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CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
AND THE GOVERNMENT AND  
EMPLOYEE BENEFIT PLAN  
AUDIT QUALITY CENTERS

## System Review Report

December 19, 2016

To the Shareholder of  
Van Rijn & Associates, A Professional Accountancy Corporation  
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 van Rijn & Associates, a Professional Accountancy Corporation. (the firm) in effect for the year ended October 31, 2015. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

We noted the following deficiencies during our review:

1. Deficiency---The firm's quality control policies and procedures do not provide the shareholder with a means of ensuring that all disclosures and financial statement presentation are complete and appropriate, and audit reports are correct. As a result, on an audit performed under *Government Auditing Standards* that we reviewed the firm did not disclose that all assets were pledged on an SBA loan and an auto was pledged on another loan. Also on this audit report the paragraph on *Government Auditing Standards* used an incorrect date several months before the audit report date. The report had a paragraph that should have been an Other Matter heading instead of Prior Period Adjustment heading. This discusses the predecessor auditor and doesn't address condensed prior period data presented in the balance sheet and income statement nor do headings in the financial statements. Also, the were GAGAS material weaknesses reported and did not have a heading client Response to Findings and Report statement that the audited entity's response are described in the accompanying report and were not subject to the auditing procedures applied in the audit of the financial statements such responses and accordingly the auditor does not address an opinion on the responses. The firm intends to fix these items on the next engagement, which is imminent.

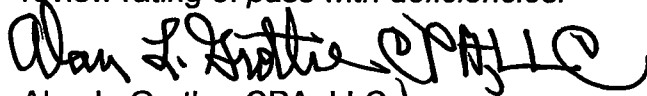
Recommendation---The firm's quality control policies and procedures should be revised to ensure that disclosures are complete, financial presentation is complete and reporting is correct and complete including those required by *Government*

*Auditing Standards* and professional standards. Although not required by professional standards, the firm should consider using the practice aids in the reference manuals available in the firm's library in order to accomplish this step. CPE should be addressed in this area.

2. Deficiency—The firm's quality control monitoring policies and procedures do not provide the shareholder with a means of ensuring that all necessary financial statements and reporting is complete and accurate on audits performed under *Government Auditing Standards* and other professional standards. The monitoring process has not identified areas needing to be addressed. This is a repeat deficiency from the firm's prior review.

Recommendation—Initially the firm needs some outside monitoring assistance to improve performance and complying with professional standards.

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of van Rijn & Associates, A Professional Accountancy Corporation in effect for the year ended October 31, 2015, 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*. van Rijn & Associates, A Professional Accountancy Corporation has received a peer review rating of *pass with deficiencies*.

  
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