

Kenneth D. Folden & Co.

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System Review Report

December 4, 2015

To the Shareholders

Donald, Tucker, Betts & Fuller,

A Professional Accounting Corporation

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 Donald, Tucker, Betts & Fuller, A Professional Accounting Corporation (the firm) in effect for the year ended June 30, 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.

As required by the standards, engagements selected for review included engagements performed under the *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 policies and procedures requires its employee benefit plan audit engagements to be documented and reported on in accordance with all professional standards including the Employee Retirement Security Act (ERISA). However, during our review of the firm's only two (2) audits of employee benefit plans, we noted that the firm failed to adequately perform, including appropriately documenting procedures related to contributions, participant data, and benefit payments on these ERISA engagements. On these same audit engagements, we noted that the accompanying notes to the financial statements did not include all required disclosures and the firm's audit reports were not modified for the missing note disclosures. The firm has subsequently agreed to perform and document its procedures and recall and reissue the related financial statements and reports. In addition, the firm has agreed not to perform any ERISA audit engagements in the future.

Recommendation—The firm should comply with its quality control policies and procedures and utilize all of the applicable audit programs and checklists to ensure its employee benefit plan/ERISA audit engagements are performed and documented in accordance with professional standards and its reports contain modifications when required.

2. Deficiency—The firm's quality control policies and procedures requires that risk assessment procedures and auditor's understanding of internal controls be documented in accordance with professional standards. However, during our review, we noted on several engagements that the firm failed to adequately document it's understanding of internal controls or walkthroughs of transactions. The firm is currently working on the next engagement on one audit and will include the proper documentation of all risk assessment and internal control as required by professional standards. The firm has chosen to no longer perform its governmental engagement.

Recommendation— The firm should comply with its quality control policies and procedures and utilize all of the applicable audit programs and checklists to ensure its audit engagements are performed and documented in accordance with professional standards. The firm should review applicable professional standards regarding auditing planning and documentation to insure the firm has a sound understanding of the planning and documentation process. The firm is no longer performing its governmental audit engagement. The firm should have a preissuance review of its next audit engagement performed by an outside firm.

In our opinion, as a result of the significant deficiencies previously described, the system of quality control for the accounting and auditing practice of Donald, Tucker, Betts & Fuller, A Professional Accounting Corporation in effect for the year ended June 30, 2015, was not suitably designed or 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*. Donald, Tucker, Betts & Fuller, A Professional Accounting Corporation as received a peer review rating of *fail*.

Kenneth D. Folden & Co.

DONALD, TUCKER, BETTS & FULLER

A PROFESSIONAL ACCOUNTING CORPORATION

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December 31, 2015

Stacey M. Lockwood, Peer Review Manager
Society of Louisiana Certified Public Accountants
2400 Veterans Boulevard, Suite 500
Kenner, Louisiana 70062-4739

Dear Ms. Lockwood:

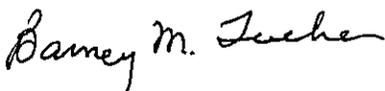
This letter represents our response to the report issued in connection with the peer review of the firm's system of quality control for the accounting and auditing practice in effect for the year ended June 30, 2015. All issues have been brought to the attention of personnel at a meeting held on December 31, 2015. In addition, steps have been added to our monitoring procedures to review the deficiencies noted in the report so that they will not happen again.

1. Various issues relating to the firm's performance of its ERISA engagement was noted during our recent review. Deficiencies noted by the review team included not appropriately documenting procedures performed and issues relating to omitted items in the financial statements. We plan on re-performing and better documenting procedures identified and recalling and reissuing the related financial statements and report. In addition, the firm has determined that it will not perform any ERISA audit engagements in the future.
2. At the meeting previously mentioned, the importance of proper use of the firm's practice aids was discussed, including the use of various PPC forms to assist in risk assessment, internal control and walk-through of transactions documentation in accordance with professional standards. The firm's upcoming CPE plan for partners will include emphasis on risk assessment, internal control and walk-through of transactions. The firm has determined that it will not perform any governmental audit engagements in the future. In addition, the firm will engage an outside firm to perform a pre-issuance review of its next audit engagement prior to issuance.

The firm is committed to strengthening its monitoring policies and procedures, especially as they relate to a timely post-issuance review of engagements. We have acquired quality control materials to guide the firm, and supervision of the monitoring process has been assigned to a partner.

Sincerely,

Donald, Tucker, Betts & Fuller, APAC



Barney M. Tucker



AICPA Peer Review Program
Administered by the
Society of Louisiana CPAs

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

January 26, 2016

Barney M Tucker
Donald, Tucker, Betts & Fuller APAC
2806 Kilpatrick Blvd
Monroe, LA 71201

Dear Mr. Tucker:

On January 18, 2016 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 responsible for planning or performing engagements participate in at least 16 hours of continuing professional education to include 8 hours in the audit documentation and 8 hours in auditing standards update no later than June 30, 2016. 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 audit subsequent to the review PRIOR to release. The outside party should report to the Committee by June 30, 2016 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.
- permit an outside party, acceptable to the Committee chair, to review the report, financial statements, and working papers on the next ERISA engagement subsequent to the review PRIOR to release. The outside party should report to the Committee by June 30, 2016 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: 1052687A

- permit an outside party, acceptable to the Committee chair, to review the report, financial statements, and working papers on the next government engagement subsequent to the review PRIOR to release. The outside party should report to the Committee by June 30, 2016 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 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.

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: Kenneth D Folden; Barney M Tucker

Firm Number: 10017372 Review Number: 382174

Acknowledged for the Firm:

Signature: Barney M. Tucker Date: 1-28-16

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