

AUDIT LAW

FAQs

R.S. 24:511 – 24:586

Overview:

The following is a summary of the general principles and guidelines concerning Louisiana Audit Law. This document is presented in a frequently asked questions (FAQ) format. While fairly detailed, it is important to remember that every situation is unique and as a result each situation deserves careful individual review.

There are numerous links within the document directing your attention to areas within the document and to other related documents posted on the Louisiana Legislative Auditor's website and on external websites to facilitate your use of this document. For example, under the index section, you may go directly to any area of the FAQ by clicking the question you wish to view. Within the FAQ, there are several links to direct you to other areas of the FAQ and to relevant external documents. If you click on the individual question number, a link will return to the index to allow you to select another question to view.

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CONSTITUTIONAL AUTHORITY: LA CONST. ART. III, §11

Q.1. What is the source of the authority of the Louisiana Legislative Auditor (LLA)?

A.1. The Louisiana Constitution Article III, §11 provides that the LLA is the fiscal advisor to the legislature and performs the duties and functions provided by law related to auditing fiscal records of the state, its agencies, and political subdivisions.

Q.2. Is the LLA elected or appointed?

A.2 The LLA is elected by the legislature, by a concurrence of a majority of the elected members of each house.

Q.3. How may the LLA be removed?

A.3 The LLA may resign his position or be removed by the concurrence of two-thirds of the elected members of each house.

R.S. 24:511, et seq.

Q.4. What are the qualifications to be LLA?

R.S. 24:511

A4. The LLA must be a duly qualified elector and a licensed certified public accountant (CPA).

Q.5. What is the term of office of the LLA?

A.5. There is no term of office; the LLA serves at the pleasure of the legislature.

Q.6. What is the procedure to assume office?

A.6 The LLA shall:

- take an oath
- give bond with good and solvent surety (\$250,000) in favor of the president of the senate and the speaker of the house of representatives, jointly conditioned on the faithful performance of his duties and filed with the secretary of state within 30 days of issuance of his commission by the governor.

Q.7. What is the procedure to fill the office of the LLA?

A.7 A temporary appointment requires concurrence of the president of the senate, the speaker of the house and the chairman and vice chairman of the LAAC or any three.

For the permanent appointment, the Special Recommendation Commission notifies the legislature of a vacancy within 15 days of the vacancy, submits names to the legislature to fill the office and considers nominees submitted to them by the legislature. The commission must submit its recommendations to the legislature no later than the convening of the legislative session following the vacancy. R.S. 24:511.1

Q.8. What is the Special Recommendation Commission and who are the members?

A.8. The Commission submits to the legislature the name of any person or persons the commission recommends to permanently fill a vacancy in the office of legislative auditor. The statute contains a list of the membership.

Q.9. Does the LLA have authority similar to hearing officers?

[R.S. 24:511\(D\)](#)

A.9. The LLA has authority to administer oaths and take testimony.

Q.10. What is the law regarding the first assistant legislative auditor?

A.10. R.S. 24:511(E) provides for:

- Appointment of a first assistant by the legislative auditor (LLA), confirmed by senate
- First Assistant to serve at the pleasure of the LLA
- First Assistant salary fixed by the LLA
- LLA to determine/assign duties of first assistant
- First Assistant to act as LLA in absence of LLA or vacancy of office until a temporary LLA is appointed or elected or until a new LLA is elected by the legislature.

AUDIT LAW***R.S. 24:513 Powers and Duties*****Q.11. Who are the auditees of the LLA?**

[R.S. 24:513\(A\)\(1\)\(a\)](#)

- A.11.** The LLA has authority to audit the following:
- State treasurer
 - Public boards- if included in CAFR
 - Commissions - if included in CAFR
 - Agencies - if included in CAFR
 - Departments - if included in CAFR
 - Political subdivisions of the state
 - Public officials and employees
 - Public retirement systems listed in R.S. 11:173(A)
 - Municipalities
 - All other public or quasi-public agencies or bodies.

Q.12. What is the Comprehensive Annual Financial Report (CAFR)?

- A.12.** The CAFR is the financial position and results of operations of the state. The primary difference between a budget and the CAFR is that a budget is a plan for the next period (often year) primarily showing where tax income is applied and the CAFR contains the results of the period (year) with previous years accumulations. The CAFR contains a section that provides a comparison of period budget and actual.

Within 6 months of the close of the entity's fiscal year, the commissioner of administration prepares a CAFR presenting the financial position and results of operations of the state.

Q.13. What are the areas that the LLA may audit?

R.S. 24:513(A)

- A.13.** The scope of the audit may include any combination of:
- financial accountability,
 - legal compliance and
 - evaluations of the economy, efficiency and effectiveness of programs

Q.14. What does the LLA examine in the course of the audit?

- A.14.** The LLA has unfettered access rights to examine all:
- Papers, books
 - Accounts, records, files, instruments, documents
 - Films, tapes and other forms of recordation
 - Computers, recording devices
 - Software and hardware (ex. data storage)
 - Hardware that is part of retention or security system

Q.15. What is a quasi public agency or body?

R.S. 24:513(A)(1)(b)

A.15. A quasi public agency/body is defined as:

- ❖ A for-profit or not-for-profit organization that is:
 - Created to perform a public purpose by
 - the state of LA or any political subdivision or agency
 - any special district or authority or
 - unit of local government
- ❖ A component unit of a governmental reporting entity, as defined by Generally Accepted Accounting Principles (GAAP)
- ❖ Created to perform a public purpose and having one or more of the following:
 - governing body elected by the public
 - majority of governing body appointed by a governmental entity or an official as part of his duties
 - recipient of the proceeds of an ad valorem tax or general sales tax levied for its operation
 - able to issue debt with interest exempt from federal taxation
 - can dissolve unilaterally by governmental entity and assets assumed without compensation by the entity
- ❖ Subject to the open meetings law and derives a portion of its income from payments received from any public agency or body.
- ❖ A not-for-profit that receives or expends any local or state assistance in any fiscal year. ([New Act 1045, 2010 Regular Session](#)).
 - Assistance shall include:
 - grants, loans, transfers of property, awards, and direct appropriations of state and/or local public funds.
 - Assistance shall not include:
 - guarantees, membership dues, vendor contracts for goods and services related to administrative support for a local or state assistance program,
 - assistance to private or parochial schools,
 - assistance to private colleges and universities, or
 - benefits to individuals.

Q.16. Must the LLA audit the agencies, departments, boards and commissions listed in the CAFR?

A.16. The financial statements of entities listed included in the CAFR shall be audited by the LLA but may be audited by a licensed CPA pursuant to R.S. 24:513(A).

Q.17. Who are “local auditees”?

R.S. 24:513(A)(3)

A.17. Local auditees include:

- Offices of independently elected public local officials
- Judges, sheriffs clerks of court, assessors, district attorneys,
- All parish governing authorities
- All districts, boards and commissions created by parish governing authorities (independently or in conjunction with other units)
- School boards
- District public defender offices
- Municipalities
- All boards and commissions created by municipalities (independently or in conjunction with other units)
- City courts
- Quasi-public agencies
- Housing authorities
- Mortgage authorities
- Other political subdivisions of the state not included in CAFR

Q.18. Who is authorized to audit or review “local auditees”?

A.18. Licensed CPA’s shall audit local auditees, following the guidelines and requirements of R.S. 24:513(A)(5) and (6).

- In some instances the LLA may audit local auditees (R.S. 24:513(C)).
- Any person authorized to audit a government entity pursuant to R.S. 37:77, subject to approval by the LLA.

Q.19. What are the instances in which the LLA may audit local auditees?

R.S. 24:513 (A)(4)

A.19. The LLA may audit or investigate a local auditee only when the local auditee:

- Failed after 30 days written notice from the LLA to comply with the law for timely audits
- Is unable to pay for an audit by a licensed CPA as determined by Legislative Audit Advisory Council (LAAC) and the LLA
- Exhibits a record of egregious control deficiencies and failures to comply with laws and regulations
- Is subject of complaints to LLA of illegal or irregular acts
- After requesting proposals for audit services, receives less than three proposals from licensed certified public accountants
- Rejects all proposals (three or more) for cause, including excessive cost

In addition, the LLA may audit a local auditee if LAAC and the LLA decide it is in the best interest of the state.

Any local auditee selected for audit has the right to appeal to the LAAC. The LLA also has the responsibility to ensure that audit services are not duplicated.

Q.20. Must the LLA staff audit all entities subject to audit or review by the LLA?
R.S. 24:513(A)(5)(a)(i)

A.20. No, the LLA may, at his discretion, approve the engagement letter and accept an audit or review report prepared by a licensed CPA, following generally accepted governmental auditing standards and the Louisiana Governmental Audit Guide (LGAG), and further provided that the LLA has approved the engagement letter [See [Q. 23](#)]. The audits must be completed within six (6) months of the close of the entity's fiscal year. Reviews shall be conducted in accordance with the authoritative pronouncements issued by the American Institute of Certified Public Accountants (AICPA) and guidance provided in the LGAG.

For these audits only, the CPA has the access and assistance privileges afforded the LLA in R.S. 24:513(E) and (H). [See [Q.31](#) and [Q.35](#).] However, the CPA must comply with all laws regarding confidentiality of documents, data, or information furnished to the CPA during the course of the audit or review.

Q.21. What is the Louisiana Governmental Audit Guide (LGAG)?

LGAG

A.21 The LGAG is a standard for audits and reviews of auditees within LA and shall be produced by the LLA and the Society of LA CPA's Governmental Accounting and Auditing Committee, with input from the Louisiana Municipal Association (LMA), the Louisiana Police Jury Association, the Louisiana School Board Association, and any other interested parties.

Q.22. Are there any provisions for an extension of time to complete the report?
R.S. 24:513(A)(5)(a)(ii)

A.22 Yes, the entity may have an extension at any time after a disaster or emergency is declared under the provisions of R.S. 29:724(B)(1) which prevents an entity from completing its report within 6 months of the close of its fiscal year.

The entity may ask the LLA in writing for an extension of time to complete the report. The LLA may approve the request at his discretion, subject to the approval of the LAAC.

Q.23. What is the "engagement letter" and what does it cover?
R.S. 24:513(A)(6)

A.23. The engagement letter sets forth the terms and conditions of the audit or review.

- The LLA prescribes the terms and conditions of the audit or review conducted by a licensed CPA and is authorized to approve the terms and conditions prior to commencement of the audit or review.
- The office subject to audit must present the terms and conditions to the LLA for approval.
- It is the joint responsibility of the office subject to audit or review and the CPA to submit the engagement agreement to the LLA for approval prior to the commencement of the audit.*
- The legislative auditor shall also have access to the working papers of the accountant during the examination and subsequent to its termination.

*NOTE: *In accord with the audit guide for licensed CPA's, the independent CPA sends the engagement letter to the LLA.*

Q.24. Is the entity required to use the public bid process in selecting a licensed CPA?

R.S. 24:513(A)(7)

A.24. No, in order to fulfill the requirements imposed upon any public or quasi-public agency or body or political subdivision of the state, the body has the authority to contract for reasonably necessary professional services without public bid.

Q.25. What are the audit provisions for sheriffs?

R.S. 24:513 (B)

A.25. The audit provisions for sheriffs are as follows:

- The accounts and records of each sheriff, in his function as ex officio tax collector, shall be audited in accordance with the provisions of R.S. 24:513 not less than once every year. Upon request, the tax collector must provide the LLA with a sworn statement of the amounts of cash on hand and taxes collected for the current year, with an itemized statement of all taxes assessed and uncollected.
- The statement shall indicate the reason for his failure to collect.
- Parish governing authorities and the governing authorities of other tax recipient bodies shall notify the LLA, in writing, whenever any sheriff is delinquent in his settlements.
- All clerks of court and other public officers must furnish certified copies of any documents or papers in their possession to the LLA upon his request, and these certified copies must be furnished without charge.
- Notwithstanding any other provision of law to the contrary, a sheriff and ex-officio tax collector has the option of having the annual and biennial audits of

his office as provided in R.S. 24:513(J)(1)(b) and (c), conducted either by the LLA or by a private CPA, all pursuant to the provisions of R.S. 24:513.

Q.26. Are there audit provisions for local auditees or vendors other than sheriffs that collect and distribute ad valorem taxes on behalf of a taxing authority?

Act 711, 2010 Regular Session; R.S. 24:513(B)(2)

A.26. Yes, any other local auditee or vendor that collects and distributes ad valorem taxes on behalf of a taxing authority shall have its tax collection and distribution fund audited annually and distribute a copy of the audit report to the LLA and each taxing authority for which it collects taxes.

The audit report must include a sworn statement of the gross amount of taxes to be collected, any deductions made from the tax rolls, the amount of taxes collected, and the taxes distributed to the taxing authorities.

The statement must detail:

- any taxes on hand at the end of the reporting period,
- the amounts of balance belonging to the taxing authorities,
- the amounts of collections related to current tax collections,
- the amounts relating to prior year taxes,
- the amounts of any interest and penalties collected and disbursed,
- the extent to which the prior year tax collections relate to collection and audit efforts, and
- the reason, if any, for failure to collect.

The statement must include other disclosures as may be determined necessary by the LLA. For fiscal periods beginning after December 31, 2010, the audit report required shall be completed within 6 months of the close of the local auditee's or vendor's fiscal year.

Q.27. What are the audit provisions if the local auditee or vendor collects taxes other than ad valorem taxes?

Act 711, 2010 Regular Session; R.S. 24:513(B)(3)

A.27. Any other local auditee or vendor that collects and distributes taxes other than ad valorem taxes on behalf of other taxing authorities shall have its annual financial statement audited and shall distribute a copy of the audit report to the LLA and each taxing authority for which it collects taxes.

The audit report shall have a footnote disclosure including total collections and a schedule of distribution by taxing authority.

The statement shall include other disclosures as may be determined necessary by the LLA. For fiscal periods beginning after December 31, 2010, the required audit report shall be completed within 6 months of the close of the local auditee's or vendor's fiscal year.

Q.28. Does the LLA audit state, municipal or parochial retirement funds?

R.S. 24:513(C)(1)

A.28. Yes, the LLA has authority to evaluate continuously all aspects of any state, municipal, or parochial retirement system, funded in whole or in part out of public funds, as to its actuarial soundness.

The LLA shall make periodic detailed reports, both to the legislature and the governor, setting forth his findings as to the actuarial soundness of the retirement systems. In conducting his evaluations or any audit pursuant to R.S. 11:2260(A)(9)(b), the LLA shall have complete access to all books, records, documents, and accounts of the retirement system and any participating employer.

Q.29. May the retirement systems hire their own actuary?

R.S. 24:513 (C)(2)

A.29. Yes, the LLA's authority over retirement systems discussed in [Q.28](#) does not preclude the authority of any retirement system funded in whole or in part out of public funds to hire an actuary.

Any actuary employed by the legislature or LLA is prohibited from serving as, or employing or contracting with any other actuary who is serving as, an actuary for any public retirement system within Louisiana, with respect to such public retirement system, unless such service, employment, or contract is approved by the LAAC as being in the best interest of Louisiana.

Q.30. What are the duties of the LLA in addition to auditing?

R.S. 24:513(D)

A.30. In addition to auditing, the duties of the LLA include the following:

- The LLA shall, not later than the first day of each regular session of the legislature, prepare and submit to the governor and to the legislature his report on the financial statements of the state. Supplemental statements shall be submitted at such other times as may be necessary to show probable changes.
- The LLA legislative actuary shall provide actuarial notes on proposed legislation as required by R.S. 24:521
- The LLA shall employ such personnel as may be necessary to perform the duties and functions of his office, and may employ such professional and

technical personnel as may be necessary in the unclassified service, subject to the other provisions of law.

- The LLA shall conduct performance audits, program evaluations, and other studies as are needed to enable the legislature and its committees to evaluate the efficiency, effectiveness, and operation of state programs and activities.
- Notwithstanding any other law to the contrary, when the commissioner of financial institutions informs the LLA of a failure by a financial institution to furnish required security for public funds deposited with it when security is required by law, regulation, or by contract, the LLA is authorized to notify a “state depositing authority,” as defined in R.S. 49:319, or a “local depositing authority,” as defined in R.S. 39:1211, of such failure. A copy of the notice shall be forwarded by the LLA to the financial institution which is the subject of the notice.
- He shall establish and provide for an electronic mail notification system to notify subscribers of changes to the list of auditees not in compliance with R.S. 24:513 *et seq.* [Added by [Act 290 of the 2011 Regular Session](#). Eff. date August 15, 2011.]

Q.31. What auditee records does the LLA have the authority to review?

R.S. 24:513(E)

A.31. The scope of the audit is broad. The LLA, or any member of his staff designated by him, shall have the power to inspect and to make copies of any books, records, instruments, documents, files, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, of the auditee.

The officials and staff of the auditee must provide assistance and advice to the LLA through the assignment of personnel or as necessity requires.

Q.32. Does the LLA audit private water systems?

R.S. 24:513(F)

A.32. Yes, the LLA has authority to compile financial statements and to examine, audit, or review the books and accounts of all private water supply systems. The scope of the examinations may include:

- financial accountability,
- legal compliance and evaluations of the economy, efficiency, and effectiveness of the private water supply systems or any combination.

In addition to the authority granted above, the LLA has access to and is permitted to examine all papers, books, accounts, records, files, instruments, documents,

films, tapes, and any other forms of recordation of all private water supply systems, 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.

The financial statements of a private water supply system shall be audited or reviewed by licensed CPA's subject to R.S. 24:513 (A)(5) and (A)(6), but may be audited by the LLA pursuant to (A)(4). Any person authorized to conduct an audit of a governmental entity pursuant to R.S. 37:88 (accounting and review services for governmental entities) shall be permitted to audit the private water supply system subject to the approval of the LLA provided for in (A)(5) and (A)(6).

State or local assistance and other funds and expenditures of private water supply systems shall be audited.

Q.33. What is the definition of a “private water system?”

R.S. 24:513(F)(1)

A.33. For Q.32. above, “private water supply system” means any private water system which receives local or state assistance* in any fiscal year and does not have audited financial statements prepared by licensed CPA's.

- *Assistance shall include grants, loans, transfers of property, awards, and direct appropriations of state or local public funds.
- Assistance shall not include guarantees, membership dues, vendor contracts for goods and services related to administrative support for a local or state assistance program, or benefits to individuals.

Q.34. Are the audit reports of the LLA subject to public records requests?

R.S. 24:513(G)

A.34. Yes, the audit reports issued or accepted by the LLA shall be subject to the laws providing for inspection of public records and shall be available in the office of the LLA 3 days after the date of issuance of the reports. However, documents, data, or information furnished the LLA which are deemed confidential by law are not subject to public records requests. Furthermore, the AG has opined that “the working papers of the LLA are exempt from the Public Records Act, even after the audit is complete.”

AG Op. No. 08-0055A states:

According to the Legislative Auditor, it has been their policy that unless a subpoena has been issued, or a confidentiality agreement has been entered into, they refuse access to records exempted from the Public Records Act. Considering

the position of the Legislative Auditor, out of an abundance of caution, it is advisable that the Louisiana Legislative Auditor continue this policy.

It should be noted that in addition to any obligations under La. R.S. 44:4(6), the Legislative Auditor has an obligation to keep confidential any material covered by La. R.S. 24:513(I), which provides,

The authority granted to the legislative auditor in this Section to examine, audit, inspect or copy shall extend to all books, accounts, papers, documents, records, files, instruments, films, tapes, and any other forms of recordation, including but not limited to computers and recording devices, whether confidential or otherwise. However, the legislative auditor shall comply with any and all restrictions imposed by law on documents, data, or information deemed confidential by law and furnished to the legislative auditor. [Emphasis added.]

Q.35. May the LLA request assistance from other entities or the auditees in performing the audit?

R.S. 24:513(H)(1) & (2)

A.35. R.S. 24:513(H) directs all auditees and their officials and staff to assist the LLA in his work and to furnish information, reports, aid, services, and assistance as may be requested, all without any cost or charge.

Additionally, it is the duty of the Attorney General (AG) and the local district attorney (DA) to give assistance to the LLA. The AG must render his opinion in writing on any subject requested by the LLA.

Each auditee shall designate an individual who shall be responsible for filing annual financial reports with the LLA and shall notify the LLA of the name and address of the person so designated.

A governmental entity that provides funding to a quasi public agency or body shall notify each such quasi public agency or body of the requirements of this Paragraph. [Added by [Act 290 of the 2011 Regular Session](#), eff. date August 15, 2011]

Q.36. What is the frequency of audits performed by the LLA for various auditees?

R.S. 24:513(J)

A.36. Audits shall be conducted frequently enough to control and safeguard the assets of the auditee. The following provisions are minimum audit requirements and nothing prohibits a political subdivision from providing for more frequent audits, subject to the approval of the engagement agreement by the LLA.

- The financial statements of the state shall be audited annually.
- The financial statements of individual state agencies, departments, boards, and commissions shall be audited at least once every two years, to include the transactions of both years. However, the financial statements of individual state agencies, departments, boards, and commissions that compose a material part of the state's financial statements, as determined by the LLA, shall be subjected to audit tests annually.
- At the discretion of the LLA, other provisions regarding audit frequency and level of assurance required may apply to an individual state agency, department, board, or commission.
- The accounts and financial statements of parish tax collectors shall be audited annually.
- The financial statements of local auditees shall be audited as follows:
 - \$50,000 or less: Any local auditee that receives \$50,000 or less in revenues and other sources in any one FY shall not be required to have an audit, but must file a certification with the LLA indicating that it received \$50,000 or less in funds for the FY. Monies received from urban or rural development grants shall not be used in FY computation of revenue amounts requiring an audit. The auditee shall annually file with the LLA sworn financial statements as required by R.S. 24:514. However, the LLA, at his discretion, may require the local auditee to have an audit of its books and accounts.
 - Any volunteer fire department that receives \$50,000 or less in funds in any one fiscal year shall not be required to have an audit, but shall file a certification with the LLA signed by the president of the volunteer fire department indicating that the department received \$50,000 or less for the fiscal year and shall annually file with the LLA sworn financial statements as required by R.S. 24:514. The LLA, at his discretion, may require the volunteer fire department to have an audit of its books and accounts.
 - Justice of the peace (JP) or constable of a justice of the peace court shall not be required to have an audit, but must file a certification with the LLA indicating the amount of funds related to his official duties that he received for the fiscal year. Also he shall annually file with the LLA sworn financial statements. The LLA, at his discretion, may require a JP or constable to have an audit of his books. If a JP or constable of a JP court receives from his official duties in excess of \$200,000 in revenues and other sources in any one fiscal year, the requirements of the following paragraph shall be applicable to such JP or constable.

- More than \$50,000 but less than \$200,000: Any local auditee that receives more than \$50,000 in revenues and other sources in any one fiscal year, but less than \$200,000, shall cause to be conducted an annual compilation of its financial statements, with or without footnotes, in accordance with the Louisiana Governmental Audit Guide. However, the LLA, at his discretion, may require the local auditee to have an audit of its books and accounts.
- \$200,000 or more but less than \$500,000: Any local auditee that receives \$200,000 or more in revenues and other sources in any one fiscal year, but less than \$500,000, shall cause to be conducted an annual review of its financial statements to be accompanied by an attestation report in accordance with the Louisiana Governmental Audit Guide. However, the LLA, at his discretion, may require the local auditee to have an audit of its books and accounts. [Note that the audit law is a later expression of the legislative will than the housing authority statute at R.S. 40:514. Thus, housing authorities are audited pursuant to R.S. 24:513.]
- \$500,000 or more: Any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually.

Q.37. What are the audit provisions for quasi public agencies or bodies that receive state or local assistance?

R.S. 24:513(J)(1)(d)

- A.37.** The provisions for financial statements of local auditees (R.S. 24:513(J)(1)(c)) shall apply to the state or local assistance received and/or expended by a quasi public agency or body when such funds are not commingled with other funds of the quasi public agency or body. These provisions shall apply to all funds if the state or local assistance received and/or expended by a quasi public agency or body is commingled with other funds of the quasi public agency or body then such state or local assistance and other funds of the quasi public agency or body shall be audited pursuant to the provisions for local auditees.

Notwithstanding the above paragraph, any auditee either for or not for profit which is subject to open meetings law and derives a portion of its income from payments received from any public agency or body, shall be audited in accordance with R.S. 24:513 (J)(1)(c)(i)(aa) when it has received \$50,000 or less in public funds in any one fiscal year. Any such auditee shall be audited in accordance with R.S. 24:513(J)(1)(c)(ii) when it has received more than \$50,000 in public funds in any one fiscal year. Any such auditee shall be audited in accordance with (J)(1)(c)(iii) when it has received \$350,000 or more in public funds in any one fiscal year. Any such auditee shall be audited in accordance with (J)(1)(c)(iv) of this Section when it has received three million five hundred thousand dollars or more in public funds.

Q.38. What are the audit provisions for entities that establish scholastic rules for high schools under State Board of Elementary and Secondary Education (BESE)?

R.S. 24:513(J)(4)(a)

Any entity which establishes scholastic rules which are the basis for the BESE's policy required by [R.S. 17:176](#) to be adhered to by all high schools under the board's jurisdiction are not required to be audited by the LLA but shall file an audit with the LLA and the LAAC which has been prepared by an auditing firm which has been approved by the LLA. The entity must submit the audit to the LLA and LAAC.

The LAAC may order an audit by the LLA upon a finding of cause by the council.

Note: [Act 60 of the 2011 Regular Session](#), effective June 20, 2011, amended R.S. 17:176 (B) to add "other local public schools," not just city and parish public school system. Act 60 further added a requirement regarding scholastic rules and minimum standards.

Q.39. What are the penalties for violation of audit law?

R.S. 24:513(K)

A.39. Whoever violates the provisions of R.S. 24:513 (Audit Law) shall be fined not more than \$1,000 and shall be deemed guilty of malfeasance and gross misconduct in office, and shall be subject to removal.

Q.40. What is the authority of the LLA if the auditee refuses to produce requested information?

R.S. 24:513(M)

A.40. The LLA, or any member of his staff designated by him, may compel the production of public and private books, documents, records, papers, films, tapes, and electronic data processing media.

The LLA and the chairman of the LAAC may jointly issue a subpoena for the production of documentary evidence to compel the production of any books, documents, records, papers, films, tapes, and electronic data processing media regarding any transaction involving a governmental entity.

The subpoena may be served by registered or certified mail, return receipt requested, to the addressee's business address, or by representatives appointed by the LLA, or shall be directed for service to the sheriff of the parish where the addressee resides or is found.

Q.41. What is the penalty for refusal to obey the subpoena?

R.S. 24:513(M)(2)

- A.41** If a person refuses to obey a subpoena, a judicial district court, upon joint application by the LLA and the chairman of the LAAC, may issue to the person an order requiring him to appear before the court to show cause why he should not be held in contempt for refusal to obey the subpoena.

Failure to obey a subpoena may be punished as a contempt of court.

Q.42. Are there any provisions for electronic audit reports?**R.S. 24:513(N)**

- A.42.** Yes, the LLA may issue, receive or accept, and maintain audit reports electronically.

Q.43. Does the LLA audit the books and accounts of the LA Department of Revenue?**R.S. 24:513.1(A)**

- A.43.** Yes, the LLA, or any member of his staff designated by him, has authority to examine and audit the books and accounts of the Department of Revenue.

The LLA or staff has access to all papers, books, records, files, instruments, documents, including tax returns and tax return information, films, tapes, and any other forms of recordation, including but not limited to computers and recording devices, and all software and hardware which hold data, is part of the technical processes leading up to the retention of data, or is part of the security system, which the LLA, in his discretion, deems necessary for the purpose of making the audit, if revealing the information is not prohibited by federal law.

Q.44 What is the scope of the examination of the Department of Revenue?**R.S. 24:513.1(B)**

- A.44.** The scope of the examination may include financial accountability, legal compliance, or evaluations of the economy, efficiency, and effectiveness of the Department of Revenue, or any combination.

In the performance of the audit and examination of the Department of Revenue, the LLA, or any member of his staff designated by him, may inspect and make copies of any papers, books, records, files, instruments, documents, including tax returns and tax return information, films, tapes, and any other forms of recordation, including but not limited to computers and recording devices of the department.

The LLA may call upon the department for assistance and advice, and such assistance and advice must be given through the assignment of personnel or in such other manner as required.

Q.45. What are the protections for confidential tax information?

R.S. 24:513.1(D)

A.45. Any tax information, or copies, furnished by the Department of Revenue to the LLA, or any designated member of his staff, are confidential and privileged by the LLA and members of his staff.

Any person divulging this information contrary to the provisions of **R.S. 47:1508** shall be punished by imprisonment for not more than two years, or fined not more than \$10,000, or both.

Act 397 of the 2011 Regular Session added a 29th exception to the list which now includes information related to postsecondary education and employment information to the LA Board of Regents for the purpose of generating data.

Q.46. What are the responsibilities of the LLA regarding boards and commissions?

R.S. 24:513.2 (A)

A.46. The LLA shall establish and maintain a comprehensive computerized information system on boards, commissions, and like entities. The system shall include those state boards, commissions, and like entities as provided in R.S. 24:513.2(D) and those local boards, commissions, and like entities which are specifically created by law.

Q.47. What does the information system include?

R.S. 24:513.2(B)

A.47. The information system includes financial and personnel data for boards, commissions, and like entities, except for entities which are budget units of the state (any spending agency of the state which is declared to be a budget unit by the DOA and which is identified for accounting purposes by a five-digit number code. R.S. 39:2) or which are included within such budget units.

These data shall include but not be limited to the following:

Financial data for the last completed FY, estimates covering the entire current FY, and projections for the ensuing FY year, as follows:

- Fund balances of the licensing agency at the beginning and conclusion of each FY.
- Revenues and receipts, itemized by source.

- Expenditures itemized by source of funds and expenditure category by each major function, program, or service.
- Number of classified, unclassified, and part-time employees.

Clearly defined indicators of the quantity and quality of performance.

Participation of agency personnel and board members in state employee benefit programs, including insurance and retirement.

The information system shall include a comprehensive listing of all boards, commissions, and like entities which shall include but not be limited to the following:

- Name of the board, commission, or like entity.
- Organizational placement under Title 36 of the Louisiana Revised Statutes of 1950.
- Statutory or other legal authority relative to the entity.

Q.48. What distinguishes a board as a “state board” in the information system?
R.S. 24:513.2(D)

A.48. The designation as a state board applies only to entities created by law or executive order which are made a part of the executive branch of state government by the provisions of Title 36 of the Louisiana Revised Statutes of 1950, or which are placed in an executive branch department or in the office of the governor or lieutenant governor by law or executive order, or which exercise any authority or perform any function of the executive branch of state government.

The system shall also clearly designate entities created as political subdivisions of the state or of local government.

Q.49. In addition to establishing and maintaining the computerized information on boards and commissions and the like, what other duty does the LLA have related to the database?

R.S. 24:513.2(E)

A.49. The auditor shall annually submit to the legislature a report including summary information on the financial and personnel information contained in the information system and shall report findings and recommendations resulting from any analysis of that information deemed necessary by the LLA.

Q.50. What are the obligations of the boards and commissions, departments of the state and political subdivisions related to the LLA maintained database?

R.S. 24:513.2(F)

A.50. All agencies, boards, commissions, and departments of the state and its political subdivisions must furnish information, reports, aid, services, and assistance as requested by the LLA at no cost or charge.

Q.51. What are the duties and responsibilities of the LLA with the LA gaming industry?

R.S. 24:513.3

A.51. In the performance of his auditing duties with regulators of the industry, the legislature authorizes the LLA to accompany and/or observe any gaming industry regulators in the performance of their official duties in any gaming facility located within Louisiana using the least intrusive method of observation to perform his duties.

If the LLA wishes to have access to the gaming facility to observe the gaming operations pursuant to law without the accompaniment of a gaming regulator, the LLA must have express written consent of the gaming operator unless written consent is subsequently rescinded in writing by the gaming operator.

Q.52. Is the LLA a “gaming industry regulator”?

R.S. 24:513.3(B)(2)

A.52. No, “Gaming industry regulators are the Department of Revenue, the Department of Public Safety and Corrections, the Riverboat Gaming Commission, the Louisiana Economic Development and Gaming Corporation, any successor boards (e.g. Louisiana Gaming Control Board), commissions or departments which are formed to regulate the gaming industry in LA and their representatives.

Q.53. What authority does the LLA have over gaming operators in LA?

R.S. 24:513.3(C)

A.53. Provided the LLA has obtained prior written consent of the gaming operator and unless such written consent is subsequently rescinded in writing by the gaming operator, the LLA may examine, audit, inspect, copy and/or review the books and records relating to revenues, including but not limited to accounts, papers, documents, files, instruments, films, tapes, all software and hardware which hold data, is part of the technical processes leading up to the retention of data, or is part of the security system, and any other forms of recordation relating to revenues, whether confidential or otherwise, of a gaming operator of a facility.

Q.54. What authority does the LLA have over gaming regulators?

R.S. 24:513.3(D)

A.54. The authority over gaming regulators is broad. All files, records, reports, and other information pertaining to gaming matters in the possession of any gaming industry regulator shall be made available to the LLA as necessary for the performance of his duties.

Q.55. Does the LLA work with other agencies in performing his duties related to gaming regulators?

R.S. 24:513.3(E)

A.55. Yes, the LLA may enter into restricted use and information sharing agreements with gaming industry regulators and law enforcement agencies. Information received pursuant to these agreements shall not be disclosed without the permission of the provider.

Q.56. What are the LLA's code of ethics requirements for the LLA and employees related to gaming?

R.S. 24:513.3(F)

A.56. The LLA gaming related code of ethics must include but not be limited to the Code of Governmental Ethics. The code requires that the LLA and LLA employees:

- 1) Cannot engage in gaming activities in an establishment licensed by a gaming industry regulator, except in the course of the person's duties.
- 2) Cannot solicit or accept employment from an establishment licensed by a gaming industry regulator for a period of two years after termination of employment with the office of the LLA.
- 3) Cannot have a direct or indirect interest in an establishment licensed by a gaming industry regulator, or a holding, intermediary, or subsidiary company of such establishment during employment.
- 4) Cannot acquire a direct or indirect interest in or be employed by an establishment licensed by a gaming industry regulator for a period of two years after termination of employment with the office of the legislative auditor.

In addition, the LLA, his employees, and any spouse or minor child of the LLA and his employees shall not pay, lend, or contribute anything of value to a political candidate, political organization, political party, or political action committee (PAC).

In performing the auditing functions of law related to gaming, the LLA shall comply with any and all confidentiality restrictions.

Q.57. Does the LLA audit not for profits disaster relief or recovery organizations?
R.S. 24:513.4

A.57. Yes, the LLA has 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) a public official in the state of Louisiana,
- b) any political subdivision or agency,
- c) any special district or authority, or unit of local government or
- d) 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 LA.

For the purpose of Audit Law, these entities are considered “local auditees.”

Q.58. What is the scope of the examination of not for profit disaster relief or recovery organizations and what records can the LLA access?
R.S. 24:513.4

A.58. The scope may include financial accountability, legal compliance and evaluations of the economy, efficiency, and effectiveness of the auditee's programs or any combination.

The LLA 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.

Q.59. What entities provide sworn financial statements to the LLA?
R.S. 24:514

A.59. All auditees and local auditees shall furnish to the LLA, annually, sworn annual financial statements between the 1st and 90th day following the close of the accounting year, provided that individual state agencies shall file annual financial statements within the time frame prescribed by the commissioner of administration.

Q.60. When must entities provide sworn financial statements to the LLA?
R.S. 24:514(E)(1)

A.60. Usually the statements must be provided as set out in Q.59. above.

Q.61. Are there any provisions for disasters or emergencies in the deadlines for reporting?

R.S. 24:514(E)(2)

A.61. Yes, at any time after a disaster or emergency is declared under the provisions of R.S. 29:724(B)(1) which prevents a local auditee or quasi-public agency from furnishing sworn annual financial statements to the LLA within the period prescribed in Q.59 above, the local auditee or quasi-public agency may request to the LLA in writing for an extension of time to complete the financial statements. The LLA may approve the request at his discretion, subject to the approval of the LAAC.

Q.62. What is the prescribed form and content for the sworn financial statements?

R.S. 24:514

A.62. The annual sworn financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and include such disclosures required by state and federal regulations and include a recital that the financial statements present fairly, in all material respects,

- the financial condition and results of operations of the auditee;
- that the entity has maintained a system of internal control structure sufficient to safeguard assets and comply with laws and regulations; and
- that the entity has complied with all laws and regulations, or shall acknowledge exceptions.

EXCEPT:

- Any local auditee which, under LA law, cannot issue bonds may issue annual financial statements on the cash basis of accounting, provided that such statements describe all outstanding obligations and fixed assets of the local auditee, amounts due the local entities and such disclosures required by state and federal regulations.
- The annual financial statements of the state shall be prepared in accordance with GAAP.
- The financial statements of individual state agencies, except the judiciary, shall be prepared in accordance with procedures and formats prescribed by the DOA.
- The financial statements of the judiciary shall be prepared in accordance with procedures and formats prescribed by the Judiciary Budgetary Control Council, provided such procedures and formats provide for the compilation of the state's annual financial statements.

Q.63. What is the requirement regarding maintenance of vouchers and papers of auditees?

R.S. 24:514(C)

A.63. No officer shall destroy any voucher or other paper belonging to his office before it has been examined by the LLA or CPA authorized to perform an audit in lieu of the LLA.

Q.64. Are there additional requirements for state, municipal and parochial retirement systems?

[R.S. 24:514\(D\)](#)

A.64. In addition to furnishing the annual sworn statements, all state, municipal, and parochial retirement systems funded wholly or partially out of public funds must furnish to the LLA, annually, actuarial valuations between the 1st and 120th day following the close of the fiscal year of the retirement system.

Q.65. If the entity has engaged an independent CPA, must the entity also file the sworn financial statement?

[R.S. 24:514\(F\)](#)

A.65. No, the annual sworn financial statements shall not be filed by the reporting agency if:

1. the agency has filed an approved engagement agreement with the LLA within sixty (60) days of the close of the FY to conduct an audit of its funds by a CPA,
2. the LLA has approved the terms and conditions of the engagement agreement and
3. the engagement agreement includes the period of the required report.

However, when the agreement is for multiple fiscal years, financial statements must be submitted for the interim fiscal year.

Q.66. What happens if the entity cannot file the engagement agreement time due to a disaster or emergency?

[R.S. 24:514\(E\)\(2\)](#)

A.66. If there is a disaster or emergency declared under R.S. 29:724(B)(1) which prevents a local auditee or quasi-public agency from filing an approved engagement agreement with the LLA within the 60 days, the local auditee or quasi-public agency may ask the LLA in writing for an extension of time to file the engagement agreement. The LLA may approve the request at his discretion, subject to the approval of the LAAC.

Q.67. How does the LLA use the sworn financial statements?

[R.S. 24:514\(G\)](#)

A.67. The LLA shall use the annual sworn statements and actuarial valuations provided in R.S. 24:514 in connection with the audits, reviews, and valuations which he is authorized to conduct as provided by R.S. 24:513 and 513.1. If he finds that any irregularities exist, he shall call them to the attention of those responsible.

In case of any “irregularities or defalcations” or failure of any officer or employee to comply with the provisions of R.S. 24:514 (i.e. filing a sworn financial statement), the LLA shall notify the LAAC. Editor’s note: “Defalcation” is defined as embezzlement or failure to meet an obligation.

Q.68. What is the penalty for failure to submit the sworn financial statement or submitting an incorrect statement?

R.S. 24:514(H)

A.68. The LLA has the power to petition directly or through his authorized representative to the courts for writs of mandamus to compel the filing of the sworn financial statements or actuarial valuations containing complete and accurate information. Any failure to obey a writ of mandamus issued by the court may be punished by the court as contempt.

Q.69. What are the special requirements for financial statements of school boards?

R.S. 24:514(I)

A.69. The annual financial statements of city, parish, and other local public school boards must be accompanied by schedules of performance and statistical data as may be developed by the LLA and legislative staff, with assistance from the state Department of Education (DOE), and approved by the House and Senate Committees on Education.

Q.70. What comprises the local school boards’ performance and statistical data?

R.S. 24:514(I)

A.70. The performance and statistical data shall provide assurances as part of the financial statement audits of local school boards to ensure that the information is complete and accurate.

The assurances provided on the performance and statistical data shall be used for reporting to the legislature by the DOE.

As part of the LLA's annual audit of the financial statements of the state, he shall review the DOE’s compilation of the performance and statistical data, as reported by the local school boards, within the annual financial and statistical report of the DOE.

Q.71. Where must the books and records of all auditees be kept?

R.S. 24:515(A)

A.71. All auditees shall designate or provide an office for their secretary, treasurer, or principal finance officer where their books and records must be kept.

Q.72. Who determines the form for all accounts of public funds?

R.S.24:515(A)

A.72. The LLA prescribes the form, and he shall have the authority to install a system of accounting in any office which he is authorized to examine and audit.

Any failure of any auditee to furnish the LLA with any information requested shall be immediately reported to the LAAC which shall take such action as it may deem proper.

Q.73. Who maintains the records of immovable property and fixed assets of the “auditee”?

R.S. 24:515(B)(1)

A.73. The head of every auditee subject to examination and audit under the provisions of R.S. 24:513(A), shall maintain records of all immovable property such as land and buildings, improvements other than buildings, and equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which the entity is accountable.

Q.74. What information must be included in the records of immovables and fixed assets?

R.S. 24:515(B)(1)

A.74. The records shall include:

- a) the date of purchase of such property or equipment,
- b) the initial cost,
- c) the disposition, if any,
- d) the purpose of such disposition, and
- e) the recipient of the property or equipment disposed of.

The records shall not include office supplies.

The records shall be used as one of the criteria in determining the rating which the auditee will be given.

The records required to be maintained for state government shall be prepared on forms and conform to procedures developed and established by the DOA in accordance with the APA.

Note: If determining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980,

creates a hardship on the auditee, the agency may provide estimates of the information.

Q.75. To whom and when should the records of immovables and fixed assets be made available?

R.S. 24:515(B)(1)

A.75. The records shall be made available to the LLA or, when the audit is conducted by a CPA, the CPA, at the time of examination and audit of the auditee, or any such time as the LLA or CPA requests.

Q.76. Are there specific reporting provisions for public defenders?

R.S. 24:515.1(A)

A.76. Yes. Recognizing that the reporting, accounting, and audit system of the district public defenders is fragmented and does not provide a comprehensive picture of certain judicial finances and the costs of operating the indigent defender system, the legislature required- in the interests of the public- the LLA, by generally accepted auditing standards, to develop a uniform format for audit reports to assist district public defenders in reporting all major sources of revenue and expenditures.

Q.77. What are the requirements for the uniform audit reports for public defenders?

R.S. 24:515.1(B)

A.77. The public defenders must report sources of income. The uniform audit reports for district public defenders must include, at a minimum (not limited to) the following:

- The amount of all state revenue provided by the legislature from general or special appropriations, or revenue passed through by state agencies.
- The amount of all revenue provided by local government from general or special appropriations, appropriations required by law, and revenue from the criminal court fund.
- The amount of grant funding from federal pass-through or categorical grants, grants from non-profit organizations, private and corporate foundations.
- The amount of funding received from any self-generated revenue.

Q.78. Does the LLA prescribe the format for the report of revenue?

R.S. 24:515.1(C)

A.78. Yes, the LLA shall develop, supervise, and require the use of uniform, standardized, and consistent terminology for use in reporting on each source of revenue and each category of expenditure in order to provide for clarity.

Notwithstanding any other law to the contrary, the district public defender, and regional director, where applicable, shall commence to use uniform formats for audit reports developed by the LLA by the end of Calendar Year 2007 for such boards on a calendar year schedule, or FY 2007-2008 for such boards on a fiscal year schedule.

The LLA shall develop reporting schedules to assist such entities with standardized and uniform reporting requirements.

Q.79. Who reviews the uniform reporting system of the public defenders?

R.S. 24:515.1(E)

A.79. The LLA shall review the uniform reporting system for audit reports on an annual basis to determine if it is consistent with state law and GAAP and revise the system if necessary. The LLA shall have authority to determine whether the officials are complying with the requirements of the reporting system.

Q.80. Following his review of the information in the uniform audit reporting system, does the LLA report to the legislature his findings?

R.S. 24:515.1(F)

A.80. Yes, the LLA shall annually submit to the legislature:

- a report detailing compliance with the requirements of R.S. 24:515.1 (uniform audit reporting for public defenders),
- a report outlining the information contained in the uniform audit reports, and
- any findings and recommendations resulting from an analysis of the information submitted by the entities.

Q.81. What is the penalty for failure to report the information required on the public defender uniform audit report to the LLA?

R.S. 24:515.1(G)

A.81. Any official who neglects, fails or refuses, to furnish the LLA with a uniform audit report as required by law or fails to disclose or accurately disclose any information discussed in [Q.77](#) above shall be subject to a civil penalty for each day until such report or the required accurate information is filed.

The amount of the penalty shall be one hundred dollars per day (\$100.00), not to exceed two thousand five hundred dollars (\$2,500) for each violation.

Q.82. Does the LLA file copies of his reports with any entity or the public?**R.S. 24:516(A)(1)**

A.82. Yes, the LLA is required to file copies of all audit reports released by his office with the governor, the attorney general, and the office investigated.

For purposes of public inspection, the LLA shall file copies of all audit reports prepared by his office or accepted by the LLA pursuant to R.S. 24:513(A) and R.S. 46:1064(B) with the clerk of court of the parish where the office investigated is domiciled, the parishes of East Baton Rouge and Orleans excepted.

The copies may be filed electronically; however, the LLA shall make actual paper copies of such reports available to any of these officials upon their request.

Q.83. Must the parish clerk of court make the report available to the public and if so for how long?**R.S. 24:516(A)(2)**

A.83. Yes, the report must be available to the public. The period during which the clerk of court is required to make an audit report of the LLA available for public inspection shall begin on the first regular scheduled work day after expiration of 3 days from the time the report is filed in the office of the clerk of court and shall extend for a period of not less than one year.

Q.84. What information must the filed reports contain?**R.S. 24:516(A)(2)**

A.84. All reports shall call attention to matters required by governmental auditing standards, including reportable conditions, failure to comply with laws and regulations, and such additional matters that may be included in a management letter.

Reports shall make specific recommendations to avoid future problems together with management's response.

Q.85. What is the procedure if the report contains an alleged criminal act?**R.S. 24:516(A)(2)**

A.85. If the report discloses any alleged criminal acts by any public officer or employee, the LLA shall furnish an additional copy of the report to the DA of the parish where the offense was committed.

Q.86. What is the provision for a sheriff who is delinquent in his settlements?**R.S. 24:516(B)**

A.86. Parish governing authorities and the governing authorities of other tax recipient bodies shall notify the LLA, in writing, whenever any sheriff is delinquent in his settlements.

Reimbursement for local audits

Q.87. Who pays for the audits required to be performed by the LLA?

R.S. 24:517.1

A.87. The LLA, except for services for complaints of illegal or irregular acts with respect to the local auditee, shall be reimbursed for actual expenses incurred in connection with

- any local government audit,
- audit of any public retirement system enumerated in R.S. 11:173 , or
- audit of any municipality, public or quasi-public agency performed under the provisions of R.S. 24:513(A)(4) [See [Q.19](#)].

The LAAC may authorize lower rates based on economic hardships to particular local auditees.

Q.88. What are the public retirement systems enumerated in Title 11?

(formerly R.S. 42:698.2)

A.88. The public retirement systems are:

- (1) Louisiana State Employees' Retirement System.
- (2) State Police Pension and Relief Fund.
- (3) Louisiana School Employees' Retirement System.
- (4) Teachers' Retirement System of Louisiana.
- (5) Assessors' Retirement Fund.
- (6) Clerks' of Court Retirement and Relief Fund.
- (7) District Attorneys' Retirement System.
- (8) Municipal Employees' Retirement System of Louisiana.
- (9) Parochial Employees' Retirement System of Louisiana.
- (10) Registrar of Voters Employees' Retirement System.
- (11) Sheriffs' Pension and Relief Fund.
- (12) Municipal Police Employees' Retirement System.
- (13) Firefighters' Retirement System.

Q.89. What is the process for billing and payment to the LLA for required local audits?

R.S. 24:517.1(B)(1)

A.89. The reimbursement provided in R.S. 24:517.1(A) [[Q.87](#)] shall be payable to the LLA by the local government, including municipalities, public and quasi-public

agencies, or public retirement system auditees based upon billing procedures established by the LLA.

Q.90. What is the result if the local auditee does not pay the LLA timely?

A.90. If the auditee has failed to remit payment in full for the audit services rendered within a period of ninety (90) days from the initial billing date, the LLA shall submit written notice to the auditee that payment in full will be withheld from monies accruing to the auditee within thirty (30) days of the notice.

Q.91. Is the auditee entitled to a hearing regarding withholding monies accruing to the auditee?

R.S. 24:517.1(B)(2)

A.91. Yes, upon its request, the auditee shall be entitled to a hearing before the LAAC concerning the reimbursement and withholding of monies accruing to the auditee.

Q.92. How is the money to reimburse the LLA withheld from the auditee?

A.92. If a hearing is requested and the LAAC determines that the LLA shall be reimbursed by the auditee, or if no such hearing is requested, and the LLA certifies in writing to the Department of Treasury or any other state agency who is holding monies accruing to the auditee that:

- the LLA has provided local services consistent with R.S. 24:517.1, and
- the auditee has failed to remit payment in full for the audit services rendered within a period of ninety (90) days from the initial billing date,

the treasurer or state agency shall, from the monies accruing to the local entity, forward to the LLA all or the portion necessary to reimburse the LLA for the total amount of audit costs billed.

Q.93. Are there any exemptions to the requirement to reimburse the LLA for local audit services?

R.S. 24:517.1(F)(1&2)

A.93. Yes, a district public defender office which receives annual funds of less than \$50,000 and is audited by the LLA shall not be required to reimburse the LLA for expenses incurred in connection with the audit, nor shall the LLA charge a fee in connection with the audit.

A district public defender office exempted from reimbursing the LLA for audit costs shall be exempted from paying the costs of any audit conducted after January 1, 1990.

Reimbursement for state audits

Q.94. What expenses are reimbursed to the LLA for state audits?**R.S. 24:517.3(A)**

A.94. The LLA shall be reimbursed for actual expenses incurred in connection with any financial and compliance audit or financial and compliance related examination he performs of a state entity's federal programs or of a state entity whose revenues consist primarily of self-generated fees and revenues.

Q.95. Can the LLA contract with a licensed CPA for state audits?**R.S. 24:517.3(A)**

A.95. The LLA shall contract with a licensed CPA for each state audit he does not possess the resources to audit, the audit cost to be paid by the LLA to the extent that funds are appropriated by the legislature. If funds are not made available for the audit, the LLA shall bill the audited state agency and pay the contract auditor.

Penalties**Q.96. What are the penalty provisions for audit related matters?****R.S. 24:518**

A.96. The penalties include fines, imprisonment and removal from office. Any auditee, local auditee, or public officer, employee, or other person of the auditee:

- Who neglects, fails or refuses, to furnish the LLA with papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that he has the right to inspect and examine, or
- Who denies the LLA access to the office, or to papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that he has the right to inspect or examine, or
- Who refuses, fails, or neglects to transmit to the LLA reports, statements of accounts or other documents upon request as provided by law or
- Who, otherwise in any manner, obstructs or impedes the LLA in making the examination authorized by law

shall be fined not less than five hundred (\$500) dollars, nor more than five thousand (\$5,000) dollars, or imprisoned for not less than ten (10) days, nor more than six (6) months, or both.

Any officer of an auditee or local auditee who violates any of the provisions of Audit Law shall, in addition to the above fines and penalties, be deemed guilty of malfeasance and gross misconduct in office, and shall be subject to removal.

Q.97. Are there penalties for persons for failure to submit information to auditees?
R.S. 24:518(B)

A.97. Any director, officer, employee or agent of a corporation, cooperative association or partnership, or any other person:

- Who neglects, fails or refuses to furnish in a timely fashion to the auditee or local auditee or its representative such papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that the auditee has the right to inspect and examine, or
- Who shall deny the auditee or local auditee or its representative access to the office, or to papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that the auditee has the right to inspect or examine, or
- Who refuses, fails, or neglects to transmit to the auditee or local auditee reports, statements of accounts or other documents upon request as provided by law or who obstructs or impedes the auditee in making the examination authorized by law

shall be fined not less than five hundred (\$500.00) dollars nor more than five thousand dollars (\$5,000), or imprisoned for not less than ten (10) days nor more than six (6) months, or both.

Q.98. Are there protections for confidential information provided to the auditees or to public employees?

R.S. 24:518(C)

A.98. Yes, each elected and appointed official, employee, and agent of the auditee or local auditee shall comply with any and all restrictions imposed by law on documents, data, or information deemed confidential by law and furnished to the auditee as required by R.S. 24:518(B) above.

Any person who discloses such confidential documents, data, or information shall be fined not less than five hundred (\$500) dollars nor more than five thousand (\$5,000) dollars and, if a public employee, shall also be subject to dismissal from public employment.

Report of remedial actions

Q.99. What are the remedial actions related to reports?

R.S. 24:519(A)

A.99. In any case in which an audit report issued by the LLA, or accepted by the LLA pursuant to Audit Law (R.S. 24:513), cites reportable conditions or includes a management letter or other irregularities, as required by R.S. 24:516 [reports: See [Q.84](#) & [Q.85](#)] to be reported, the head of the auditee to which the audit report pertained shall, within thirty (30) days of receipt of the report, advise the LAAC in writing of any remedial actions taken on the matters cited in the report or remedial action to be taken in the future.

Q.100. What are the remedial actions if the audit report contains allegations of illegalities or fraud?

[R.S. 24:519\(B\)](#)

A.100. When the audit report discloses illegalities or fraud and a copy has been sent to the DA of the proper jurisdiction, the DA shall within thirty (30) days advise the chairman LAAC as to action he has taken or proposes to take in connection with the illegality or fraud cited in the audit report.

When future action is to be taken by the DA, the LAAC shall set a date for receipt of further advice.

Q.101. What if neither the DA nor the agency head reports remedial action taken to LAAC as required?

[R.S. 24:519\(B\)](#)

A.101. When advice regarding remedial action is not sent from the head of the agency audited or from the DA, or when it is evident that suitable action has not been taken, the LAAC shall report the matter to the legislature at its next regular session for action as the legislature deems advisable.

Audit of accounts of legislative auditor

Q.102. Are the accounts of the office of the LLA audited and, if so, by whom?

[R.S. 24:520](#)

A.102. Yes, the president of the Senate and the speaker of the House of Representatives, jointly, shall annually order an audit to be made of the accounts of the office of LLA for the fiscal year ending on the preceding June 30th and shall select the CPA to perform the audit in accordance with generally accepted auditing standards.

Q.103. What is the scope of the audit performed on the office of the LLA?

[R.S. 24:520\(B\)](#)

A.103. The audit shall include any and all accounts relating to the operation of the office of the LLA. The LLA is required and directed to make available all books and records of his office which might be needed to accomplish the audit.

Q.104. Who pays the cost of the audit of the LLA?**R.S. 24:520(C)**

A.104. The cost of the audit shall be paid out of funds appropriated for the operation of the legislature and may be prorated from funds allocated to the Senate and House of Representatives, respectively, as may be agreed upon by the president of the Senate and the speaker of the House of Representatives.

Actuarial notes**Q.105. What is an “actuarial note” and where is it found?****R.S. 24:521**

A.105. An actuarial note is a brief explanatory statement or note which includes a reliable estimate of the financial and actuarial effect of a proposed legislative change in any retirement system. The actuarial note does not constitute a part of the law or other provisions or expression of legislative intent proposed by the bill or resolution.

The actuarial note must:

- be attached to every bill, joint resolution, and simple or concurrent resolution introduced in the legislature proposing any change in the law relative to any state, municipal or parochial retirement system, funded in whole or in part out of public funds.
- be attached to the proposed legislation at the time of its consideration by any committee of either house of the legislature.
- be attached to the original of each proposed bill or resolution which is reported favorably by any committee of either house of the legislature, but shall be a separate document and shall be clearly designated as an actuarial note.

Q.106. Who prepares the actuarial note for the legislature?**R.S. 24:521(B)(1)**

A.106. For each bill or resolution for which an actuarial note is required as provided in [Q.105](#) above, a request for an actuarial note must be presented to the LLA who has the duty to prepare the note as promptly as possible. Actuarial notes must be prepared in the order of receipt of request for the notes.

Q.107. Who requests the actuarial note from the LLA?**R.S. 24:521(B)(2)**

A.107. Usually, the author makes the request. Within seven (7) days after the transmittal to the author of the bill or resolution along with a memorandum indicating the bill

or resolution may require an actuarial note, the author may instruct, in writing addressed to the chief clerical officer of the house in which the member serves, that an actuarial note be obtained or that no actuarial note be obtained.

Each written instruction received shall be recorded and preserved in the file maintained for the bill or resolution.

Q.108. What if prior to the seven (7) day time period, the author instructs that no actuarial note be obtained or does not send a written request within the time period?

R.S. 24:521(B)(3)&(4)

A.108. If the author instructs that no actuarial note be obtained, no request for an actuarial note will be made prior to the prefiling or introduction of the bill or resolution. If the author does not send written instructions within the seven (7) day period, the chief clerical officer of the house in which the author is a member may request an actuarial note for the bill or resolution at any time prior to prefiling or introduction. In determining whether an actuarial note should be requested, due consideration shall be given to the recommendation of the staff of the house in which the author is a member.

In addition, at prefiling or introduction, the chief clerical officer may request an actuarial note, and the chairman of the committee to which such bill or resolution is referred may request an actuarial note immediately upon referral of the bill or resolution.

Q.109. What information should the actuarial note contain?

R.S. 24:521(C)

A.109. The note shall be factual in nature, brief and concise, and shall, if possible, provide a reliable estimate in dollars.

The note shall:

- include both the immediate effect and, if determinable or reasonably foreseeable, the long range fiscal and actuarial effect of the measure.
- shall set forth the reasons why no dollar estimate can be given if, after careful investigation, it is determined that no dollar estimate is possible.

Q.110. Does an actuarial note make a recommendation to the author or the legislature regarding the proposed instrument?

R.S. 24:521(C)

A.110. No. The actuarial note should not include a comment or opinion with regard to the merit, or lack thereof, of the measure for which the note is prepared. However, technical or mechanical defects may be noted.

Q.111. What happens if the proposed legislative instrument is amended after the actuarial note is prepared?

R.S. 24:521(D)

A.111. Anytime a committee of either house reports any legislative instrument, to which an actuarial note was attached at the time of committee consideration, with any amendment that would substantially affect the costs to or the revenues of any retirement system as stated in the actuarial note attached to the measure at the time of consideration, it is the responsibility of the chairman of the committee reporting the instrument to obtain from the LLA an actuarial note of the fiscal and actuarial effect of the change proposed by the amendment.

The revised actuarial note shall be attached to the report of the committee on the measure as a supplement, but shall not be printed in the journal.

Q.112. What if there is a floor amendment is offered without an actuarial note?

R.S. 24:521(D)

A.112. The proposed amendment could be withdrawn. If a floor amendment is offered in either house to any bill or resolution, to which an actuarial note was attached at the time of committee consideration or committee report, which amendment would substantially affect the cost to or the revenues of any retirement system as stated in the most recent actuarial note and the member proposing such amendment does not present to the house an actuarial note prepared by the LLA as to the fiscal and actuarial effect of his proposed amendment, any member may offer a motion that the proposed amendment be withdrawn.

There is a provision to correct the omission. If the motion is adopted by the favorable vote of a majority of the quorum present, the amendment is deemed to be withdrawn, though the amendment may be proposed again at any time it would otherwise be in order, provided that the required actuarial note is presented at that time.

Q.113. What is the duty of the LLA regarding confidentiality of subject matter of proposed legislation?

R.S. 24:521(E)

A.113. Prior to pre-filing or introduction, the subject matter of bills or resolutions submitted to the LLA for preparation of the required information for actuarial notes shall be kept in strict confidence. No information relating to the proposed instrument or relating to the fiscal or actuarial effect of any such bill or resolution shall be divulged by the LLA or any of his employees, except to:

1. the author or authors of the bill or resolution,

2. the chief clerical officer and the staff of the house in which the author serves, and
3. the legislative fiscal officer and his staff.

Q.114. Who receives copies of the actuarial note?

R.S. 24:521(E)

A.114. After prefiling or introduction, copies of the actuarial note on any bill or resolution shall be furnished to the author, the chief clerical officer of the house in which the author is a member, and the committee to which the bill or resolution is referred.

Louisiana Performance Audit Program

Q.115. What law establishes the Louisiana Performance Audit Program?

R.S. 24:522(A)

A.115. R.S. 24:522 establishes the LA Performance Audit Program to identify and plan for the state's long-term needs in addition to finding solutions to present fiscal problems.

Q.116. To what entities does the Louisiana Performance Audit Program apply?

R.S. 24:522(B)

A.116. The LA Performance Audit Program applies to “state agencies” defined as any state agency, office, department, board, commission, institution, division, committee, program, or legal entity, currently existing or created within the legislative or executive branch of state government, including an institution of higher education, but does not include any agency, governing body, or officer of any local government or political subdivision of the state.

Act 367 of the 2011 Regular Session, effective June 29, 2011, amended **R.S. 17:3139** to require the LLA, in cooperation and coordination with the Board of Regents, to annually audit data submitted or to be submitted by institutions to the Board of Regents as indicators of meeting performance objective targets established by or pursuant to this Section to ensure that the data is reliable. The auditor shall complete all audits pursuant to this Subsection and report his findings to the Board of Regents and to the legislature prior to the board's annual vote on whether an institution will be able to exercise tuition authority and operational autonomies pursuant to this Section. Each institution shall provide to the LLA all of the information that the auditor requests to conduct audits pursuant to this Subsection. The LLA shall charge the actual costs of such audits to the institution being audited; however, no institution shall be charged more than ten thousand dollars (\$10,000) for such audits in any single fiscal year unless a higher amount is authorized by the LAAC. The council may authorize the auditor to charge an institution more than \$10,000 in a fiscal year if the additional actual

costs are proven to be related to the scope of work described in this Subsection. No provision of this Subsection shall be construed to limit the authority of the auditor under any other provision of law. The LLA shall, to the extent that he determines feasible and in the best interests of the state, take steps to minimize disruption of normal operations at the institutions such as conducting such audits in conjunction with the institution's financial audit.

Q.117. What does the Louisiana Performance Audit Program provide to the legislature?

R.S. 24:522(C)

A.117. With the LA Performance Audit Program and the powers and duties otherwise provided by law, including approval of the LAAC, the LLA provides the legislature with evaluation and audit of the functions and activities of the agencies of state government.

Q.118. How does the LLA evaluate and audit the agencies for the Louisiana Performance Audit Program?

R.S. 24:522(C)(1 – 10)

A.118. The LA Performance Audit Program evaluations and audits are based on appropriate standards. To accomplish this, the LLA may:

- 1) Evaluate the basic assumptions underlying any and all state agencies and the programs and services provided by the state to assist the legislature in identifying those that are vital to the best interests of the people of the state of Louisiana and those that no longer meet that goal.
- 2) Evaluate the programs, policies, services, and activities administered by the agencies of state government and identify overlapping functions, outmoded programs or methodologies, areas needing improvement, and/or programs amenable to privatization.
- 3) Evaluate the impact, effectiveness, and cost-effectiveness of all state agencies and of their programs, services, and activities.
- 4) Evaluate the efficiency with which state agencies operate the programs under their jurisdictions and fulfill their duties.
- 5) Evaluate methods agencies use to maximize the amount of federal and private funds received by the state for its programs in order to ensure that the people of Louisiana receive a fair share of the taxes which they pay to the United States government and to provide for the effective efficient use of private resources.
- 6) Evaluate the management of state debt.

- 7) Evaluate the assessment, collection, and application of user fees.
- 8) Make recommendations each year relative to the programs and services the various state agencies provide as well as recommendations for elimination of or reduction in funding for agencies, programs, or services based on the results of performance audits. Such recommendations shall be submitted in a report to each member of the legislature no later than February fifteenth each year.
- 9) Make annual recommendations to the appropriate oversight committees of the legislature and the LAAC as to amendments to statutory and constitutional provisions that will improve the efficiency of state government, including, if appropriate, recommendations concerning the reorganization or consolidation of state agencies.
- 10) Evaluate the methods used by each agency in the estimation, calculation, and reporting of its performance, and evaluate the actual outcomes of each agency's performance with regard to its performance indicators as defined in R.S. 39:2 and provide agencies with information relative to the methods used to evaluate such performance.

Q.119. What does the state agency do to assist the LLA in the performance audit?

R.S. 24:522(D)

A.119. All state agencies and their officials and staff shall assist the LLA in his work and furnish such information, reports, aid, services, and assistance as he may request, all without any cost or charge to the LLA.

All state agencies shall develop specific goals and objectives for each of their programs to include measures of performance. They shall report on program goals and objectives in developing annual budgets and shall submit such information to the legislature as a part of the appropriations process.

Q.120. What other entities assist the LLA in performing the audits under R.S. 24:522?

A.120. The LLA may request assistance, including the use of personnel from the state treasurer, the commissioner of administration, and administrators of the various state agencies which may be necessary to enable him to accomplish the goals of the performance audits.

Q.121. Does the annual audit of the legislative branch include a performance audit and if so, by what standards?

R.S. 24:522(G)

A.121. Yes, the annual audits of the legislative branch of state government shall include performance audit issues consistent with the LLA's audits of the executive branch of state government.

Q.122. Does a performance audit have any impact on state employees?

R.S. 24:522(H)

A.122. Yes, state employee involvement is encouraged by the reward and recognition policy approved by the State Civil Service Commission.

Q.123. Does the LLA have responsibility for performance audits of the judicial branch of state government?

R.S. 24:522(J)

A.123. No, all provisions relating to judicial strategic planning, performance budgeting, the judicial appropriation bill, and judicial performance reporting and auditing shall be strictly governed by the provisions of Part I-A of Chapter 2 of Title 13 of the Louisiana Revised Statutes of 1950. R.S. 13:85 provides that judicial administrators do the performance audits.

Q.124. How often does the LLA audit the executive branch of government under the Louisiana Performance Audit Program?

R.S. 24:522 (K)

A.124. The LLA has a schedule for execution of performance audits which ensures the completion and publishing of the audits of no less than two different agencies from at least two different executive departments in each year. These audits are published no later than thirty (30) days prior to commencement of the regular session of the legislature. The schedule is constructed to ensure that within the seven-year (7) period beginning with the 1997-98 FY, at least one performance audit is completed and published for each of the twenty (20) departments of the executive branch of state government.

Notification of the LLA and DA

Q.125. Is there any guidance or procedure if an agency head suspects impropriety in management of public funds?

R.S. 24:523

A.125. Yes, an agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency shall immediately notify, in writing, the LLA and the DA of the parish in which the agency is domiciled of such misappropriation. The DA, or other prosecutorial agency, notified of such misappropriation may request audit assistance from the LLA with respect to the misappropriation.

Q.126. Who is an “agency head” and “agency” under R.S. 24:523?

R.S. 42:1102(2)(a) & (3)

A.126. “Agency head” is the chief executive or administrative officer of an agency or any member of a board or commission who exercises supervision over the agency.

The “agency” is a department, office, division, agency, commission, board, committee, or other organizational unit of a governmental entity. “His agency” when used in reference to the agency of a public servant shall mean:

- For public servants in the twenty (20) principal departments of the executive branch of state government, the office in which such public servant carries out his primary responsibilities; except that in the case of the secretary, deputy secretary, or undersecretary of any such department and officials carrying out the responsibilities of such department officers it means the department in which he serves; and except that in the case of public servants who are members or employees of a board or commission or who provide staff assistance to a board or commission, it means the board or commission.
- For the governor and lieutenant governor, it means the executive branch of state government.
- For public servants in the office of the governor or the lieutenant governor it means their respective offices.
- For public servants in the legislative branch of state government, it means the agency or house of the legislature by which a public employee is employed and the legislative branch in the case of legislators.
- For public employees, except judges, of the supreme court, courts of appeal, district courts, and other courts authorized by Article V of the Constitution of 1974, it means the court in which the public employee serves and any other court in which decisions of that court may be reviewed.
- For public servants of political subdivisions, it means the agency in which the public servant serves, except that for members of any governing authority and for the elected or appointed chief executive of a governmental entity, it means the governmental entity. Public servants of political subdivisions includes, but shall not be limited to, elected officials and public employees of municipalities, parishes, and other political subdivisions; sheriffs and their employees; DA’s and their employees; coroners and their employees; and clerks of court and their employees.

Recent AG Opinions:

AG Op. No. 10-0236: AG Opinion related to employee contribution rates for LSERS when the funded status of the system falls below one-hundred percent.

AG Op. No. 10-0127: AG Opinion related to procedures for returning unclaimed bond monies.

AG Op. No. 10-0078: RSD may require an employee to reimburse the agency the cost of equipment lost through his gross negligence if the policy is clear and requires reimbursement and the employee is aware of the policy. R.S. 24:523

AG Op. No. 10-0083: The mayor selects auditor required by R.S. 24:513 subject to the approval of the board of aldermen.

AG Op. No. 10-0074: Regarding seizure of cash by police department. Cites the LLA's best practices for evidence rooms.

AG Op. No. 10-0090: Pursuant to LLA's request, AG opined:

Considering the exception for the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Board of Supervisors of Southern University and Agricultural and Mechanical College, the Board of Supervisors of the University of Louisiana System, and the colleges and universities supervised and managed by each under La. R.S. 49:308(E)(2)(d), it is the opinion of this office that such entities are excluded from the requirements of the State Cash Management Review Board, La. R.S. 39:371, et seq. To the extent Atty. Gen. Op. No. 97-450 conflicts with our assessment, it is hereby recalled and set aside.

AG Op. No. 10-0023: Applying the foregoing principles in the instant case, it is the opinion of this office that LHSAA is subject to the Louisiana laws governing the legislative audit of state and local bodies. LHSAA, a quasi public entity, is an entity contemplated by La. R.S. 24:513(J)(4) because as discussed by the Supreme Court in the Spain case, LHSAA and its official committees constitute collective committees or subcommittees for the parish school boards or BESE. While Section (a) of this statutory provision states that LHSAA shall not be required to be audited by the legislative auditor, Section (b) provides that the Legislative Audit Advisory Council may order an audit by the legislative auditor upon a finding of cause by the council. Assuming that there has been a finding of cause by the council, LHSAA is subject to having an audit conducted by the legislative auditor.

AG Op. No. 10-0039: A lobbyist registration charge imposed by the Louisiana Public Service Commission does not appear to be a charge related to the regulation of common carriers and public utilities. As such, it is our opinion that such a charge would not be considered a "fee" under Article VII, Section 2.1 of the Louisiana Constitution.

With respect to a public entity's liability for assessing an unlawful charge or for raising revenue/public funds outside of its statutory authority, our review of Louisiana law fails to provide a clear indication of the type of penalty, if any, that may be assessed. Any such penalty would likely be assessed by a court of law based on arguments raised by individuals who were assessed the unlawful charge. Alternatively, this issue may fall within the purview of the Louisiana Legislative Auditor.

AG Op. No. 09-0300: Concerns about publication of unofficial meeting minutes pursuant to La. R.S. 43:144 do not outweigh the public's interest in timely notice of actions taken at the meeting, since any corrections to the minutes made at a later meeting would appear in the minutes of the later meeting. The ten-day time limit set forth in La. R.S. 43:144 does not apply to the publication of minutes of meetings of the Board of Directors of the Jackson Parish Ambulance Service District. (Editor's note: See also publication requirements of R.S. 43:171 and requirement to publish such financial statements required by and furnished to the legislative auditor.)

AG Op. No. 10-0030: Pursuant to tax assessors, the provisions contained in La. R.S. 47:1705(B) through (D) do apply to Orleans Parish.

AG Op. No. 09-0156: Funds seized and in connection with criminal investigations and prosecutions stored in New Orleans Police Department evidence and property rooms, do not fall under the definition of "public funds" provided in La. R.S. 24:523, and the misappropriation of such is not subject to the additional reporting requirements of that statute. The Legislative Auditor nevertheless retains the authority to examine, audit, or review the books of the NOPD and make necessary and appropriate findings related thereto, because the NOPD is a department of the City of New Orleans, which is a political subdivision of the State of Louisiana. Further any such misappropriation should be reported to the Orleans Parish District Attorney's Office, because the misappropriation may affect ongoing criminal proceedings and to the Independent Police Monitor Division of the New Orleans Inspector General's Office, which as authority to monitor the operations of the NOPD. Editor's note: contains a discussion of public funds."

The Legislature, in several other statutes unrelated to La. R.S. 24:523, has defined "public funds" as "any funds obtained from legislative appropriation or any form of state or local taxation." In addition to these other laws, the Louisiana Supreme Court General Administrative Rules, Part G, § 1 (a) (ii) similarly asserts that the phrase "'public funds' means legislatively appropriated funds, judicial expense funds, self-generated funds, funds of federal, state, local, parish or municipal governments, and any other sources of public funds." Black's Law Dictionary (8th ed. 2004) defines "public funds" as "[t]he revenue or money of a governmental body" or "[t]he securities of a state or national government." Thus, it is clear that the "generally prevailing meaning" of "public funds" does not include seized

funds in the possession of a governmental entity until such time that a court orders such funds forfeited in whole or in part to public agencies pursuant to Louisiana law on the subject.

AG Op. No. 09-0189: The mandatory duty, set forth in La. R.S. 47:1705(A), for governing authorities to “furnish the assessor and the legislative auditor the authorizing ordinances or resolutions and the tax rate to be applied to the assessed values for ad valorem tax purposes not later than June 1 of each year” is not conditioned upon the requirements of La. R.S. 18:1292 et seq. being satisfied.

AG Op. No. 09-0056: Pursuant to La. R.S. 33:3819, the \$25.00 per diem paid to the water district commissioners was increased to \$60.00 in June of 2008. Since the increase, the Legislative Auditor's Office has advised that the commissioners may have to pay back the per diem increase (\$35.00) to the waterworks district for the months of June 2008 through February 2009. You have specifically asked whether the Prairie Road Water District Commissioners must return the per diem increase of \$35.00.

Therefore, it is the further opinion of this office that as long as the per diem increase was enacted pursuant to La. R.S. 33:3811, et seq, the commissioners do not have to return the increased per diem amount of \$35.00 for the months of June 2008 through February 2009.

AG Op. No. 09-0090: A political subdivision is required to publish its minutes of its official proceedings. Editor’s note: Good definition of political subdivision for the statute.

AG Op. No. 09-0073: Addresses whether public bodies may utilize the Certificate of Deposit Account Registry Service and the Temporary Liquidity Guarantee Program.

AG Op. No. 08-0318: Based on the above statutes and analysis, it is the opinion of the Attorney General that the Louisiana State Racing Commission, by virtue of the broad delegation of power from the legislature to regulate and oversee the business of horse racing, has direct regulatory oversight and adjudicatory authority over the Horsemen's Benevolent and Protective Association as it relates to horse racing. This adjudicatory authority, in the opinion of this office, also extends to complaints or disputes an HBPA member may have against the HBPA, insofar as the complaint or dispute arises out of or relates to the application of the horse racing laws or the business of horse racing, including disputes over the quantification, collection, allocation and distribution of money earned at a racetrack that is statutorily dedicated for the horsemen as purse money, which is paid by the racetrack to the HBPA for disbursement by the Horsemen's Bookkeeper according to the statutory schedule of payments.

CASE LAW:

LDOI v. LLA, May 3, 2011, (not released for publication) – A case before the First Circuit Court of Appeal in which the court discusses the confidential nature of certain information not required to be produced for an audit.

PIAL v. LLA, 31 So3d 1012, March 16, 2010 – in which the court held that Property Insurance Association of Louisiana (PIAL) does not meet all four of the criteria which define a public entity, as established in *State v. Smith* and found that PIAL is not a public entity for all purposes.

In re Flaherty, July 1, 2011 – in which the Supreme Court ruled on a violation of court rules related to a financial disclosure required to be filed by a Justice of the Peace. The court distinguished the financial disclosure required by the LLA from the financial disclosure required by the court rules.