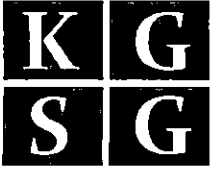


In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Vickie C. Richardson, CPA, PSC in effect for the year ended January 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance 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*. Vickie C. Richardson, CPA, PSC has received a peer review rating of *pass with deficiency*.

*Kelley Galloway Smith Goolsby, PSC*

Kelley Galloway Smith Goolsby, PSC  
Ashland, Kentucky



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## SYSTEM REVIEW REPORT

July 21, 2016

To the Shareholders  
Vickie C. Richardson, CPA, PSC  
and the Peer Review Committee of the  
Kentucky Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Vickie C. Richardson, CPA, PSC (the firm) in effect for the year ended January 31, 2016. 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 the *Government Auditing Standards*.

We noted the following deficiency during our review:

1. **Deficiency** – The firm's quality control policies and procedures require the firm properly consider all relevant ethical requirements with regard to performing non-audit services, specifically on engagements subject to *Government Auditing Standards*. However, our review revealed an instance where the firm did not document the independence considerations for significant threats related to financial statement preparation and related safeguard in accordance with *Government Auditing Standards*.
2. **Recommendation** – We recommend the firm review their policies and procedures related to independence and determine if changes are needed as a result of new requirements regarding applying safeguards in performing non-audit services.