LOUISIANA LEGISLATIVE AUDITOR REQUIREMENTS FOR AUDIT ENGAGEMENT AGREEEMENTS

***The Louisiana Legislative Auditor requires CPA firms to include the following provisions in the engagement agreement for every audit engagement performed for a local government agency or quasi-public organization (local auditee). The CPA should add these provisions to the appropriate illustrative Yellow Book or Single Audit engagement agreement from the practice aid (PPC, CCH, etc.) used by their firm. For the purposes of this document, all references to “our,” “we” or “us” means “the CPA firm performing the engagement.” After the engagement is signed by the local auditee, the CPA should seek Legislative Auditor approval by submitting the*** [***engagement approval request form***](https://www.lla.la.gov/cpas/engagement-approval-forms/index.shtml)***, located on the Legislative Auditor’s website.***

* Our engagement will be performed in accordance with the *Louisiana Governmental Audit Guide*, authorized by Louisiana Revised Statute 24:513 A. (5) (a) (i), which is published jointly by the Louisiana Legislative Auditor and the Society of Louisiana Certified Public Accountants.
* Our engagement will be performed in accordance with *Government Auditing Standards,* and *US Office of Management and Budget publication Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, if applicable.
* It is understood that our audit documentation is confidential information. However, we will make our audit documentation available to the Legislative Auditor, any successor auditor, or any organization of the Louisiana Board of Certified Public Accountants authorized to perform quality assurance reviews. We will follow the Louisiana Legislative Auditor’s policy regarding confidentiality of audit documentation found in the *Louisiana Governmental Audit Guide* when giving access to audit documentation to any parties other than those previously named individuals and organizations. Should we become aware of any illegal acts, we will make our engagement documentation available to the local district attorney and/or any other state or federal enforcement or regulatory agency without liability.
* We will retain the audit documentation for a minimum of five years.
* Immediately upon completion of the engagement, we will submit a copy of the report, any management letter, and management’s corrective action plan (if applicable) to the local auditee and the Legislative Auditor.
* Either we or the local auditee will submit a copy of the report, any management letter, and management’s corrective action plan (if applicable) to the following persons and agencies, as applicable:
* Each member of the local auditee’s governing board
* Each Louisiana state agency providing financial assistance to the local auditee
* The Federal Audit Clearinghouse, as required by 2 CFR Section 200.512
* Subsequent to the issuance of the report, should it be necessary to revise and reissue the report, we will notify the Legislative Auditor immediately. We will distribute such revised and reissued report in the same manner and to the same individuals and organizations as the original report.
* The local auditee will prepare and sign the attached (**choose one:**  **local government, quasi-public or charter school**) [compliance questionnaire](https://www.lla.la.gov/lagag.nsf/bdcb79123307274c8625813000748590/6b9565cd6af72bcf862580d400652194?OpenDocument); adopt it in an open meeting of the local auditee’s board (if applicable), and return it to us. We will test the local auditee’s compliance with the applicable laws during the performance of our audit, and will report on any matters of noncompliance that are material to the financial statements.
* The schedule of compensation, reimbursements, benefits, and other payments to the local auditee’s agency head, political subdivision head, or chief executive officer required by Louisiana Revised Statute 24:513 A. (3) will be included in the report as supplementary information other than required supplementary information; or in the notes to the financial statements. If included as supplementary information, we will provide an opinion on the schedule in relation to the financial statements as a whole.
* The schedule of per diem paid to the local auditee’s board members required by House Concurrent Resolution No. 54 of the 1979 Legislative Session will be included in the report, if applicable.
* (To be included in the compensation portion of the engagement agreement):
* Our fee for this engagement, which we estimate, will range from $\_\_\_\_\_to $\_\_\_\_\_, including out-of-pocket expenses. The fee estimate is based on the assumption that you will provide assistance, anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Any amendments to the not-to-exceed amount of the fees will be in writing and signed by both our firm and your agency.
* The engagement agreement includes the estimated completion date.
* We will notify the local auditee of any breach of the security of our firm’s computer system, defined in R.S. 51:3073 as the compromise of the security, confidentiality, or integrity of computerized data that results in, or there is a reasonable likelihood to result in, the unauthorized acquisition of and access to the local auditee’s personal information, as defined in R.S. 51:3073.
* We will notify the Legislative Auditor, in writing, and within ten days of our firm’s constructive knowledge of the occurrence of these events:
* Any fraud, abuse or illegal acts that are detected during our engagement
* Any client-imposed scope restrictions, to include failure to provide the appropriate books and records in a timely manner; or denial of access to appropriate books and records
* Any significant disagreements with the local auditee
* Any change in the scope of the engagement (for example, a change from an audit engagement to a review/attestation engagement), to include all reasons for such change
* Any decision to withdraw from or cancel the engagement, to include all substantive reasons for the withdrawal or cancellation
* Our decision to disclaim the auditor’s opinion, or to render an adverse opinion on the financial statements for any reason other than omitted component units.
* Any breach of the security of our firm’s computer system, defined in R.S 51:3073 as the compromise of the security, confidentiality, or integrity of computerized data that results in, or there is a reasonable likelihood to result in, the unauthorized acquisition of and access to the local auditee’s personal information, as defined in R.S 51:3073

OTHER:

* If the local auditee is required by the Legislative Auditor to provide for the state-wide agreed-upon procedures engagement, [this attachment](https://www.lla.la.gov/lagag.nsf/bdcb79123307274c8625813000748590/fbcd1d7978300dbb86258136006726d3?OpenDocument)  and the applicable agreed-upon procedures found in [this attachment](https://www.lla.la.gov/lagag.nsf/bdcb79123307274c8625813000748590/abad83d5cc3fd34e8625813600671b94?OpenDocument) should be included in the engagement agreement.
* If the local auditee is a school board or charter school, [this attachment](https://www.lla.la.gov/lagag.nsf/bdcb79123307274c8625813000748590/d095876648ba34938625810f0065910a?OpenDocument) should be included in the engagement agreement.