

Report on the Firm's System of Quality Control

August 28, 2023

To the Owners of Hogan – Hansen, P.C. and
the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Hogan – Hansen, P.C. (the firm) in effect for the year ended March 31, 2023. 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. 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 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 audits of employee benefit plans.

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:

Deficiency – The firm's quality control policies and procedures related to the human resources element, in particular regarding continuing professional education (CPE), require the firm's engagement personnel to obtain competencies necessary to perform engagements in compliance with professional standards. During our review, we noted the firm's engagement documentation did not adequately address client's compliance with ASC 606 *Revenue from Contracts with Customers*. In addition, financial statement disclosures related to this accounting standard were not considered complete on the engagements we reviewed. While our review found that the firm's personnel complied with the CPE requirements of the State Board of Accountancy and *Governmental Auditing Standards* as applicable, there appeared to have been insufficient internal CPE provided to advise how this standard was to be addressed by the firm in their accounting and auditing practice. In our opinion, this contributed to both audit and review engagements which did not conform to professional standards in all material respects. This included an audit of a not-for-profit organization subject to *Government Auditing Standards*.

Opinion

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of Hogan – Hansen, P.C. in effect for the year ended March 31, 2023, 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*. Hogan – Hansen, P.C. has received a peer review rating of *pass with deficiency*.

Olsen Thielen + Co., Ltd.

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