

## Report on the Firm's System of Quality Control

September 1, 2023

To: The Shareholders of BA, INC. and the  
The Peer Review Committee of the Massachusetts Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice BA, INC. (the firm) in effect for the year ended December 31, 2022. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported 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 the 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 an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of employee benefit plan.

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.

### Significant Deficiencies Identified in the Firm's System of Quality Control

We noted the following significant deficiencies during our review:

The firm's quality control policies and procedures do not provide reasonable assurance that the firm will comply with applicable professional standards and will issue reports that are appropriate in the circumstances, as a result of the following significant deficiencies:

1. The firm's quality control policies and procedures addressing human resources and continuing professional education (CPE) are not sufficient to provide reasonable assurance that its personnel will have the competence necessary to perform engagements in accordance with professional and regulatory requirements. The lack of courses taken by firm personnel provided them with insufficient information about current developments in accounting and auditing matters. In our opinion, this led to firm personnel being unable to appropriately address recent pronouncements and new disclosure requirements and failure to consider new auditing standards and other required communications. This contributed to a single audit engagement performed under *Government Auditing Standards* that did not conform to professional standards in all material respects.
2. The firm lacks policies and procedures addressing engagement performance to reasonably ensure it has complied with applicable professional standards in regard to (1) providing linkage between the risk identified and procedures performed and documenting test of participant accounts and allocations of income/loss/expenses at individual participant account level aids in an ERISA audit, (2) documentation of document the firm's evaluation of the management's assessment of whether the entity issuing the certification is a qualified institution under DOL rules and regulations, (3) utilizing current third-party practice aids in an ERISA audit, (4) performing planning and risk assessment documenting expectations during analytical procedures in audits performed under *Government Auditing Standards, other audits*, and review engagements, (5) including all comparative periods in a review engagement financial statements that agrees with the accountant's report. (6) documenting the detail of the firm's understanding of internal control during walkthrough procedures to enable another auditor to repeat the procedures, and (7) documenting rationale for inherent risk assessment below the maximum in the significant audit areas of ERISA audits, SAS audit, and SAA audits performed under *Government Auditing Standards* auditing standards. These significant deficiencies make the single audit performed under *Government Auditing Standards*, the ERISA audit, other audits, and the review engagements nonconforming to professional standards in all material respects.

### **Opinion**

In our opinion, as a result of the significant deficiencies previously described, the system of quality control for the accounting and auditing practice of BA, INC. effect for the year ended December 31, 2022, was not suitably designed or complied with to provide the firm with reasonable assurance of performing or reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with Deficiencies*, or *fail*. BA, INC. has received a peer review rating of *fail*.



Vail & Park, P.C.