

SENATE BILL NO. 3

BY SENATORS SCHEDLER, BARHAM, BOASSO, CAIN, DARDENNE, HOLLIS, KOSTELKA, LENTINI, MALONE, MICHOT, QUINN, ROMERO AND THEUNISSEN AND REPRESENTATIVES ALEXANDER, BEARD, BOWLER, BRUNEAU, BURNS, CROWE, DOVE, DOWNS, ERDEY, GEYMAN, GREENE, HUTTER, JOHNS, KATZ, KENNARD, KLECKLEY, LABRUZZO, LAMBERT, LANCASTER, MARTINY, MCVEA, MORRISH, PITRE, T. POWELL, M. POWELL, RICHMOND, SCALISE, SCHNEIDER, SMILEY, JANE SMITH, STRAIN, TOOMY, TRAHAN, TUCKER, WADDELL, WALSWORTH, WHITE AND WINSTON

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AN ACT

To amend and reenact R.S. 24:513(A)(5)(a) and 514(E) and (F) and to enact R.S. 24:513.4, all relative to audit reports and financial statements of certain entities; to provide for an extension of time relative to the completion of audit reports and financial statements in the event of certain disasters or emergencies; to authorize the legislative auditor to audit certain organizations; to provide for the frequency of such audits; to provide for effectiveness provisions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 24:513(A)(5)(a) and 514(E) and (F) are hereby amended and reenacted and R.S. 24:513.4 is hereby enacted to read as follows:

§513. Powers and duties of legislative auditor; audit reports as public records; assistance and opinions of attorney general; frequency of audits; subpoena power

1 A. * * *

2 (5)(a)(i) In lieu of examinations of the records and accounts of any office
3 subject to audit or review by the legislative auditor, the legislative auditor may, at
4 his discretion, accept an audit or review report prepared by a licensed certified public
5 accountant, provided that such audit or review is performed in accordance with
6 generally accepted governmental auditing standards and the Louisiana Governmental
7 Audit Guide, which is to be jointly published by the legislative auditor and the
8 Society of Louisiana Certified Public Accountant's Governmental Accounting and
9 Auditing Committee, and further provided that the legislative auditor has approved
10 the engagement letter in accordance with this Section. The Louisiana Governmental
11 Audit Guide is a standard for audits and reviews of auditees within Louisiana and
12 shall be produced by the society and the legislative auditor, with input from the
13 Louisiana Municipal Association, the Louisiana Police Jury Association, the
14 Louisiana School Board Association, and any other interested parties. Such audits
15 shall be completed within six months of the close of the entity's fiscal year. Reviews
16 shall be conducted in accordance with the authoritative pronouncements issued by
17 the American Institute of Certified Public Accountants and guidance provided in the
18 Louisiana Governmental Audit Guide. For the limited purpose of providing the
19 audits and reviews as provided in this Subsection, the certified public accountant
20 shall have the access and assistance privileges afforded the legislative auditor in R.S.
21 24:513(E) and (H). However, the certified public accountant shall comply with any
22 and all restrictions imposed by law on documents, data, or information deemed
23 confidential by law and furnished to the certified public accountant during the course
24 of the audit or review.

25 (ii) At any time after a disaster or emergency is declared under the
26 provisions of R.S. 29:724(B)(1) which prevents an entity from completing its
27 report within the period prescribed in R.S. 24:513(A)(5)(i), the entity may ask
28 the legislative auditor in writing for an extension of time to complete the report.
29 The legislative auditor may approve the request at his discretion, subject to the
30 approval of the Legislative Audit Advisory Council.

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§513.4 Not for profit disaster relief or recovery organizations; audit authority

The legislative auditor shall have authority to compile financial statements and to examine, audit, or review the books and accounts of any not for profit organization which is created by a public official in the state of Louisiana, any political subdivision or agency thereof, any special district or authority, or unit of local government or by any other person for the purpose of accepting donations, charitable contributions, or other funds for disaster relief or recovery and which existence is promoted in any manner by one or more public officials or public entities in the state of Louisiana. The scope of the examinations may include financial accountability, legal compliance and evaluations of the economy, efficiency, and effectiveness of the auditee's programs or any combination of the foregoing. In addition to the authority granted above, the legislative auditor shall have access to and be permitted to examine all papers, books, accounts, records, files, instruments, documents, films, tapes, and any other forms of recordation of such an organization, including but not limited to computers and recording devices, and all software and hardware which hold data, are part of the technical processes leading up to the retention of data, or are part of the security system. For the purposes of this Chapter, any not for profit organization which is created by a public official of the state of Louisiana or any political subdivision or agency thereof, any special district or authority, or unit of local government or by any other person for the purpose of accepting donations, charitable contributions, or other funds for disaster relief or recovery and which existence is promoted in any manner by one or more public officials or public entities in the state of Louisiana shall be considered to be a "local auditee."

§514. Sworn annual financial statements; actuarial valuations; examinations

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E.(1) The annual sworn financial statements required under Subsection A of this Section shall be furnished to the legislative auditor between the first and

1 ninetieth day following the close of the accounting year, provided that individual
2 state agencies shall file annual financial statements within the time frame prescribed
3 by the commissioner of administration.

4 (2) At any time after a disaster or emergency is declared under the
5 provisions of R.S. 29:724(B)(1) which prevents a local auditee or quasi-public
6 agency from furnishing sworn annual financial statements to the legislative
7 auditor within the period prescribed in R.S. 24:514(E)(1), the local auditee or
8 quasi-public agency may ask the legislative auditor in writing for an extension
9 of time to complete the financial statements. The legislative auditor may
10 approve the request at his discretion, subject to the approval of the Legislative
11 Audit Advisory Council.

12 F.(1) The annual sworn financial statements required under the provisions of
13 this Section shall not be filed by the reporting agency if the agency has filed an
14 approved engagement agreement with the legislative auditor within sixty days of the
15 close of the fiscal year to conduct an audit of its funds by a certified public
16 accountant, the legislative auditor has approved the terms and conditions of the
17 engagement agreement as authorized by R.S. 24:513, and the engagement agreement
18 includes the period of the required report; provided however, when such agreement
19 is for multiple fiscal years, financial statements must be submitted for the interim
20 fiscal year.

21 (2) At any time after a disaster or emergency is declared under the
22 provisions of R.S. 29:724(B)(1) which prevents a local auditee or quasi-public
23 agency from filing an approved engagement agreement with the legislative
24 auditor within the period prescribed in R.S. 24:514(F)(1), the local auditee or
25 quasi-public agency may ask the legislative auditor in writing for an extension
26 of time to file the engagement agreement. The legislative auditor may approve
27 the request at his discretion, subject to the approval of the Legislative Audit
28 Advisory Council.

29 * * *

30 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature
2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
4 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____