

Camnetar & Co., CPAs

a professional accounting corporation

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System Review Report

December 20, 2016

To the Officers

Bernard & Franks

A Corporation of Certified Public Accountants

and the Peer Review Committee of the Society of Louisiana CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Bernard & Franks A Corporation of Certified Public Accountants (the firm) in effect for the year ended June 30, 2016. 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 a 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.

As required by the standards, engagements selected for review included engagements performed *under Government Auditing Standards* and *Audits of Employee Benefit Plans*.

We noted the following deficiency during our review:

Deficiency – The firm's quality control policies and procedures require that all audit engagements to be documented in accordance with professional standards and that each issuing partner possesses the appropriate knowledge in the applicable practice area. However, during this peer review year, the firm's senior partner performed one employee benefit audit engagement without obtaining adequate continuing professional education. As a result, he failed to document this engagement in accordance with all professional standards. The firm has subsequently added the necessary documentation to the audit workpapers to ensure that this engagement has been fully documented in accordance with generally accepted auditing standards and the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Recommendation – The firm should require this partner to obtain additional continuing education in the area of employee benefit plans and related audit documentation before performing another similar engagement. In addition, all future employee benefit plan audits performed by this partner should be reviewed by an independent partner or manager prior to issuance.

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of Bernard & Franks A Corporation of Certified Public Accountants in effect for the year ended June 30, 2016, 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*. Bernard & Franks A Corporation of Certified Public Accountants has received a peer review rating of *pass with deficiency*.

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