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## Firm File Details

Firm Number: 900010141500  
Firm Name: O'Dell Cross, A Professional Corporation  
  
Address: 5001 California Ave # 212  
Bakersfield, CA 93309  
  
Enrolled In: AICPA Peer Review Program

**Information about this Firm's Most Recently Accepted Peer Review**

Period Covered by Peer Review: 01/01/2015  
To 12/31/2015  
Peer Review Acceptance Date: 02/13/2017

Peer Review Report \* : Both the report and letter of response (if any) will appear in the Peer Review Report link for reviews added to this search prior to 4/20/2017.

February 13, 2017

Nicolette Renee Cross  
O'Dell Cross, A Professional Corporation  
5001 California Ave Ste 212  
Bakersfield, CA 93309

Dear Ms. Cross:

On February 2, 2017 the California Peer Review Committee accepted the report on the most recent system peer review of your firm and your firm's response thereto.

The Committee accepted the aforementioned documents with the understanding that the firm will:

- Submit a Government Auditing Standards engagement and workpapers to the team captain for a post issuance review. The team captain will review and submit a report to the Peer Review Committee. This report is due to the committee by July 31, 2017. This review will be performed at your firm's expense.

Your firm's agreement to take this action voluntarily demonstrates its commitment to the objectives of the profession's practice-monitoring programs. Please acknowledge that agreement by returning a signed copy of this letter to us at the address noted on this letterhead.

Sincerely,



Linda McCrone, CPA  
Director, Peer Review Program

cc: Gary O Jensen

Firm Number: 10141500      Review Number: 441871

Acknowledged for the Firm:

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

2/13/17



## System Review Report

October 21, 2016

To the Shareholders  
O'Dell Cross, A Professional Corporation.  
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice O'Dell Cross, A Professional Corporation (the firm) in effect for the year ended December 31, 2015. Our review was conducted in accordance with Standards for Performing and Reporting on Peer Review established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our 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 audits performed under Governmental Auditing Standards.

We noted the following deficiency during our review:

**Deficiency 1** – Although the firm's quality control policies and procedures have established procedures that identify circumstances when a Engagement Quality Control Review (EQCR) is required and on the not-for-profit audit performed under governmental auditing standards (GAGAS) these circumstances were met, and the EQCR was performed by the firm, the following problems were noted with the performance and results of this review. Although a thorough review of the workpapers for the selected engagements was performed, the EQCR was performed by the engagement partner. The firm had failed to evaluate the risk of self review inherent to the firm, since the partner on the engagement was the only partner with the appropriate level of experience and CPE to properly review the engagement under GAGAS. The EQCR failed to identify deficiencies noted in the performance of certain issues related to the evaluation of independence under GAGAS. The firm had a basic misinterpretation of the fact that preparation of the client's financial statement resulted in a non-attest service that needed to have been properly evaluated for all possible threats and what mitigating controls were in place to mitigate these risks. While the team captain was able through discussion with the engagement personnel and review of supporting audit documentation to establish that the firm was independent as related to this client, this issue resulted in an audit report on

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an engagement that was not performed in accordance with professional standards in all material respects. The firm plans on correcting these matters prospectively on the next engagement performed for this client, which is imminent.

Recommendation - We recommend that the firm comply with current professional standards by documenting the performance of all necessary audit planning procedures, including the specific identification of all non-attest services provided to the client, provide comprehensive documentation of threats to independence that result from the performance these services, and identification of the controls in place to mitigate the impact of these threat. The firm needs to review the requirements related to the proper performance of an EQCR, and enact procedures to insure that these reviews are performed by qualified parties that are outside the engagement team. This may require that the firm seek qualified individuals from outside the firm to perform these reviews

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of O'Dell Cross, A Professional Corporation in effect for the year ended December 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*. O'Dell Cross, A Professional Corporation has received a peer review rating of *pass with deficiency*.

*Caliber Audit + Attest, LLP*



Don O'Dell, CPA, CTC  
Nicolette R. Cross, CPA

October 21, 2016

Peer Review Program  
California Society of CPA's  
1800 Gateway Dr., Suite 200  
San Mateo, CA 94404

Re: O'Dell Cross, A Professional Corporation, Firm Number: 10141500, Review  
Number: 441871

Ladies and Gentlemen,

This letter represents our response to the report issued in connection with the peer review of the firm's system of quality control for the accounting and auditing practice in effect for the year ended December 31, 2015. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of our system of quality control.

Specific responses to the deficiency identified in the peer reviewer's report are as follows:

Deficiency 1 –The firm's peer review findings indicated that the auditors did not adequately perform and document the engagement planning, performance and review of certain audit procedures related to the not-for-profit audit performed under governmental auditing standards (GAGAS) selected for review. As a result, the engagement was not performed in conformity with applicable professional standards, in all material respects. We have reviewed the professional standards related to these items, including the identification of all non-attest services provided to our clients, the documentation of the evaluation of any threats to the firm's independence that the performance of non-attest services present, and the requirements to perform effective Engagement Quality Control Reviews (EQCR) under the quality control standards.

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MEMBER

The firm will establish a relationship with a qualified reviewer from outside the firm to perform EQCR's when engagements are performed under GAGAS, since only the firm's engagement partner would meet the qualifications to perform the review, as required under current professional standards, on all future audit engagements we perform under GAGAS that meet the requirements for an EQCR under the firm's quality control document.

We believe these actions are responsive to the deficiencies noted in our review.

Sincerely,

A handwritten signature in cursive script that reads "Nicolette Cross".

Nicolette Cross, CPA  
O'Dell Cross, A Professional Corporation