

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Accountants
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public

System Review Report

December 31, 2013

To the Owner
Charles F. Dismukes, Jr., CPA
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 Charles F. Dismukes, Jr., CPA (the firm) in effect for the year ended June 30, 2013. 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.

We noted the following significant deficiencies during our review:

1. Deficiency- The firm's quality control policies and procedures require the use of adopted practice aids in all of its accounting and auditing engagements. In the firm's audit engagement a number of the practice aids available were not used. As a result several audit steps related to an A-133 engagement were not completed and the audit procedures did not conform with applicable standards. The audit of the subsequent year is about to begin. The firm will perform the missed audit steps and consider whether to recall and re-issue the audit report on completion. Specific instances of noncompliance with applicable auditing standards are as follows:

- Documentation regarding sampling including defining population, sample size and projecting results to population was not evident
- Documentation of testing required under the compliance supplement was not evident
- All required auditing procedures for an A-133 engagement was not performed
- Engagement letter not appropriate for an A-133 engagement
- Client representation letter not appropriate for an A-133 engagement
- Consideration of materiality not documented

Recommendation – We recommend that the firm owner engage in CPE provided by the practice aid provider to familiarize himself with the effective use of the practice aids. We further recommend the firm consider an independent pre-release review of the workpapers on the upcoming audit engagement.



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2. Deficiency – The firm's Quality control policies and procedures require the firm to engage in CPE that is among other things "directly related to the firm's clients' problems and interests" The firms only audit engagement involved an A-133 engagement. The firms CPE engaged in did not include any CPE focused on A-133 engagements. As a result the A-133 engagement did not conform with all applicable standards for this engagement.

Recommendation – We recommend the firm owner engage in CPE focused at A-133 engagements prior to completing any future A-133 engagements.

3. Deficiency – The firms quality control policies and procedures require the use of adopted practice aids. The adopted practice aids include a disclosure checklist which the use of was not evident in the workpapers. As a result several disclosures were not included in the financial statements. Instances of omitted disclosures include:

- Disclosure regarding risks and uncertainties
- The auditor's report refers to a consolidated entity no subsidiaries existed
- Disclosure regarding receivable allowances
- Disclosure regarding cash equivalents

Recommendation – We recommend the firm use an appropriate disclosure checklist an all accounting and auditing engagements.

In our opinion, as a result of the significant deficiencies described above, the system of quality control for the accounting and auditing practice of Charles F. Dismukes, Jr., CPA in effect for the year ended June 30, 2013, was not suitably designed or complied with to provide the firm with reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Charles F. Dismukes, Jr., CPA has received a peer review rating of *fail*.

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Charles F. Dismukes, Jr.
Certified Public Accountant
4328 Delaware Ave
Kenner, LA 70065
(504) 390-1950

Peer Review Committee
Society of Louisiana Certified Public Accountants
Suite 500
2400 Veterans Memorial Blvd.
Kenner, LA 70062-4739

December 31, 2013

Ladies and Gentlemen:

This letter represents my 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 June 30, 2013. I have reviewed all issues contained therein. I have added steps to my monitoring procedures to review the deficiencies noted in the report so that they will not happen again.

The firm was cited for failing to comply with quality control procedures contained in the firm's quality control document. This led to several audit steps related to an A-133 engagement not being completed, and the audit procedures not conforming to applicable standards. The audit of the subsequent year is about to begin. The firm will perform the missed audit steps and consider whether to recall and reissue the audit report upon completion.

The firm owner will engage in CPE provided by the practice aid provider as well as CPE specific to A-133 engagements to familiarize himself with the effective use of the practice aids and the audit requirements of an A-133 engagement. This CPE will commence within 90 days from the date of this letter.

The firm owner will consider an independent pre-release review of the workpapers on the upcoming audit engagement.

The firm is committed to strengthening its monitoring policies and procedures, especially as they relate to a timely postissuance review of engagements. I have begun to acquire quality control materials to guide the firm. Additionally, outside assistance (as mentioned above) has been sought, and this individual will be available for consultation and guidance.

Sincerely,

Charles Dismukes



LCPA Peer Review Program
Administered in Louisiana by the
Society of Louisiana CPAs



AICPA Peer Review Program
Administered by the
Society of Louisiana CPAs

April 4, 2014

Charles F Dismukes, CPA
Charles F. Dismukes, Jr., CPA
4328 Delaware Ave.
Kenner, LA 70065

Dear Mr. Dismukes:

On January 29, 2014 the Society of Louisiana CPAs 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:

- ensure that all professional staff in your firm who work on accounting and auditing engagements participate in at least 16 hours of continuing professional education specific to A-133 audits no later than July 31, 2014. Please send a letter to the Committee detailing the courses taken by each individual within thirty days of that date, along with proof of attendance at the courses. Self study, teleconferences or webcasts will not satisfy this requirement. If you have taken CPE in this or similar areas in the previous six months, please contact the peer review department to determine if the course qualifies.
- permit an outside party, acceptable to the Committee chair, to review the report, financial statements, and working papers on the all audit engagements issued subsequent to the review PRIOR to release. The outside party should report to the Committee by July 31, 2014 on the results of the review. You must obtain the services of the outside party at your expense and ensure they are acceptable to the committee by contacting the Peer Review Department. Upon completion of the pre issuance review, the reviewer will be required to issue a letter of corrective action to the committee. The committee will review the letter along with any workpapers prepared during the preissuance review and determine if further action will be required. If you do not expect to have an engagement completed in time to meet the deadline, please contact the Peer Review Department with an expected date.

This review is not considered accepted until we receive the signed document.

State Board Rule 46:XIX:1503.A.5 provides that timely completion of a peer review of firms that have performed attest services (e.g., compilations, reviews, audits, agreed upon procedures, etc.) is required in order to maintain and renew a CPA firm permit to practice.

As defined in Interpretation 25-2 of the Standards the review will not be considered complete until the committee accepts the report and letter of response (if applicable) or decides that the reviewed firm has performed the agreed-to corrective action(s) to the committee's satisfaction and the committee requires no additional corrective action(s) by the reviewed firm. This date is noted in a final letter from the administering entity to the reviewed firm and is posted on the State Board secure website.

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 via email gsnyder@lcpa.org or fax 985-764-4345.

Sincerely,
SOCIETY OF LOUISIANA CPAs



Stacey Lockwood
Director of Professional Oversight
slockwood@lcpa.org 504 904-1136

cc: Edward L Camnetar

Firm Number: 72002832 Review Number: 351072

Acknowledged for the Firm:

Signature: Charles Desme Date: 4/21/14