

System Review Report

August 17, 2015

To the Owner of  
William P. Gaines, Jr., APAC  
and the Peer Review Committee of the Louisiana Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of William P. Gaines Jr., APAC (the firm) in effect for the year ended February 28, 2015. 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*.

We noted the following deficiencies during our review:

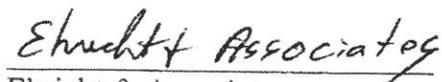
1. Deficiency-The firm's Quality Control Policies and Procedures requires that the firm have leadership responsibilities for quality within the firm ("Tone at the Top"). During our review we noted instances of a lack of leadership for quality within the firm. The lack of leadership included the failure to utilize third party practice aids in compilation and review engagements and some improper usage of third party practice aids in audit engagements. In addition, the firm obtained engagement letters which did not address providing non-attest services for the client and there was no engagement letter issued for the compilation engagement. The firm has indicated that all of the deficiencies will be corrected on the current year engagements which will be released soon.

Recommendation-We recommend that the firm comply with the requirement that a firm have a system of quality control which includes leadership for quality in the firm. ("Tone at the Top"). We recommend that if the firm is not aware of new standards, then the firm should attend more rigorous continuing education programs and consider the use of outside professionals to review engagements to assure that the practice aids are completed and that the firm knows how to adequately utilize the practice aids. The firm should also consider, where applicable, performing cold reviews of reports and financial statements. Because the firm has two full disclosure engagements in the same industry with the same reporting requirements, the firm should compare these two engagements to be sure that all of the headings and presentations are appropriate.

2. Deficiency – Firm policy requires that the firm perform monitoring. During the course of this review we noted instances of items that were deficiencies in the firm's previous review. The firm has indicated that they will perform monitoring and will insure that deficiencies disclosed in their Peer Review will be corrected.

Recommendation – We recommend that the firm document the performance of periodic monitoring to include at a minimum; a review of any deficiencies which are found in their current Peer Review report in order to prevent repeat deficiencies. As recommended in this report and in the firm's previous Peer Review report, it is recommended that the firm compare the two full disclosure engagements which the firm has that have the same reporting requirements to insure that they are consistence in respect to statement presentations and disclosures. Several inconsistencies between the two engagements continued to be noted during this review.

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of William P. Gaines Jr., APAC, in effect for the year ended February 28, 2015, 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*. William P. Gaines Jr., APAC has received a peer review rating of *pass with deficiencies*.

  
Ehricht & Associates

WILLIAM P. GAINES, JR., CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
4257 CHURCH STREET, SUITE 105  
ZACHARY LA 70791  
225-654-0560

October 15, 2015

Society of Louisiana CPAs  
Attn: AICPA Peer Review Program  
2400 Veterans Blvd.  
Suite 500  
Kenner, LA 70062-4739

Ladies and Gentlemen:

This letter represents my response to the peer review of my firm's accounting practice for the year ended February 28, 2015. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of my system of quality control.

1. I will provide leadership for the firm.
2. I will acquire third party quality control materials for my audits, reviews and compilations and obtain additional training on how best to utilize these practice aids.
3. I will obtain engagement letters for my compilation engagements.
4. I will complete all of the necessary third party check lists including the disclosure checklist. I will obtain assistance in using these materials from third party vendors and/or other CPAs who do audits, reviews and compilations.
5. I will review all of the full disclosure engagements before they are issued and I will compare them to each other and to other similar type financial statements to be assured that all of the required headings and presentations are in accordance with professional standards.
6. I will schedule appropriate CPE to address the deficiencies noted in my peer review and will seek more rigorous CPE courses offered through the AICPA, LCPA or other third party vendors.
7. I will conduct monitoring and/or cold reviews on previous and future work. I initially plan to have an independent CPA review major engagements until I am certain that the standards are being maintained. Additionally, I plan to undergo a self imposed peer review next year to be sure all deficiencies have been resolved.

Sincerely,



William P. Gaines, Jr. CPA



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



AICPA Peer Review Program  
Administered by the  
Society of Louisiana CPAs

October 16, 2015

William Payey Gaines Jr  
William P. Gaines Jr., APAC  
4257 Church St Ste 105  
Zachary, LA 70791

Dear Mr. Gaines:

On September 30, 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 disclosures and reporting and 8 hours in the area SSARS21 no later than December 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 and financial statements on the all engagements issued subsequent to the peer review PRIOR to release. The outside party must submit a report to the committee by December 31, 2015. 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 review of the report and financial statements, the reviewer will be required to issue a letter of corrective action to the committee. The committee will review the letter along with any work papers prepared during the 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 Rules provide 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.

Letter ID: 1028475A

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

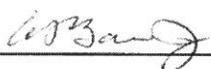


Stacey Lockwood  
Director of Professional Oversight  
slockwood@lcpa.org 504 904-1136

cc: John Foote Ehricht

Firm Number: 10140423    Review Number: 372434

Acknowledged for the Firm:

Signature:     Date: 10/20/15