



## *Louisiana Legislative Auditor* *Audit Risk Alert*

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AUDIT RISK ALERT # 47

DATE: July 14, 2022

**SUBJECT: REPEAL OF ACT 774; REVISED PEER REVIEW AUTHORIZATION FORM**

### **Repeal of Act 774**

Act 774 of the 2014 Regular Legislative Session amended the Audit Law (Louisiana Revised Statute 24:513 (J) (1) (c) (v)) to authorize the Louisiana Legislative Auditor (LLA) to provide enhanced additional oversight of local auditees (local government agencies and quasi-public organizations) with annual revenues that exceed \$75,000 and are domiciled in any parish having a population of not less than 225,000 and not more than 250,000. Based on this criteria, Act 774 affected only those local auditees located in St. Tammany Parish.

LLA accomplished the enhanced additional oversight by providing accounting, legal or other assistance to some St. Tammany Parish local auditees and by requiring others to provide for an agreed-upon procedures engagement that was similar to the [statewide agreed-upon procedures engagement](#) (SAUP) required of local auditees in other parishes that are statutorily required to provide for an annual audit report.

Act 774 was repealed by Act 369 of the 2022 Regular Legislative Session, effectively removing the requirement for St. Tammany Parish local auditees to provide the Act 774 agreed-upon procedures engagement to LLA.

**The repeal of Act 774 also means that local auditees in St. Tammany Parish that receive \$500,000 or more in revenues and other sources (local governments) or state and/or local assistance (quasi-public organizations) are now required to provide for the SAUP engagement to LLA, in addition to their statutorily required audit report. The SAUP requirement is effective for audit engagements of St. Tammany Parish local auditees with fiscal years ending on or after July 31, 2022.**

More information on the statewide agreed-upon procedures engagements may be found in the [Louisiana Governmental Audit Guide](#). The required agreed-upon procedures, an illustrative SAUP engagement agreement, management representation letter and report, and a frequently-asked questions document may be found in the [Practice Aids](#) section of the *Louisiana Government Audit Guide*.

Please share this information with your St. Tammany Parish local auditee clients.

If there are any questions about SAUP engagements or the repeal of Act 774, please contact Barry Kelly at [bkelly@lla.la.gov](mailto:bkelly@lla.la.gov) or (225) 339-3831.

### **Revised Peer Review Authorization Form**

Each CPA firm on LLA's approved list is required to provide a signed [Peer Review Authorization Form](#) to LLA every three years. This form authorizes LLA to obtain certain information about the status of a firm's peer review. For more information about the Peer Review Authorization Form, please see [section 400-1020](#) of the *Louisiana Governmental Audit Guide*.

The AICPA recently issued its [Standards for Performing and Reporting for Peer Reviews \(Clarified\) \(PRC\)](#), effective for peer reviews commencing on or after May 1, 2022. The Peer Review Authorization Form has been revised for conforming changes.

We ask that the CPA firms on LLA's approved list use the revised [Peer Review Authorization Form](#) **prospectively**.

If there are any questions about the revised peer review authorization form, please contact Diane Allison at [dallison@lla.la.gov](mailto:dallison@lla.la.gov) or (225) 339-3812.