



Louisiana Legislative Auditor Audit Risk Alert

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AUDIT RISK ALERT # 38 (see revised guidance in [Audit Risk Alert No. 43](#))

DATE: June 28, 2021

SUBJECT: Submitting Audit Reports With Single Audits To the Louisiana Legislative Auditor

Louisiana Revised Statute (R.S.) 24:513 A. (5) (a) (i) states, in part:

In lieu of examinations of the records and accounts of any office subject to audit or review by the legislative auditor, the legislative auditor may, at his discretion, accept an audit or review report prepared by a licensed certified public accountant...**Such audits shall be completed within six months of the close of the entity's fiscal year** (emphasis added).

The Louisiana Legislative Auditor (LLA) is authorized by R.S. 24:513 A. (6) to prescribe the terms and conditions of the local government and quasi-public organization (local auditee) audits conducted by CPAs. These terms and conditions are set forth in the *Louisiana Governmental Audit Guide* (the Audit Guide).

Many of the reports submitted to LLA are for local auditees that must also provide for Single Audit reports because they expend \$750,000 or more in federal funds. The deadline for Single Audit reports to the Federal Audit Clearinghouse is no later than nine months after the local auditee's fiscal year end.

LLA's policy about the differences in report deadlines between the state audit law and the Federal Audit Clearinghouse requirements is addressed in [Section 400-1280](#) of the Audit Guide:

Q. The federal government requires submission of the Single Audit report within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the agency's fiscal year end. The Louisiana audit law requires submission of reports within six months after the end of the audit period. Will LLA accept local auditee reports that include Single Audits nine months after the local auditee's fiscal year end, without a late report finding?

A. No. Local auditee reports that include a Single Audit report must be submitted to LLA within six months of the local auditee's fiscal year end. The report that is submitted to LLA must also include the Single Audit report, the Schedule of Expenditures of Federal Awards (SEFA), and all other reports required by Uniform Guidance. If the report is submitted after the Louisiana statutory due date, it must include a late report finding.

There has been a significant increase in the number of questions LLA has received on this subject in the last few months due to the new COVID-19 related federal funds received by local auditees, and the delay in the federal guidance relating to the compliance requirements for these funds. Some CPAs have asked if LLA will allow them to submit an audit report by the state statutory due date in order to avoid a late report finding and submit a revised audit report, with the Single Audit report, at a later date.

LLA's current policy allows it to maintain the integrity of the local auditee reports that are available to the public through the [Audit Reports Library](#) on LLA's website. LLA does not always know which audit reports should include a Single Audit. For this reason, LLA does not usually permit submission of local auditee audit reports that are missing required Single Audit reports.

Our recommendation to CPAs who are faced with this dilemma is to file an [emergency extension request](#) with LLA for the submission of the audit report. Because the new COVID-19 related federal funds can be linked to a gubernatorially declared disaster or emergency, LLA is authorized by R.S. 24:513 A. (5) (a) (ii) to approve an emergency extension request if the delay in the submission of a report is due to the delay in federal guidance regarding the testing of these funds. **If an emergency extension request is approved, no late report finding is required.**

Alternatively, a CPA firm may choose to perform their tests of federal funds using the guidance that is currently available and submit their audit reports with the required Single Audit reports to LLA by the state statutory due date. LLA recommends that CPAs who choose this alternative review the guidance on the new federal funds when it is issued. If the CPA determines that the tests of federal funds they performed were not sufficient to support the Single Audit report that was issued, the CPA should reperform the tests in accordance with the new guidance, and submit the revised audit report and Single Audit report to both LLA and the Federal Audit Clearinghouse. Please see Audit Guide [Section 400-1270](#) for more information on submitting revised reports to LLA.

For situations in which a local auditee is required to submit a report to LLA by the state statutory due date without a Single Audit (e.g., for compliance with a bond covenant that requires a local auditee to issue a publicly available audit report by a specific date), we ask the CPA to send an email to LLA's Engagement Manager (Gayle Fransen, gfransen@lla.la.gov) when the initial report is submitted to notify LLA that a revised report will be forthcoming.

If you have questions about how to request an extension for a report that is due on June 30, 2021, please contact Ms. Fransen at gfransen@lla.la.gov or (225) 339-3874.

If you have any other questions about this matter, please contact Diane Allison at dallison@lla.la.gov or (225) 339-3812.