

2015 Regular Session

HOUSE BILL NO. 123

BY REPRESENTATIVE THIBAUT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AUDITS/AUDITING: Provides relative to the threshold for certain audit requirements

1 AN ACT

2 To amend and reenact R.S. 24:513(J)(1)(c)(introductory paragraph) and (i)(aa) and (bb), (ii),
3 and (v)(aa) and (3), relative to audits; to provide relative to the threshold amount for
4 certain audit requirements; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 24:513(J)(1)(c)(i)(introductory paragraph) and (aa) and (bb), (ii), and
7 (v)(aa) and (3) are hereby amended and reenacted to read as follows:

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

11 * * *

12 J.(1) The audits enumerated in Subsection A of this Section shall be
13 conducted frequently enough to control and safeguard the assets of the auditee as
14 follows:

15 * * *

16 (c) The financial statements of local auditees; as defined in Paragraph
17 ~~A(3)~~(A)(3) of this Section; shall be audited as follows:

18 (i)(aa) Any local auditee that receives ~~forty~~ one hundred thousand dollars or
19 less in revenues and other sources in any one fiscal year shall not be required to have
20 an audit; but must file a certification with the legislative auditor indicating that it

1 received ~~fifty~~ one hundred thousand dollars or less in funds for the fiscal year.
 2 Monies received from urban or rural development grants shall not be used in fiscal
 3 year computation of revenue amounts requiring an audit. The auditee shall annually
 4 file with the legislative auditor sworn financial statements as required by R.S.
 5 24:514. However, the legislative auditor, at his discretion, may require said local
 6 auditee to have an audit of its books and accounts.

7 (bb) However, any volunteer fire department that receives ~~fifty~~ one hundred
 8 thousand dollars or less in funds in any one fiscal year shall not be required to have
 9 an audit; but shall file a certification with the legislative auditor signed by the
 10 president of the volunteer fire department indicating that the department received
 11 ~~fifty~~ one hundred thousand dollars or less for the fiscal year and shall annually file
 12 with the legislative auditor sworn financial statements as required by R.S. 24:514.
 13 The legislative auditor, at his discretion, may require any such volunteer fire
 14 department to have an audit of its books and accounts.

15 * * *

16 (ii) Notwithstanding the provisions of R.S. 24:514, any local auditee that
 17 receives more than ~~fifty~~ one hundred thousand dollars in revenues and other sources
 18 in any one fiscal year, but less than two hundred thousand dollars, shall cause to be
 19 conducted an annual compilation of its financial statements, with or without
 20 footnotes, in accordance with the Louisiana Governmental Audit Guide. However,
 21 the legislative auditor, at his discretion, may require said local auditee to have an
 22 audit of its books and accounts.

23 * * *

24 (v)(aa) To provide enhanced additional oversight by the legislative auditor,
 25 in any parish having a population of not less than two hundred twenty-five thousand
 26 and not more than two hundred fifty thousand according to the latest federal
 27 decennial census, the legislative auditor shall establish the criteria for procedures
 28 which shall be performed in addition to annual reporting requirements required by

1 this Section for entities with revenues of ~~fifty~~ more than one hundred thousand
2 dollars ~~or more~~ per fiscal year.

3 * * *

4 (3) Notwithstanding the provisions of Subparagraph (1)(d) of this
5 Subsection, any auditee ~~contained~~ described in Item (A)(1)(b)(v) of this Section shall
6 be audited in accordance with Subitem (1)(c)(i)(aa) of this Subsection when it has
7 received ~~fifty~~ one hundred thousand or less in public funds in any one fiscal year.

8 Any such auditee shall be audited in accordance with Item (1)(c)(ii) of this
9 Subsection when it has received more than ~~fifty~~ one hundred thousand dollars in
10 public funds in any one fiscal year. Any such auditee shall be audited in accordance
11 with Item (1)(c)(iii) of this Subsection when it has received three hundred fifty
12 thousand or more in public funds in any one fiscal year. Any such auditee shall be
13 audited in accordance with Item (1)(c)(iv) of this Subsection when it has received
14 three million five hundred thousand dollars or more in public funds.

15 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 123 Original

2015 Regular Session

Thibaut

Abstract: For local auditees and certain other auditees, changes the threshold between being required to file certification and an annual financial statement with the legislative auditor or being required to conduct an annual compilation of financial statements, with or without footnotes, from more than \$50,000 to more than \$100,000 in revenues and funds.

Present law provides for the legislative auditor to compile financial statements and to examine, audit, or review the books of the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, designated public retirement systems, municipalities, and all other public or quasi public agencies or bodies. For certain entities, authorizes filing of audits or other reports prepared by a licensed CPA or a specified certified statement. Also requires auditees to file sworn annual financial statements.

Present law requires that any local auditee or volunteer fire department and certain other auditees that receive \$50,000 or less in any one fiscal year shall not be required to have an audit, but the auditee must file a certification with the legislative auditor indicating that it received \$50,000 or less in funds for the fiscal year, further provides that the auditee shall annually file with the legislative auditor sworn financial statements. Provides that the

legislative auditor, at his discretion, may require the auditee to have an audit of its books and accounts. Proposed law changes the amount to \$100,000 or less and otherwise maintains present law.

Present law requires any local auditee and certain other auditees that receive more than \$50,000 in any one fiscal year, but less than \$200,000, to conduct an annual compilation of financial statements, with or without footnotes in accordance with the La. Governmental Audit Guide. Provides that the legislative auditor, at his discretion, may require the auditee to have an audit of its books and accounts. Proposed law changes the amount to more than \$100,000 but less than \$200,000 and otherwise maintains present law.

(Amends R.S. 24:513(J)(1)(c)(intro. para.) and (i)(aa) and (bb), (ii), and (v)(aa) and (3))