

**SYSTEM REVIEW REPORT**

To the Shareholders of Huffman & Soignier (APAC)  
and the Peer Review Committee of the Louisiana Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of **Huffman & Soignier (APAC)** (the firm), in effect for the year ended May 31, 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 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 audits of employee benefit plans.

We noted the following significant deficiencies during our review:

1. **Deficiency** – The firm's quality control document requires various levels of review of financial statements and working papers which should be sufficient to detect the lack of documentation in the performance of audit procedures. During our review we noted that although there was evidence of the performance of these levels of review, the content of the documentation related to the risk of material non-compliance with each compliance element, consideration of subsequent events, understanding audit risk associated with compliance as a basis in planning the audit, understanding of internal control over each compliance requirement determined to be direct and material and testing of controls for any material non-compliance was in need of further amplification. We further noted in the performance of analytical reviews, that expectations regarding variances were not fully addressed, and that there was a lack of documentation of journal entry reviews and the analysis of a valuation allowance associated with deferred tax assets. The firm's system of quality control requires documentation of the performance of audit procedures as required by professional standards and the performance of partner reviews of workpapers. Although there was documentation that those reviews had been performed, they failed to reveal the need for expansion of the description of the procedures performed. The firm is re-emphasizing the importance of those engagement reviews in assuring conformity with the documentation of professional standards in the succeeding audits of those entities all of which are imminent.

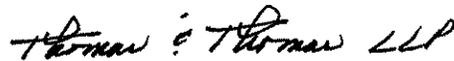
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Recommendation – The firm presently subscribes to third party resource materials that provide guidance in the performance of audit procedures addressing the matters noted in the description of the deficiency noted above. Those materials should be utilized to assure that there is sufficient documentation of the audit procedures performed.

2. Deficiency – The firm's quality control document and professional standards require the performance of monitoring procedures on an ongoing basis. The firm did not perform monitoring procedures in one of the years prior to the performance of the peer review. The firm's quality control document and professional standards require the performance of monitoring procedures to assure that the design of the system of quality control is appropriate for the firm and that there is conformity with its requirements. The firm has agreed to engage an outside firm to perform their monitoring procedures as recommended below.

Recommendation – Although the firm performed monitoring of their accounting and auditing practice including an inspection, in the year prior to the peer review year end the summary of the findings did not contain the matters noted in the current peer review above. In view of the lack of monitoring in the one year and the lack of findings similar to those noted in the peer review, the firm should contract with an outside party to conduct their next inspection of their accounting and auditing practice.

In our opinion, as a result of the significant deficiencies previously described, the system of quality control for the accounting and auditing practice of **Huffman & Soignier (APAC)** in effect for the year ended May 31, 2014, was not suitably designed or complied with to provide the firm with reasonable assurance of performing 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*. **Huffman & Soignier, (APAC)** has received a peer review rating of *fail*.



Thomas & Thomas, LLP

November 11, 2014  
Texarkana, Texas

TT/gm

# HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA  
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA  
Lynn Andries, CPA, CGMA  
Esther Atteberry, CPA  
Lori Woodard, MBA, CPA, CGMA, CITP  
Fernando Cordova, CPA

December 23, 2014

Peer Review Committee of the Society of Louisiana CPAs

Ladies and Gentlemen:

This letter represents our response to the report dated November 11, 2014 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 May 31, 2014. The corrective actions discussed in this letter will be monitored to ensure they are effectively implemented as part of our system of quality control.

1. The Firm subscribes to and uses on a selective basis third party resource materials which provide guidance in the performance of procedures related to the determination of risks of material non-compliance with each compliance element, consideration of subsequent events, understanding audit risk associated with compliance as a basis for planning the audit, understanding of internal control over each compliance requirement determined to be direct and material and the testing of controls for any non-compliance. Those materials also provide guidance in the expression of expectations in the performance of analytical reviews, documentation of journal entry reviews and the analysis of valuation allowances associated with deferred tax assets. The Firm will require that all third party resource materials related to the types of accounting and auditing engagements performed by the Firm be utilized in the future and emphasize that the importance of those materials to the performance of the various levels of review of financial statements and working papers that are required by the Firm's Quality Control Document. We have gone over the deficiencies referenced in the peer review with the partners, senior personnel and staff during the process of our peer review and we will hold an in-service training for all of our staff by January 31, 2015 to train in much more detail.

2. The Firm will contract with an outside party to conduct our next inspection of our accounting and auditing practice in effect for the year ended May 31, 2015. This inspection will be performed in October or November 2015.

As mentioned above, these corrective actions will also be emphasized in our monitoring procedures and internal inspections. We believe these actions are responsive to the findings of the review.

Sincerely,



Francis I. Huffman, CPA

President



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



AICPA Peer Review Program  
Administered by the  
Society of Louisiana CPAs

March 2, 2015

Francis I Huffman, CPA  
Huffman & Soignier (APAC)  
1100 N 18th St  
Monroe, LA 71201

Dear Mr. Huffman:

On February 27, 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 in the area of A-133 no later than June 30, 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 A-133 audit engagement issued subsequent to the review PRIOR to release. The outside party should report to the Committee by June 30, 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,

Letter ID: 963404

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](mailto:gsnyder@lcpa.org) or fax 985-764-4345.

Sincerely,  
SOCIETY OF LOUISIANA CPAs



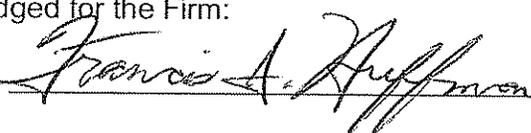
Stacey Lockwood  
Director of Professional Oversight  
slockwood@lcpa.org 504 904-1136

cc: John Mason Andres

Firm Number: 10043721 Review Number: 361540

Acknowledged for the Firm:

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

 Date: 5/1/2015



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



AICPA Peer Review Program  
Administered by the  
Society of Louisiana CPAs

July 1, 2015

Francis I Huffman, CPA  
Huffman & Soignier (APAC)  
1100 N 18Th St  
Monroe, LA 71201

Dear Mr. Huffman:

On July 1, 2015 the Society of Louisiana CPAs Peer Review Committee determined that your most recent peer review is complete.

The due date for your next review is November 30, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

Sincerely,  
SOCIETY OF LOUISIANA CPAs

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

cc: John Mason Andres; Francis I Huffman

Firm No. 10043721

Review No. 361540

Letter ID: 997907