

February 2, 2023

Ricardo Cepin, CPA, CFE
Director
Performance Solutions Group, Inc.
4320 West Kennedy Blvd.
Tampa, Florida 33609

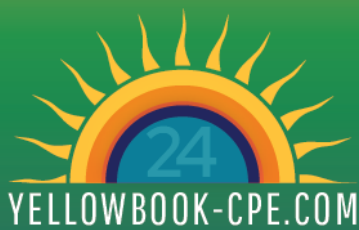
Dear Mr. Cepin,

We have completed a peer review of Performance Solutions Group, Inc. for the period November 1, 2021 to November 30, 2022. In accordance with generally accepted government auditing standards (GAS) peer review requirements, we followed the standards and guidelines contained in the *Peer Review Guide* by the Association of Local Government Auditors (ALGA), 2018 Revision and from a list of all mandatory requirements and presumptively mandatory requirements from the GAS 2018 Revision applicable to performance audits. Organizations can receive a rating of pass, pass with deficiency, or fail. Performance Solutions Group has received a rating of pass with deficiencies.

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States and applicable legal and regulatory requirements.

Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.



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- Interviewing auditing staff and management to assess their understanding of, and compliance with, relevant quality control policies and procedures.

We noted the following deficiencies in your internal quality control system that resulted in recurring nonconformance with aspects of the *Government Auditing Standards* and make the following recommendations to help your organization achieve full compliance with *Government Auditing Standards*:

Deficiency: Annual Monitoring

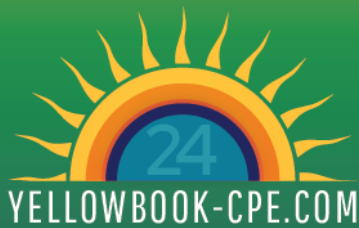
There was no evidence that Performance Solutions Group conducted annual summarization of monitoring of its quality control system from January thru October 2021 and a requirement for annual monitoring was not included in the policies and procedures that were in effect during the majority of the period under review.

GAS Section 5.42 through 5.45 state, in part, that the audit organization should establish policies and procedures for monitoring its system of quality control; that the monitoring procedures should enable the organization to assess compliance with professional standards; that the organization should analyze and summarize the results of its monitoring process at least annually, with identification of systemic or repetitive issues as well as recommendations for corrective action; and evaluate the effects of any deficiencies noted to determine if the quality control system is insufficient.

Recommendation: Performance Solutions Group should ensure that the summarization of monitoring procedures is conducted no less than annually to identify and correct quality assurance system deficiencies and that the process, the recommendations and corrective actions are documented in writing to demonstrate accomplishment.

Deficiency: Peer Review

Performance Solutions Group commenced their first engagement on July 1, 2018 which would require that a peer review be completed no later July 1, 2021. However, a peer review was not completed until February, 2023.



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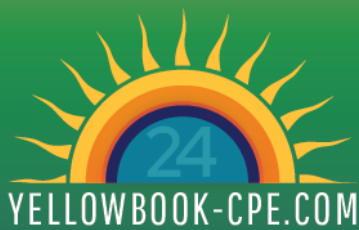
A peer review provides assurance that an audit organization's system of quality control conforms to generally accepted government auditing standards. GAS section 5.60 states that audit organizations conducting engagements in accordance with GAGAS must obtain an external peer review conducted by reviewers independent of the audit organization being reviewed. The peer review should be sufficient in scope to provide a reasonable basis for determining whether, for the period under review, the reviewed audit organization's system of quality control was suitably designed and the organization is complying with its quality control system so that it has reasonable assurance that it is performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects.

GAS Section 5.84 states that an audit organization not already subject to a peer review requirement should obtain an external peer review at least once every three years. The audit organization should obtain its first peer review covering a review period ending no later than three years from the date an audit organization begins its first engagement in accordance with GAGAS.

Recommendation: Performance Solutions Group should ensure that subsequent peer reviews are planned, scheduled and conducted within three years of the previous peer review to provide the users of its reports with appropriate assurance.

Based on the results of our review, it is our opinion that, except for the deficiencies noted above, Performance Solutions Group's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for performance audits, for the period ended November 30, 2022. Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case but does imply adherence in most situations.

In accordance with section 5.93 of the *Government Auditing Standards*, we request a written response on MGT letterhead to this report by



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February 10, 2023. Please include a description of corrective actions already taken and/or planned corrective actions in your response.

We have prepared a separate letter offering other useful, less significant observations and suggestions for strengthening your internal quality control system.

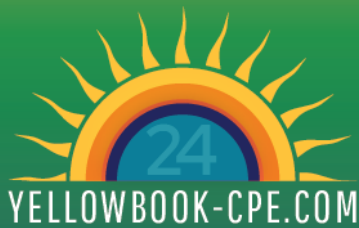
Respectfully,



Leita Hart-Fanta, CPA, CGFM, CGAP
Yellow Book CPE
Team Member

Terry Owen, MACCT, CIA (inactive), CGAP (inactive)
Team Leader

Sonya Etheridge, CPA, CIA, CISA, CFE, CSQE
Team Member



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February 10, 2023

Leita Hart-Fanta, CPA, CGFM, CGAP
Yellowbook-CPE LLC
PO Box 5857
Lago Vista, TX 78645

Dear Ms. Hart:

MGT would like to take this opportunity to thank you for conducting our 2022 Peer Review in accordance with the Generally Accepted Government Auditing Standards (GAGAS). This letter is MGT's response to the two deficiencies identified by the peer review team in the final report.

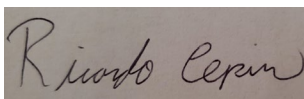
Deficiency: Annual Monitoring

During 2022, MGT enhanced procedures to strengthen its system of quality control. The procedures included annual monitoring as required by GAGAS Sections 5.42 through 5.45. MGT also updated its Audit Policies & Procedures Manual to ensure that the annual monitoring requirement is clearly identified in its policies and procedures. Going forward, MGT will ensure that its audit activities go through the annual monitoring process.

Deficiency: Peer Review

The peer review completed for the period November 1, 2021 through November 30, 2022, satisfies the peer review requirement. MGT is now in compliance with the peer review requirement. Going forward, MGT will ensure that a GAGAS peer review is performed at least once every three years. MGT also updated its Audit Policies & Procedures Manual to ensure that the peer review requirement is clearly identified in its policies and procedures.

Sincerely,

A rectangular box containing a handwritten signature in black ink that reads "Ricardo Cepin".

Ricardo Cepin, CPA, CFE
Director
MGT
813-843-5801
rcepin@mgtconsulting.com

c: Eric Parish, Executive Director, Performance Solutions Group
Patrick Dyer, Vice President, Performance Solutions Group

