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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Cumberland County Controller
Cumberland County
Carlisle, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by Cumberland County Controller (the specified party), on two audit engagements performed by the Internal Audit Department of Cumberland County (System of Quality Control) as of and for the year ended December 31, 2017. Cumberland County Controller's management is responsible for the audit engagements performed by the Internal Audit Department. The sufficiency of these procedures is solely the responsibility of Cumberland County Controller. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Procedures

Review two audit engagements for the year ended December 31, 2017, in accordance with guidance in Statement on Quality Control Standards (SQCS) No. 8 using Peer Review Checklists developed by the AICPA.

Findings

One engagement reviewed did not properly include disclosures and required supplementary information schedules related to pension liabilities required under GASB 68 *Accounting and Financial Reporting for Pensions*. We believe the root cause for the omission was reliance on research that was not applicable to the situation. This oversight also caused the omission of some required audit procedures relating to pension liabilities that we felt should have been performed had it been identified as a significant audit area. We recommend that the Cumberland County Controller gain access to practice aids and webinars provided by the AICPA's Governmental Audit Quality Center to aid in implementation of new standards and to keep informed of key areas of improvement within governmental auditing.

If we had performed a Peer Review of the Cumberland County Controller we believe this item would have been reported as a Finding for Further Consideration, and we would recommend a report rating of Pass to the Report Acceptance Body.

Cumberland County Controller
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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the two audit engagements selected for our procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Cumberland County and is not intended to be and should not be used by anyone other than those specified parties.

Smith Elliott Hearn & Company, LLC

Carlisle, Pennsylvania
December 6, 2018