

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 123

2015 Regular Session

Thibaut

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

Synopsis of Senate Amendments

1. Adds provisions relative to contracts by the Dept. of Revenue with any political subdivision, municipality, agency, or other third party to secure auditing services, accounting services, or data analytic services. Specifies that "such firm" may examine the records, accounts, etc. of any taxpayer. Provides that the rate of compensation for such a contract shall be on an hourly or lump sum basis, plus reasonable expenses all paid out of the current collections of the tax at issue. Provides that to the extent the contracts require the approval of the office of state procurement, such services shall constitute "professional services".
2. Relative to submissions to the legislative auditor, for local auditees and certain other auditees, changes proposed threshold between being required to file certification and an annual financial statement or being required to conduct an annual compilation of financial statements, with or without footnotes, from more than \$100,000 to more than \$75,000 in revenues and funds.

Digest of Bill as Finally Passed by Senate

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 \$75,000 or less and otherwise retains 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 \$75,000 but less than \$200,000 and otherwise retains present law.

Proposed law relative to contracts by the Dept. of Revenue with any political subdivision, municipality, agency, or other third party to secure auditing services, accounting services, or data analytic services, specifies that "such firm" may examine the records, accounts, etc. of any taxpayer. Provides that the rate of compensation for such a contract shall be on an hourly or lump sum basis, plus reasonable expenses all paid out of the current collections of the tax at issue. Specifically prohibits contingency contracts for these types of services. Provides

that to the extent the contracts require the approval of the office of state procurement, such services shall constitute "professional services" as defined in present law (R.S. 39:1556(42)).

(Amends R.S. 24:513(J)(1)(c)(intro. para.), (i)(aa) and (bb), (ii), and (v)(aa) and (3) and R.S. 47:1542)