



www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

Report on the Firm's System of Quality Control

November 24, 2020

To D&B Consulting & Accounting Inc. and the Peer Review
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of D&B Consulting & Accounting Inc. (the firm) in effect for the year ended November 30, 2019. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*.

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.

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1) The firm's quality control policies and procedures require that the firm consult its technical practice aids and other resources when it encounters matters with which it is less familiar. The firm did not adequately consult and as a result engagement performance matters were noted related to audit procedures and documentation. Documentation was not appropriate with regard to mitigation of the self-review threat and no independent CPA review was performed. This resulted in an audit under *Government Auditing Standards* being considered non-conforming. Similar matters were noted on the firm's prior review.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of D&B Consulting & Accounting Inc. in effect for the year ended November 30, 2019, 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*. D&B Consulting & Accounting Inc. has received a peer review rating of *pass with deficiencies*.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.