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To the Shareholders of  
Broussard & Company, Certified Public Accountants, L.L.C.

We have reviewed the system of quality control for the accounting and auditing practice of Broussard & Company, Certified Public Accountants, L.L.C. (the Firm) in effect for the year ended June 30, 2006. A system of quality control encompasses the Firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The Firm is responsible for designing a system of quality control and complying with it to provide the Firm reasonable assurance of conforming with 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 with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the Firm, interviewed firm personnel and obtained an understanding of the nature of the Firm's accounting and auditing practice, and the design of the Firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the Firm's system of quality control. The engagements selected represented a reasonable cross-section of the Firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the Firm's accounting and auditing practice. In addition, we tested compliance with the Firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the Firm's policies and procedures on selected engagements. Our review was based on selected tests; therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control, and, therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Broussard & Company, Certified Public Accountants, L.L.C. in effect for the year ended June 30, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the Firm with reasonable assurance of conforming with professional standards.

As is customary in a system review, we have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.

*Smith, Turner & Reeves P.A.*

February 21, 2007

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To the Shareholders of  
Broussard & Company, Certified Public Accountants, L.L.C.

We have reviewed the accounting and auditing practice of Broussard & Company, Certified Public Accountants, L.L.C. (the Firm) for the year ended June 30, 2006, and have issued our report thereon dated February 21, 2007. That report should be read in conjunction with the comments in this letter, which were considered in determining our opinion. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report.

Comment – The Firm’s audit and accounting manuals provide guidance in preparation of engagement letters and representation letters. Our review revealed an instance where the client engagement letter did not include appropriate language regarding responsibility for fraud and an instance where the representation letter did not include representation that an attorney had not been consulted. Similar matters were noted during the prior review. Based on discussions with engagement personnel, we were able to satisfy ourselves that the omitted items were not of such importance as to impair the Firm’s ability to support the opinions rendered.

Recommendation – We recommend that the Firm conduct training on the preparation of engagement letters and representation letters. All staff should be reminded to consult with appropriate manuals and professional literature when preparing engagement letters and representation letters. Additionally, the next inspection should emphasize these areas to ensure compliance.

Comment – The Firm’s quality control policies and procedures require documentation of all compilation, review, audit and attestation engagements be maintained in accordance with professional standards. Our review noted that on key areas in several audit and review engagements, the reviewer could not determine the nature and extent of audit procedures and conclusions reached without supplemental explanations. This occurred primarily on audit engagements because the audit programs were not sufficiently tailored to the specialized needs of the engagement. We also noted an instance where the Firm’s documentation of inquiry on a review engagement was not sufficient to determine whether accounting principles were correctly applied. Through discussion with the engagement partner and review of a subsequently prepared memorandum, we were able to satisfy ourselves that sufficient work was performed to support the Firm’s reports issued.

Recommendation – We recommend that the firm reviewers be encouraged to challenge whether the extent of documentation is in accordance with professional standards. We also recommend that the Firm conduct training on documentation, including tailoring audit programs to specialized needs to the engagement.

*Smith, Turner & Reeves P.A.*

February 21, 2007



**BROUSSARD & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

Founded in 1978

February 21, 2007

Society of Louisiana Certified Public Accountants  
Peer Review Department  
2400 Veterans Boulevard, Suite 500  
Kenner, LA 70062

Ladies and Gentlemen:

Enclosed are both report and letter of comments dated February 21, 2007, for the on-site peer review of Broussard & Company, Certified Public Accountants, L.L.C., for the year ended June 30, 2006. Accordingly, our response to the letter of comments follows.

**ENGAGEMENT PERFORMANCE**

**Finding No. 1** – The firm will continue to conduct annual training of staff to include the proper preparation of engagement letters and representation letters. All staff have been reminded of the necessity to consult appropriate manuals and professional literature when preparing engagement letters and representation letters. Additionally, the next inspection will emphasize these areas to ensure compliance.

**Finding No. 2** – The firm reviewers will be reminded of the necessity to determine whether the extent of documentation is in accordance professional standards. Further, the firm will conduct training on documentation, including tailoring audit programs to specialized needs to the engagement.

The preceding changes will be closely monitored by the firm during the performance of the annual inspection. We believe these actions are responsive to findings of the review.

Sincerely,

BROUSSARD & COMPANY,  
CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

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