

AUDIT RISK ALERT # 57

DATE: August 26, 2024

SUBJECT: Engagement Agreement Approval "Blackout" Dates Around
Busiest Report Submission Dates

R.S. 24:514(F)(1) requires that local auditees file an approved engagement agreement with the Louisiana Legislative Auditor (LLA) **within 60 days of the close of the fiscal year**. R.S. 24:513(A)(6) requires that the engagement agreement be submitted to the LLA **prior to commencement of the engagement**.

Before CPA firms can submit audit, review/attestation, or compilation reports, or reports for other engagements (collectively, "financial reports") in the Local Government Reporting System, the LLA requires the following:

1. An approved engagement agreement,
2. A current peer review, and
3. A signed [CPA Peer Review Authorization form](#), which is required to be filed by every firm on the Approved CPAs list by January 31, 2024 for the period of January 1, 2024 through December 31, 2026, and by January 31 every three years thereafter (2027, 2030, etc.) for the ensuing three-year period (2027-2029, 2030-2032, respectively, etc.).

The LLA is unable to process financial reports for issuance without having previously received all three documents.

To avoid causing delays in receiving financial reports timely, and to allocate adequate time to carefully review and process engagement agreements, **the LLA will not approve engagement agreements during the following "blackout" dates around the three (3) busiest report due dates of June 30, September 30, and December 31:**



- June 24 – July 4,
- September 24 – October 4, and
- December 24 – January 4.

Engagement agreements received during the "blackout" dates will be held and not processed until after the "blackout" dates. Any financial reports that are turned in late because approval of the engagement agreement was held will be expected to include an audit finding for non-compliance with the audit law.

Please be aware that these "blackout" dates may impact situations where a change in report type is necessary after the original engagement has been submitted. For example, this may occur if, after work has begun, it is determined that the entity's revenues place it in a higher reporting category, or if it is discovered that a non-profit entity has received local or state assistance. In such cases we strongly encourage that a change in engagement type and agreement be submitted to our office as soon as the need for a change is identified. This will help prevent any issues with report submission by the required deadlines.

If you have any questions, please contact Tanya Forbes at tforbes@lla.la.gov or (225) 339-3820 or Gayle Fransen at gfransen@lla.la.gov or (225) 339-3874.

Ref: [Louisiana Governmental Audit Guide](#), Sections 400-1020 (Peer Reviews), 400-1080 (Engagement Agreements), and 400-1230 (Submitting a Report to the Legislative Auditor)