**Response to the Solicitation for Proposal (SFP) – AUP Engagement**

In order to simplify the review process and to obtain the maximum degree of comparability, proposals must be completed using the template provided. The legislative auditor reserves the right to refuse to consider proposals that are not submitted in this format or those that are incomplete.

**FIRM NAME**

**Proposal for Agreed-upon Procedures at *[entity name]***

**Date of Proposal Submission**

**Firm Contact (Name and Email Address)**

**Firm Address**

**Firm Telephone Number**

**Firm Federal Tax Identification Number**

**State Agency Solicitation Number**

**Contract Period**

***[FIRM NAME]* – TRANSMITTAL LETTER**

*[Firm name]* is proposing to perform agreed-upon procedures *[entity name]* for fiscal years ending *[date]*, *[date]*, and *[date]*, in accordance with all applicable standards, including but not limited to, *Statements on Standards for Attestation Engagements* (SSAE), *Government Auditing Standards* (GAS), and all applicable provisions of the *Louisiana Governmental Audit Guide*.

We confirm that *[Firm Name]* meets the appropriate state licensing requirements to practice public accounting in the State of Louisiana.

We confirm that *[Firm Name]* meets the applicable independence standards relating to *[entity name]*.

We confirm that *[Firm Name]* has not had a record of substandard audit work or engaged in any unethical practices within the past five years.

We confirm that *[Firm Name]* has complied with applicable requirements for peer review and continuing professional education.

We confirm that *[Firm Name]* does not, and will not, discriminate on the basis of race, color, religion, sex, national origin, veteran status, political affiliation, disability, sexual orientation, or any other non-merit factor in matters relating to employment.

We confirm that *[Firm Name]* has procured appropriate professional liability insurance; and if awarded the contract, will maintain this insurance in full force and effect during the term of the contract; and will provide a true and correct copy of the required policy’s declaration page to the legislative auditor within ten days of the date of execution of the contract and, if applicable, a copy of the declaration page demonstrating renewal of same for the entire contractual period within ten (10) days of said renewal.

*Include any other information that the proposer feels is appropriate to include.*

*Signature of individual who is authorized to make proposals of this nature in the name of the firm submitting the proposal*

***[FIRM NAME]* – FIRM DESCRIPTION**

*Give a brief description of the firm, detailing firm capacity, number and location of offices, et cetera, and if applicable, include a similar description of the office performing the engagement.*

*Indicate whether the firm is a local, regional, national, or international firm.*

We confirm that no disciplinary action has been taken against *[Firm Name]*’s Louisiana based operations, in the past five years, by the American Institute of Certified Public Accountants and/or any state board of accountancy, state or federal grantor, state auditor, state society of certified public accountants, or any other regulatory body.[[1]](#footnote-2)

Yes [ ]  No [ ]

We confirm that during the past 10 years, no partner, owner, manager, or principal officer (including any staff members being proposed for the engagement) of *[Firm Name]*’s Louisiana based operations has been convicted of a felony; has pleaded nolo contendere to a felony charge; has been held liable in a civil action by final judgment involving a violation of any federal, state, or local law relating to the performance of a service contract; has settled a claim of nonperformance asserted by a proposing firm’s client; or has settled a claim relating to a service contract asserted by a regulatory body.[[2]](#footnote-3)

Yes [ ]  No [ ]

We confirm that no partner, owner, manager, or principal officer (including any staff members being proposed for the engagement) of *[Firm Name]*’s Louisiana based operations is subject to any currently effective injunctive or restrictive order or decree relating to the performance of a service contract.[[3]](#footnote-4)

Yes [ ]  No [ ]

We confirm that *[Firm Name]* has not provided any services to the state agency over the past three years.[[4]](#footnote-5)

Yes [ ]  No [ ]

We confirm that *[Firm Name]* and/or its partners have not participated in any political activity, over the past three years, related to any campaign for public office by any member of management or of the board/commission of the agency being proposed upon. Such political activity includes, but is not limited to, monetary contributions; serving as a member of a campaign or fund raising team (president, treasurer, et cetera); and publishing or signing campaign literature.[[5]](#footnote-6)

Yes [ ]  No [ ]

We confirm that *[Firm Name]* is considered to be a small firm and/or is owned by socially and economically disadvantaged individuals. [[6]](#footnote-7)

Yes [ ]  No [ ]

**Professional Capacity of Firm**

*Using the format specified below, provide data on the make-up of the professional audit staff of the office performing the engagement (if the category titles do not match your firm’s titles, change as appropriate):*

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Total Number** | **Number of CPAs** | **Percentage of CPAs** |
| Partners |  |  |  |
| Managers |  |  |  |
| Supervisors |  |  |  |
| Seniors |  |  |  |
| Other Audit Staff |  |  |  |
| Total Professional Audit Staff |  |  |  |

**Professional Organizations**

*Identify the professional organizations to which the firm belongs.*

**Governmental Experience**

*List audit, review/attestation, and/or agreed-upon procedures engagements of* ***governmental entities*** *located in Louisiana that have been* ***completed*** *over the* ***past three years*** *by the proposing firm. The list should be classified by type of engagement (audit, review/attestation, or agreed-upon procedures). Denote which of the engagements listed are similar to the agency soliciting proposals. The proposing firm should explain why an engagement of an agency is similar to the one for which a proposal is submitted, unless the similarity is clear. For example, an audit of a city is not clearly similar to an audit of a port commission; however, the city operations may include a port and such should be clearly explained in the proposal. Please use the following format for each type of engagement.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Government Entity / Engagement Type** | **Period(s) Ended** | **Name and Phone Number of Entity Contact** | **Similar to Entity Soliciting for Proposals?** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

***[FIRM NAME]* – ENGAGEMENT DETAILS**

**Engagement Team**

*[Firm Name]* will assign the following individuals as supervisory personnel *(partner, manager, supervisor, and/or seniors)* for the engagement: *[identify the supervisory personnel who will be assigned to the engagement]*. Résumés, including required continuing professional education information, for each person are attached to this proposal.[[7]](#footnote-8)

We confirm that we will not assign or subcontract any of the work to be performed to a third-party agency or subcontractor. [[8]](#footnote-9)

**Contract Period and Timeliness**

For the contract period ending *[contract period end date per the agency information document]*, we have included in the table below the following: the fiscal year-end, the start of field work date, and the date the report will be completed and submitted to the Legislative Auditor.

Note: Each fiscal year will be a separate audit as of and for each of the years ending listed on the agency information document. The start of field work date should be the date that the work will commence no later than and this date should agree to the agency information document. The date submitted to the Legislative Auditor (LLA) should be the engagement completion date per the agency information document.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Fiscal Year-End | Start of Field Work Date | Date to be Submitted to LLA |
| *1st year engagement* |  |  |  |
| *2nd year engagement* |  |  |  |
| *3rd year engagement* |  |  |  |

**Engagement Approach**

Clearly describe the scope of the engagement and how it will be conducted for both financial and compliance aspects. The engagement approach should be described in sufficient detail to demonstrate an understanding of the state agency and its specific accounts, activities, and operations.

Describe the approach that will be taken for the subsequent period(s) (2nd and 3rd year engagement under contract).

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**Special State Agency Requirements**

*List any special requirements of the state agency included on the agency information document within the Special Requirements section to be performed by the proposing firm. Indicate if you will not be able to perform any of these special requirements.*

**Agency Assistance**

We do not anticipate needing any state agency personnel to assist in technical aspects of the engagement nor do we anticipate any non-technical agency assistance during the engagement. [[9]](#footnote-10)

**Nature of Services**

We confirm that the agreed-upon procedures will be performed in accordance with:

1. Statements on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants.
2. The applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We confirm that the agreed-upon procedures will comply with the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

We acknowledge that the agreed-upon procedures to be performed are those listed within the AUP report template located on the legislative auditor’s state contracts webpage at (<https://lla.la.gov/resources/local-government-reporting/state-contracts>). We agree to review this template for revisions at the outset of procedures for each contract period to ensure all required procedures are performed.

We confirm that we will convey to the state agency, as appropriate, those matters observed relating to opportunities for economies of operation or other matters that should be brought to the state agency's attention. In addition, we confirm that we will evaluate and perform additional procedures, when requested by the legislative auditor, as it relates to allegations or complaints received by the legislative auditor related to the state agency. If we have gained knowledge of matters outside of the agreed-upon procedures related to fraud, theft, or pledge/loan/donation of public funds and we do not include these matters in the report, we confirm that we will contact the legislative auditor to discuss before submitting the report.

**Reports**

We confirm that our agreed-upon procedures report will include the following:

1. An Independent Accountant's Report on Applying Agreed-Upon Procedures.
2. A summary schedule of exceptions or a statement that there are no exceptions to report.
3. A management letter, if applicable, detailing the following items if detected during the performance of the agreed-upon procedures: internal control deficiencies, fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that is not material to the agreed-upon procedures.
4. A summary schedule of prior exceptions or a statement that there were no prior exceptions.
5. Management’s corrective action plan (prepared by the agency). The plan should address each exception and comment included in the current year report. If the agency fails to provide a corrective action plan, the report shall include a statement that the agency failed to respond to the exceptions and comments.

**Report Distribution**

Unless otherwise specified in the agency specific information, at the conclusion of the engagement, we will immediately send:

* One graphical file of the report to the legislative auditor. The report file shall include any management letter, as well as management’s corrective action plan. The graphical files shall be created in PDF format and submitted electronically through the Louisiana Legislative Auditor's Local Government Reporting System: <http://app.lla.state.la.us/ewsdataentry.nsf>.
* A copy of the report to each board member, when there is an oversight board.
* A copy of the report to any legislative oversight committee.
* A copy of the report to management of the agency, including any printed copies of the report that management of the agency requests.
* A copy of the report to each state agency providing monies to the agency.
* A copy of the report to any state agency exercising oversight responsibilities

**Engagement Documentation**

We will retain all engagement documentation (working papers and all correspondence relating to the engagement) for a period of five years from the date of the report, unless notified in writing by the legislative auditor or cognizant agency to extend the retention period. All of the documentation will be available for inspection by the legislative auditor, any successor or principal auditor/accountant, the Louisiana State Board of CPAs, or any other agency recognized within the State of Louisiana to provide a quality assurance function. We agree to contact and obtain the express permission of the legislative auditor prior to giving access to engagement documentation to any parties other than those previously named individuals and organizations. All of the documentation will be provided by us as the predecessor accountant to the successor auditor/accountant at a cost of no more than $.25 per page, with no further fees assessed. The access to the documentation will be granted at a mutually convenient time and location within 10 working days of the request. Relevant documentation includes trial balances, adjusting journal entries, analyses of balance sheet accounts (both current and noncurrent and those relating to contingencies), documentation of the predecessor’s understanding of the entity’s system of internal control, documentation of a permanent nature, such as bond amortization schedules and lease agreements, and documentation that supports the summary of significant accounting policies.

In addition, we agree to answer specific inquiries of a potential proposer for future engagements when those inquiries may affect the proposer's client acceptance decision. We acknowledge that failure to make the engagement documentation available for successor auditor/accountant inspection and copying under rules of the legislative auditor will result in prohibition from participating in the SFP process and could result in additional actions taken against us.

**Special Conditions**

If awarded the contract:

* We agree to notify the legislative auditor immediately, in writing, if there is any limitation on the scope of the engagement, to include denial of access to books and records or failure to provide the same in a timely manner.
* We agree to notify the legislative auditor immediately, in writing, if we decide to withdraw from the engagement. As a part of the notification, we will describe in detail the reasons leading to the withdrawal.
* We agree to notify the legislative auditor immediately, in writing, if any illegal or fraudulent acts are detected.
* We agree to notify the legislative auditor immediately, in writing, if we will be unable to complete an engagement within the required time. As part of the notification, we will provide all substantive reasons for the delay and an estimate of the revised completion date.
* We agree to notify the legislative auditor and state agency being examined immediately, in writing, if we encounter circumstances that make it necessary to perform added work beyond the scope originally anticipated, before beginning such work. As part of the notification, we will provide an estimate of the number of additional hours and the resulting fee.
* In the event that we decide to reissue the report, we will notify the legislative auditor immediately and distribute the reissued report in the same manner as the original report.
* We agree that no additional services will be performed for the state agency unless otherwise approved by the legislative auditor.
* We acknowledge that the legislative auditor reserves the right to terminate the engagement contract at any time.
* We agree to promptly notify the legislative auditor and the state agency in writing when there is reasonable cause to believe that there has been any (1) non-permitted uses or disclosures of the state agency’s information, including Personal Identifiable Information (PII) and/or Protected Health Information (PHI); (2) breach of unsecured state agency information; or (3) Successful Security Incidents caused by ICPA, or its agents or subcontractors.

**Fee Proposal**

*Using the format specified below, for each individual fiscal year in the contract period provide the proposed pricing information in the following format and include the overall contract totals:*

For fiscal year end [relevant FYE]:

|  |  |  |  |
| --- | --- | --- | --- |
| **Staff Classification** | **Hours Assigned** | **Hourly Rate** | **Totals** |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
| Total Hours (A) | **XXX** |  |
| Out of Pocket Expenses |  | $XXX |
| Total All Inclusive Maximum Fee (B) |  | **$XXX** |
| Average Billing Rate (B/A) |  |  | $XXX |

For fiscal year end [relevant FYE]:

|  |  |  |  |
| --- | --- | --- | --- |
| **Staff Classification** | **Hours Assigned** | **Hourly Rate** | **Totals** |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
| Total Hours (A) | **XXX** |  |
| Out of Pocket Expenses |  | $XXX |
| Total All Inclusive Maximum Fee (B) |  | **$XXX** |
| Average Billing Rate (B/A) |  |  | $XXX |

For fiscal year end [relevant FYE]:

|  |  |  |  |
| --- | --- | --- | --- |
| **Staff Classification** | **Hours Assigned** | **Hourly Rate** | **Totals** |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
|  | XXX | $XXX | $XXX |
| Total Hours (A) | **XXX** |  |
| Out of Pocket Expenses |  | $XXX |
| Total All Inclusive Maximum Fee (B) |  | **$XXX** |
| Average Billing Rate (B/A) |  |  | $XXX |

For entire contract period:

|  |  |
| --- | --- |
|  | **Totals** |
| Total All Inclusive Maximum Fee (C) | $XXX |
| Total Hours (D) | XXX |
| Average Billing Rate (C/D) | $XXX |

1. If action has been undertaken, mark “No” and provide appropriate details of the circumstances, including a description of the current status. [↑](#footnote-ref-2)
2. If any such action has occurred, mark “No” and include the name of the person convicted or against whom a judgment or settlement was entered; the court or other forum and date of conviction, judgment, or settlement; the penalty or damages assessed in connection therewith and/or the terms of settlement. [↑](#footnote-ref-3)
3. If any such action has occurred, mark “No” and include the name of the person; the parties involved and the court; a summary of the allegations or facts found by the court; and the date, nature, terms and conditions of the order or decree. [↑](#footnote-ref-4)
4. If services have been provided or are currently being provided to the state agency being proposed upon over the past three years, mark “No” and provide a description of the services that includes the time frame during which the services were provided and the related compensation received. [↑](#footnote-ref-5)
5. If such activity has occurred, mark “No” and include a description of the political activity. [↑](#footnote-ref-6)
6. In accordance with R.S. 24:513(A)(5)(b), it is the intent of the legislature that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded by the legislative auditor. The legislative auditor will give special consideration to firms that meet the following criteria: Small firm (10 or less employees) and/or firms in which a socially and economically disadvantaged individual(s) own and control at least 51% of the firm. [↑](#footnote-ref-7)
7. The résumés must include the specific governmental engagements that he/she has participated in as well as the position he/she served on the engagement team. In addition, the résumés must identify the continuing education courses, and the related credit hours, relative to governmental accounting and auditing that he/she has attended during both the current and the prior reporting periods (separately identified, for example: Two Years ending December 31, 2024, and Two Years ending December 31, 2022) as defined by *Government Auditing Standards*. We acknowledge that reporting periods may differ based on when he/she began his/her governmental practice; however, two reporting periods should be provided. [↑](#footnote-ref-8)
8. If the proposer plans to use third-party agents or subcontractors for the work required on the audit, modify the statement accordingly and provide a description of the planned use of those parties on the audit. [↑](#footnote-ref-9)
9. If such assistance is expected, amend the statement and discuss the planned use of any state agency personnel to assist in technical aspects of the engagement and/or any required non-technical assistance anticipated. [↑](#footnote-ref-10)