

## SYSTEM REVIEW REPORT

December 11, 2014

To the Partners  
Cochran, Clark & Robinson,  
A Corporation of Certified Public Accountants  
and the Peer Review Committee of the  
Society of Louisiana Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Cochran, Clark & Robinson (the firm) in effect for the year ended September 30, 2014. 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](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an audit of an employee benefit plan.

We noted the following deficiency during our review:

**Deficiency**—Professional audit standards and the firm's quality control policies and procedures require its audit reports to be appropriately modified under the circumstances. During our review of the firm's only audit engagement of an employee benefit plan, we noted that the Plan's notes to the financial statements failed to include all required disclosures and the accompanying supplemental schedule was incomplete and the firm's audit report was not properly modified for these departures from professional standards.

Although the firm utilized an industry specific financial statement reporting and disclosure checklist on this engagement, the departures were not properly identified during the review stage of the engagement.

The firm has subsequently agreed to recall and reissue the financial statements and report, providing for correction of the missing disclosures and accompanying supplemental schedule.

**Recommendation**— The firm should comply with its quality control policies and procedures and utilize applicable checklists to ensure that audit reports and disclosures of employee benefit plan engagements are appropriate . In addition, the engagement partner should carefully review these checklists at the completion of all engagement to ensure their proper completion as required by firm policy. When departures are identified, the firm should properly modify audit reports accordingly.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Cochran, Clark & Robinson in effect for the year ended September 30, 2014, 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*. Cochran, Clark & Robinson has received a peer review rating of *pass with deficiency*.

*Haddox Reid Eubank Betts*

**HADDOX REID EUBANK BETTS PLLC**

# Cochran, Clark & Robinson

A Corporation of Certified Public Accountants

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January 27, 2015

Peer Review Committee  
Louisiana Society of CPAs  
P O Box 1279  
Destrehan, LA 70047

Dear Review Committee Members:

We have recently completed our peer review and submitted responses to the Matters for Further Consideration (MFC's). The system review report issued by Haddox Reid Eubank Betts, PLLC dated December 11, 2014 includes a deficiency on the audit of the employee benefit plan and a recommendation to carefully review checklists at the completion of all engagements as required by the firm policy.

The firm will reissue the financial statements and the report to correct for the missing disclosure and the omission of the account on the accompanying supplemental schedule. In addition, we review checklists as we complete procedures to reissue this report. I believe that this process of reissuing the report and reviewing the checklists combined with some self study will improve our professional skills in this area.

We are committed to following professional standards in all of our work and respect the opinions of the committee in this matter. Our firm has been involved in the peer review process from the beginning and this is the first deficiency noted in the reviews. Our training and CPE courses will focus on this area as required to attain competency in this specialized area.

Sincerely,



Susan C. Cochran  
Managing Partner



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



AICPA Peer Review Program  
Administered by the  
Society of Louisiana CPAs

February 4, 2015

Susan Clark Cochran, CPA  
Cochran, Clark & Robinson  
905 Julia St  
Rayville, LA 71269

Dear Ms. Cochran:

On January 28, 2015 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 to include 8 hours in the area of ERISA and 8 hours in the area of reporting and disclosure no later than May 31, 2015. 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 next ERISA audit engagement issued subsequent to the review PRIOR to release. The outside party should report to the Committee by May 31, 2015 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.

Letter ID: 957501

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](mailto: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: James E Wood

Firm Number: 10096184    Review Number: 367321

Acknowledged for the Firm:

Signature: James C. Cochran                      Date: 2/3/15