit early implementation. The Guide includes an extensive overview of SQMS No. 2 and a comparison to the applicable requirements of SQCS No. 8. SQMS No. 2 will be fully incorporated into a future edition of the Guide.
- SQMS No. 3, *Amendments to QM Sections 10, A Firm's System of Quality Management, and 20, Engagement Quality Reviews*, is effective concurrently with a firm's implementation of SQMS Nos. 1 and 2. The Guide includes a brief description of SQMS No. 3; it will be fully incorporated into a future edition of the Guide and does not prohibit early implementation.
- SSARS No. 26, *Quality Management for an Engagement Performed in Accordance with Statements on Standards for Accounting and Review Services*, is generally effective for engagements conducted in accordance with the SSARSs for periods beginning on or after December 15, 2025 and does not prohibit early implementation. The Guide provides an overview of SSARS No. 26. SSARS No. 26 will be fully incorporated into a future edition of the Guide.

**Policy for Updating the QCM Content**

Thomson Reuters updates *PPC's Guide to Quality Control - Compilation and Review* annually and generally releases a new edition each spring to reflect changes in standards and interpretive guidance, content enhancements, and the corrections of minor errors not previously updated. The Guide referenced herein was completed on May 1, 2023, and no changes have been made to this specific edition of the Guide since then.

**User Firm Responsibilities**

User firms are responsible for the following:

- a. Determining whether the QCM are suitable for the user firm's purposes
- b. Understanding that the QCM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment

**Description, as of February 8, 2024, of the Content of PPC's Guide to Quality  
Control - Compilation and Review, May 1, 2023, 16th Edition  
(Continued)**

- c. Using the most up-to-date QCM available that are applicable in the circumstances, including accessing and using the most recent and effective relevant standards and interpretive guidance that are not addressed or not fully addressed by the QCM
- d. Properly implementing the QCM and using professional judgment in the application of the QCM based on the facts and circumstances (for example, of each engagement)
- e. Providing the appropriate training for the use of the QCM and performing the appropriate supervision and review procedures regarding the use of the QCM based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QCM; in that case, understanding that the QCM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance
- i. Understanding that the effectiveness of the QCM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions