

**AUDIT PROPOSAL FOR
AUDITING SERVICES FOR THE
CITY OF HAMMOND
RFP 23-33**

For the Year Ended
June 30, 2022 and the Year Ending June 30, 2023

SUBMITTED BY:

Kushner LaGraize, L.L.C.
Certified Public Accountants and Consultants
3330 West Esplanade Avenue, Suite 100
Metairie, Louisiana 70002

TELEPHONE NUMBER:

(504) 838-9991

CONTACT PERSON:

Michelle B. Treschwig, CPA

CONTACT PERSON'S EMAIL ADDRESS:

michelle.treschwig@kl.cpa

DATE:

September 7, 2022

Rec 9.8.22
7:00 AM

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September 7, 2022

Ms. Jana Thurman
Purchasing Agent
City of Hammond
310 E. Charles Street
Hammond, LA 70404

Dear Ms. Thurman:

Kushner LaGraize, L.L.C., (the Firm), is pleased to have the opportunity to respond to your Request for Proposal for Auditing Services, including performance of the Statewide Agreed-Upon procedures required by the Louisiana Legislative Auditor, for the **City of Hammond** for the year ended June 30, 2022, and the year ending June 30, 2023, with the opportunity to renew the contract for two (2) one-year options.

As independent auditors of the **City of Hammond** for eleven years, we have gained an understanding of the **City of Hammond's** personnel and operations second to none. This understanding, combined with our Firm's extensive experience in providing professional services to governmental entities, certainly qualifies us to efficiently and effectively serve the **City of Hammond**. Ms. Treschwig also has obtained the **AICPA's Advanced Single Audit Certification**, recognizing her extensive knowledge in performing audits of major federal grant programs.

Kushner LaGraize, L.L.C. meets the appropriate state licensing requirements to practice public accounting in the State of Louisiana. Our Firm has also complied with the applicable requirements for peer review and continuing professional education related to the governmental environment. We also meet the applicable independence standards of the revised Yellow Book relating to the **City of Hammond**. **Kushner LaGraize, L.L.C.** has not had a record of substandard audit work nor has the Firm been engaged in unethical practices.

Kushner LaGraize, L.L.C. does not discriminate against any individual because of race regarding consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation. Our Firm maintains a prudent level of errors and omissions insurance covering willful or negligent acts, or omissions, of any officers, employees, or agents thereof.

We take pride in our demonstrated ability to work closely with our clients without sacrificing our responsibilities of independence. The active involvement of the management of our Firm in each engagement allows us to provide quality service within specified time constraints. In addition, as a local firm, we are able to bring both continuity and a local point of view to this engagement.

Kushner LaGraize, L.L.C. will determine if the general purpose financial statements of the **City of Hammond**, as well as individual fund and account groups, and component units are in accordance with generally accepted accounting principles (GAAP), and the provisions of the U.S. Office of Management and Budget (OMB), Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, Audits of States, Local Governments, and Nonprofit Organizations.

More specific details of our Firm are presented on the following pages. Our fees are also included separately in a sealed envelope marked "Proposed Audit Fee."

We trust that this proposal expresses our sincere enthusiasm and interest in performing audit services for the **City of Hammond**.

As Partner, I am authorized to represent our Firm and I will be happy to meet with you to answer any questions or provide additional information. Our address is 3330 West Esplanade Avenue, Suite 100, Metairie, Louisiana, 70002. I can be reached at (504) 838-9991 or through email address at michelle.treschwig@kl.cpa.

Sincerely,

KUSHNER LAGRAIZE, L.L.C.

A handwritten signature in cursive script that reads "Michelle B. Treschwig". The signature is written in dark ink and is positioned above the printed name and title.

Michelle B. Treschwig, CPA
Audit Partner

MBT:sgf

FIRM PROFILE

Kushner LaGraize, L.L.C., Certified Public Accountants & Consultants, is domiciled in Jefferson Parish, Louisiana, and provides auditing, accounting, tax, financial planning, and management consulting services to a wide variety of industries.

In December 1985, Messrs. S. David Kushner and Wilson A. LaGraize, Jr., formed a partnership under the present firm name of Kushner LaGraize, L.L.C. Upon formation, the firm was composed of the partners and fifteen employees. The firm's growth has continued to escalate each year primarily due to referrals by satisfied clients. Our reputation for providing quality service at a reasonable cost has been the most significant reason for our growth. **In 2021, CityBusiness recognized Kushner LaGraize, L.L.C. as one of the top 50 companies – large employer – Best Places to Work of 2021, and in 2022, Inside Public Accounting recognized Kushner LaGraize, L.L.C. nationally as one of the Top 400 Firms of 2022.**

Our vast experience in governmental and business auditing and consulting will allow us to provide recommendations for a more efficient operation and improved accounting and administrative controls. Our team stays current with governmental auditing standards and state laws.

Our Firm has significant experience in governmental accounting and auditing. In addition to performing annual financial statement audits as well as single audits, we have prepared analysis and reviewed the operations on various governmental entities in accordance with *Government Auditing Standards*, issued by the U.S. Comptroller General and the Single Audit Act Amendments of 1996. **We are a member of the AICPA Governmental Audit Quality Center which demonstrates our firm's commitment to audit quality in the area of governmental audits.**

We are also a member of CPAmerica International, an exclusive, worldwide association of over 75 independent U.S. accounting firms and 100 international firms. CPAmerica was founded for the purpose of pursuing excellence in the field of public accounting and to assist its members in providing the highest quality accounting, tax, and management consulting services. In order for a firm to attain membership, CPAmerica conducts an examination of the firm's professional practice, professional personnel and organizational characteristics.

Our membership in CPAmerica supplements the capabilities and resources of our Firm through affiliation with other member firms research, education and training programs. The shared experiences of members provide us the expertise to handle any business situation. Specific member firms may be brought onto the engagement when special knowledge and an additional perspective will help answer questions about a client's operations and problems. On a collective basis, the CPAmerica membership has more than 2,900 professional staff.

CPAmerica membership enhances our philosophy of taking our clients responsibilities seriously. It gives us the resources to compete with the larger national firms while retaining a local office commitment to quality and personal service. CPAmerica is more than a loose affiliation of firms that other local firms may boast. We integrate our service to provide joint technical training, annual partner meetings, and numerous joint committees that aid our coordination of addressing client needs and functioning as a single organization.

FIRM QUALIFICATIONS

We are a full-service accounting firm located in Jefferson Parish which employs over 60 people. Of the 52 professionals on staff, 35 are certified public accountants and one has the **AICPA Single Audit Advanced Certification**. Our Firm is one of the largest accounting firms in the Metropolitan New Orleans area and services clients throughout the Gulf Coast region.

Below is a chart detailing the professional **audit team** of Kushner LaGraize, L.L.C.

Staff Classification	Total Number	Number With CPA Certificate	Total Years of Experience
Partners	2	2	21-35
Senior Managers	3	3	13-33
Manager II	1	1	9
Manager I	1	1	5
Seniors	2	1	3-5
Staff	2	0	0-2
Total Professional Audit Staff	<u>11</u>	<u>8</u>	

Resumes of the partner and manager of the audit team for this engagement can be found at Appendix B.

See Appendix D for the position descriptions of the audit senior manager level on down.

The following is a listing of governmental engagements within Louisiana that have been completed by Kushner LaGraize, L.L.C. over the past three years.

Engagement	Service	Period Ended	Name and Phone Number of Agency Contact Person
Jefferson Parish, Louisiana	Operational Audits	12/31/21 12/31/20 12/31/19	Tim Palmatier, Finance Director (504) 364-2767
Jefferson Parish, Louisiana 24th Judicial District Court	Audit	12/31/21 12/31/20 12/31/19	Renee Aguilar, Judicial Administrator (504) 364-3990
Port of South Louisiana	Audit	04/30/22 04/30/21 04/30/20	Grant Fauchaux, Finance Director (985) 652-9278
Washington Parish	Single Audit	12/31/21 12/31/20 12/31/19	Donna Graham, CPA Finance Director (985) 839-7825
Brazos Transit District	Single Audit	9/30/21 9/30/20	Wendy Weedon Deputy CEO/General Manager (979) 450-2660
Jefferson Parish Coroner's Office	Audit	12/31/21 12/31/20 12/31/19	Dr. Gerald Cvitanovich Coroner (504) 365-9100
Jefferson Council on Aging, Inc.	Single Audit	06/30/16 06/30/15 06/30/14	Al Robichaux Executive Director/CFO (504) 888-5880

FIRM QUALIFICATIONS - Continued

Our Firm has undergone twelve “peer reviews” in conformity with the standards promulgated by the Peer Review Committee of the SEC Practice Section of the AICPA. The peer review team evaluated and tested our Firm’s quality control policies and procedures on selected accounting and auditing engagements. We are currently undergoing our thirteenth “peer review”.

In the opinion of the peer review team, the system of quality control for our accounting and auditing practice met the current objectives of quality control standards established by the AICPA. See Appendix C for a copy of our firm’s peer review report dated November 5, 2019.

Our Firm is properly licensed for audit practice in the State of Louisiana as a firm of certified public accountants. Our Firm has no reviews nor investigations pending with the State Board of Certified Public Accountants, nor do we have a record of audit work rejected, refused, or deemed substandard by the Louisiana Legislative Auditor or any other regulatory body.

Our partners and professional staff are active in professional organizations on both the national and local levels, including the American Institute of Certified Public Accountants (AICPA), the Society of Louisiana Certified Public Accountants (SLCPA), the Center for Public Company Audit Firms Peer Review Program, the Government Finance Officers Association, the Governmental Audit Quality Center and the Association of Government Accountants.

QUALITY CONTROL DOCUMENT

In accordance with Statement on Quality Control Standards No. 8, A Firm’s System of Quality Control, effective January 1, 2012, established by the AICPA, quality control for a CPA firm applies to all auditing and accounting and review services for which professional standards have been established. A system of quality control for a firm encompasses the firm’s organizational structure and the policies adopted and procedures established to provide reasonable assurance that the firm complies with professional standards and issues reports appropriate in the circumstances.

Our system of quality control has been designed considering the above. The interrelated elements of quality control that have been defined are: (1) Leadership Responsibilities for Quality Within the Firm (“tone at the top”); (2) Relevant Ethical Requirements; (3) Acceptance and Continuance of Client Relationships and Specific Engagements; (4) Human Resources; (5) Engagement Performance; and (6) Monitoring.

Our document is communicated to all personnel and its policies and procedures must be followed in the daily conduct of our practice. It will be revised as considered necessary due to changing circumstances in our Firm and in our profession.

CONTINUING PROFESSIONAL EDUCATION

As stated in our Firm’s Quality Control Document, it is our Firm’s policy to have all professional personnel comply with the continuing education requirements of the AICPA, the State of Louisiana Board of Accountancy, and the U.S. General Accounting Office; that all professional staff maintain an adequate awareness and understanding of current developments in technical literature; and that all professional staff assist in the training and development of staff members under their supervision.

CONTINUING PROFESSIONAL EDUCATION - Continued

Procedures used by our Firm to meet these goals include participation in AICPA and State Society-sponsored CPE programs, as well as various in-house training and development courses.

Our commitment to the professional education of our staff, particularly in governmental accounting and auditing, is further evidenced by our participation in the AICPA's "Certificate of Educational Achievement in Governmental Accounting and Auditing" program. The AICPA program consists of a series of integrated educational courses concentrating on governmental accounting, auditing, and financial reporting. Members of our firm have successfully completed the course and possesses the "Certificate of Educational Achievement."

FIRM SERVICE

General Approach

We will audit the Financial Statements of the City of Hammond, as of and for the year ended June 30, 2022 and the year ending June 30, 2023. Our audits will be made in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants; *Government Auditing Standards*, promulgated by the Comptroller General of the United States; the Office of Management and Budget's *Compliance Supplement for Single Audits*; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Audits of States, Local Government and Nonprofit Organizations*; the provisions of Louisiana Revised Statute 24:513; and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor (LLA) for the year ended June 30, 2022, and the year ending June 30, 2023. In addition, we will perform the Statewide Agreed-Upon Procedures (SAUPs) as required by the Louisiana Legislative Auditor for the year ended June 30, 2022. We will determine if these procedures are necessary for the year ending June 30, 2023, based on the requirements issued by the LLA at that time.

Our audits will include tests of the accounting records and other procedures we consider necessary to enable us to express an opinion on the financial statements. A brief description of our work plan is as follows.

We will develop audit programs in order to meet the audit objectives specific to the City of Hammond. We will utilize Practitioners Publishing Company (PPC) *Audit Guide for Single Audits and Local Governments*, as well as other reference tools in our library such as the *AICPA Audit Guide on Local Governments*, and *Governmental Accounting, Auditing and Financial Reporting* by the GFOA. PPC is recognized as the most widely used audit guide in the accounting and auditing field. Each of PPC's guides meets the strict requirements of the AICPA Quality Control standards. A risk-based audit approach will be used; that is, all significant audit areas will be identified, the risk of material misstatement affecting each area (including fraud risks or other significant risks) will be documented and assessed and an audit approach and applicable audit procedures will be selected that are tailored to respond to the assessed level of risk. PPC provides guidance and checklists to properly determine and document the assessed level of risk.

FIRM SERVICE - Continued

As is the case with all of our clients, the level of staff assigned to a particular area depends greatly on the complexity and associated risks of the area to be audited. Accordingly, our most experienced staff will be assigned to the more significant areas of the audits.

The objective of our financial audits will be the rendering of an opinion on the financial statements referred to above. Audits made in accordance with generally accepted auditing standards are subject to certain limitations and the inherent risk that errors or fraud, if they exist, will not be detected. However, if during the course of our audits we become aware of such errors or fraud, we will bring them to your attention and, if material, will also notify the Louisiana Legislative Auditor in writing. If federally assisted programs are involved, we are required to notify the City of Hammond's Cognizant Agency. Should you then wish us to expand our normal auditing procedures, we will be pleased to work with you in developing a separate engagement for that purpose. In order to ensure a timely delivery of the report, we will attempt to perform as many procedures as possible at interim, especially in the compliance areas.

Monitoring Progress of the Audits

Our audit staff will be closely supervised by our partner to ensure the proper quality and progress of the work. This will be verbally communicated to the City of Hammond's Finance Director on at least a weekly basis.

If any problem areas are communicated, we will discuss the matter with the City of Hammond's personnel before incurring any additional time in the area. These matters will be communicated to the City of Hammond's Finance Director in writing upon occurrence.

EDP Auditing

We do not anticipate using EDP audit techniques other than to perform a limited review of the general and application controls in use by the City of Hammond. Under this review, pertinent controls are examined to the extent necessary in order to judge the level of data testing needed to determine data reliability. We are able to test data reliability by auditing around the computer. We believe this approach is the most efficient and effective. Our Firm does have the available resources should the need for an EDP Auditor become necessary.

EDP Audit Techniques/Software

Our Firm uses computers extensively in providing professional services to our clients. Some areas where computers are used are as follows:

- Sampling.
- Analytical review procedures.
- Preparation of lead sheets and workpapers.
- Preparation of financial statements.
- Analysis and presentation of financial data.

FIRM SERVICE - Continued

EDP Audit Techniques/Software - Continued

Software used in these areas includes Caseware Working Papers, Random Sample Generator, T-Value, Excel, Word and Adobe. **We are experienced in the use of the Munis Accounting Software.** In addition, we use the software LeaseJava to assist with implementing GASB 87 – Leases.

Supervision and Review

The Firm's policies and procedures related to supervision and review are documented in our Quality Control Document. In general, the policies and procedures include a variety of checklists, work programs, and other practice aids to ensure proper supervision and review of all work. This would include a two- and sometimes three-tier review of all workpapers.

For complex or technical issues, a "consultation" policy is in place which requires the staff to confer with an individual who has the necessary specialized knowledge or training that is appropriate for the issue in question.

Again, as a local firm, we are able to actively and efficiently involve our management in the engagement. **We take tremendous professional and personal pride in being able to provide our clients with a "hands-on" level of service from the partner level on down.**

Internal Control and Other Comments

As part of our audit process, we are required to gain an understanding of the City of Hammond's control environment, accounting system, and control procedures that we believe are necessary to plan the audits. For the significant internal control policies and procedures, we will obtain a further understanding of their design and whether they have been placed in operation, and we will assess control risk.

In addition, we will perform tests of the City of Hammond's compliance with certain provisions of laws, regulations, contracts, and grants in order to obtain reasonable assurance about whether the financial statements are free of material misstatements.

These tests will be documented in our workpapers and the results will be communicated to the Finance Director or others upon completion of the tests. The Council will receive written communication of these matters upon completion of the audits through the following reports:

- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.
- Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance.
- Schedule of Expenditures of Federal Awards and Footnotes.

FIRM SERVICE - Continued

Internal Control and Other Comments - Continued

- Schedule of Findings and Questioned Costs.
- Schedule of Prior Year Findings and Questioned Costs
- If applicable, a Memorandum of Advisory Comments
- Communication to Those Charged with Governance

Audit Team

Our Firm recognizes that its most important product is prompt and efficient service of the highest quality. In order to provide this, several individuals within our Firm will join together to create an engagement team. We can assure that the quality of staff is maintained throughout the term of the engagement. Also, our current and projected workload will not interfere with our capacity for timely completion of the audits. Resumes for our audit team from partner to manager can be found at Appendix B.

Library and Research Facilities

Our Firm maintains an extensive in-house and on-line library. All of the current pronouncements of the Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) are included. Additional publications such as the *AICPA Audit Guide*, *GAO Yellow Book*, and the *GFOA Blue Book* are also on hand and are used as reference tools by our staff. Several other publications geared specifically to governmental accounting and auditing are also subscribed to. These include:

- *The Single Audit Information Service*, Thompson Publishing Group.
- *Catalog of Federal and Domestic Assistance*, OMB.
- *GAAFR Review*, GFOA.
- *GASB Codification of Government Accounting and Financial Reporting Standards*.
- *Guide to Single Audits*, Practitioners Publishing Company.
- *Guide to Audits of Local Governments*, Practitioners Publishing Company.
- *Governmental GAAP Guide*, Miller.
- *Louisiana Governmental Audit Guide*

ASSISTANCE

We plan to utilize the City of Hammond's staff whenever possible to prepare schedules or locate data. We will provide you with a listing of items to be prepared by the City of Hammond's personnel and the dates needed by.

NATURE OF SERVICES

The audits of the City of Hammond will be financial audits performed in accordance with:

1. Generally accepted auditing standards, promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants.
2. The standards contained in Government Auditing Standards, issued by the Comptroller General of the United States.
3. Office of Management and Budget Uniform Guidance, when applicable.
4. The Louisiana Legislative Auditor – Statewide-Agreed-Upon Procedures, when applicable.

The audits will comply with the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

In conjunction with the previously mentioned standards, Kushner LaGraize, L.L.C. will:

1. Plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement caused by errors, fraud, or illegal acts.
2. Examine sufficient evidential matter to support the opinions and comments expressed within the auditors' reports.
3. Assess the accounting principles used and significant estimates made by management, as well as evaluate the overall financial statement presentation.
4. Include an assessment of the risk that errors and fraud may cause the financial statements to contain a material misstatement and consider illegal acts that could have a direct material effect on the financial statements, to the extent required by the previously mentioned standards, and based on the assessment, design tests to detect such matters.
5. To the extent required by the previously mentioned standards and state law, any errors, fraud, illegal acts, or abuse detected during the audits will be included in the audit report. In addition, the errors, fraud, illegal acts, or abuse will be brought to the attention of the audit committee, to the extent required by the previously mentioned standards.
6. Kushner LaGraize, L.L.C. will convey to the City of Hammond, as appropriate, those matters observed by the audit team relating to opportunities for increased efficiency, improvement of internal controls, improvement of management and other matters that should be brought to the City of Hammond's attention. These matters will be presented in a Management Letter.

REPORTS

The following reports will be issued, if applicable:

1. An Independent Auditors' Report. The report will include:
 - a. An opinion or disclaimer of opinion as to the fair presentation of the City of Hammond's financial statements.
 - b. An opinion or disclaimer of opinion as to the fair presentation, in all material respects in relation to the financial statements taken as a whole, of the schedule of expenditures of federal awards, when applicable.
2. A report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Uniform Guidance, when applicable.
4. A summary schedule of findings and questioned costs which will include:
 - a. A summary of Kushner LaGraize, L.L.C.'s results which will include:
 - i. The type of report Kushner LaGraize, L.L.C. issued on the financial statements of the City of Hammond.
 - ii. Where applicable, a statement that the audit of the financial statements disclosed significant deficiencies in internal control and whether any such deficiencies were material weaknesses.
 - iii. A statement as to whether the audit disclosed any noncompliance that is material to the financial statements of the City of Hammond.
 - iv. A statement that a management letter was issued.
 - v. Where applicable, a statement that significant deficiencies in internal control over major programs were disclosed by the audit and whether any such deficiencies were material weaknesses.
 - vi. The type of report Kushner LaGraize, L.L.C. issued on compliance for major programs.
 - vii. A statement as to whether the audit disclosed any findings required to be disclosed under the Uniform Guidance.

REPORTS - Continued

- viii. An identification of major programs.
 - ix. The dollar threshold used to distinguish between Type A and Type B programs, under the Uniform Guidance.
 - x. A statement as to whether the City of Hammond qualified as a low-risk audit under the Uniform Guidance.
- b. Findings and questioned costs which are required to be reported in accordance with Government Auditing Standards and/or OMB Uniform Guidance, will be identified by number, will be presented in sufficient detail for the City of Hammond to develop and implement a corrective action plan, and will include:
- i. Significant deficiencies in internal control relating to the presented financial statements and, when applicable, over major programs. For federal purposes, Kushner LaGraize, L.L.C.'s determination of whether a control deficiency in internal control is a significant deficiency is in relation to a type of compliance requirement for a major program or an audit objective identified in the compliance supplement. Kushner LaGraize, L.L.C. will identify significant deficiencies that are individually or cumulatively material weaknesses. Repeated significant deficiencies and/or material weaknesses will indicate the number of years the matter has been reported.
 - ii. Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to the presented financial statements and, where applicable, major programs. For federal purposes, Kushner LaGraize, L.L.C.'s determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material is in relation to a type of compliance requirements for a major program or an audit objective identified in the compliance supplement. Repeated instances of noncompliance will indicate the number of years the matter has been reported.
 - iii. Known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program. Kushner LaGraize, L.L.C. will also report known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program.
 - iv. Known questioned costs that are greater than \$25,000 for a federal program that is not audited as a major program. Except for audit follow-up, Kushner LaGraize, L.L.C. is not required under OMB Uniform Guidance to perform audit procedures for such a federal program.

REPORTS - Continued

- v. The circumstances concerning why Kushner LaGraize, L.L.C.'s report on compliance for major programs is other than an unqualified opinion unless such circumstances are otherwise reported as audit findings in the summary schedule of findings and questioned costs for federal awards.
 - vi. Known fraud.
 - vii. Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior findings materially misrepresents that status of any prior findings.
 - viii. Or, a statement that there are no findings to report.
5. A management letter detailing matters not significant or material in relation to the required reports. Only nonmaterial instances of noncompliance and/or control deficiencies will be included in a management letter.
6. A summary schedule of prior findings. The summary schedule will either include:
- a. The status of findings and comments included in the prior audit's summary schedule of findings and questioned costs and/or management letter; and the status of findings (except for findings that were noted as resolved). Since the summary schedule may include findings from multiple years, it will include the fiscal year in which the finding initially occurred.
 - For findings that were fully corrected, the summary schedule shall briefly describe each finding and state that corrective action was taken.
 - For findings that were not corrected or only partially corrected, the summary schedule will briefly describe each finding, will describe the planned corrective action as well as any partial corrective action taken.
 - When corrective action taken is significantly different from previously reported in a corrective action plan, or in the federal agency's or pass-through entity's management decision, or in a response to the Legislative Audit Advisory Council, the summary schedule shall provide an explanation for the difference.
 - When the City of Hammond believes the audit findings are no longer valid or do not warrant further action, the reasons for this position shall be described in the summary schedule.
 - b. Or, a statement that there were no findings to report.

REPORTS - Continued

7. Management's corrective action plan (prepared by the City of Hammond). The plan should address audit findings and/or management letter comments included in Kushner LaGraize, L.L.C. current year reports. The plan will provide the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date. If the City of Hammond does not agree with the findings or believes corrective action is not required, then the corrective action plan will include an explanation and specific reasons. If the City of Hammond fails to provide a corrective action plan, the report and/or management letter will include a statement(s) that management failed to respond to the findings and/or comments.
8. Independent Auditors' Report required by the SAUPs and all corrective action.

REQUIRED DISCLOSURES

The report will include all the required audit disclosures, supplemental information, and any additional Federal and State requirements. The auditors' report will state whether the information is fairly presented in relation to the financial statements taken as a whole.

REPORT DISTRIBUTION

At the conclusion of the audits, Kushner LaGraize, L.L.C. will submit copies of the audit reports of the City of Hammond by December 30th, (or 120 days) following the end of each accounting period to which the contract applies. In addition, the Management Letters will be submitted for each audit within thirty (30) days following completion and submission of the audit report for the annual audit.

1. Office of Legislative Auditor, State of Louisiana (1 unbound or electronic copy).
2. Office Federal Revenue Sharing, Washington, D.C. (1 bound or electronic copy).
3. All Cognizant Agencies (as required).
4. Mayor, City Council, Finance Director and City Clerk (9 bound copies).
5. One electronic copy of the final audit.

AUDIT DOCUMENTATION

All engagement documentation (working papers and all correspondence relating to the engagement) will be retained for a period of seven years from the date of the report, unless Kushner LaGraize, L.L.C. is notified in writing by the Legislative Auditor or cognizant agency to extend the retention period. All of the documentation shall be available for inspection by the Legislative Auditor, any successor or principal auditor/accountant, the Louisiana State Board of CPAs, or any other agency recognized within the State of Louisiana to provide a quality assurance function. Kushner LaGraize, L.L.C. will contact and obtain the express permission of the Legislative Auditor prior to giving access to engagement documentation to any parties other than those previously named individuals and organizations.

SPECIAL CONDITIONS

- Kushner LaGraize, L.L.C. will notify the Legislative Auditor immediately, in writing, if there is any limitation on the scope of the engagement, to include denial of access to books and records or failure to provide the same in a timely manner.
- Kushner LaGraize, L.L.C. will notify the Legislative Auditor immediately, in writing, if Kushner LaGraize, L.L.C. decides to withdraw from the engagement. As a part of the notification, Kushner LaGraize, L.L.C. will describe in detail the reasons leading to the withdrawal.
- Kushner LaGraize, L.L.C. will notify the Legislative Auditor immediately, in writing, if any illegal or fraudulent acts are detected.
- Kushner LaGraize, L.L.C. will notify the Legislative Auditor immediately, in writing, if Kushner LaGraize, L.L.C. will be unable to complete an engagement within the required time. As part of the notification, Kushner LaGraize, L.L.C. will provide all substantive reasons for the delay and an estimate of the revised completion date.
- Kushner LaGraize, L.L.C. will notify the City of Hammond in writing, if Kushner LaGraize, L.L.C., encounters circumstances that make it necessary for Kushner LaGraize, L.L.C. to perform added work beyond the scope originally anticipated, before beginning such work. As part of the notification, Kushner LaGraize, L.L.C. will provide an estimate of the number of additional hours and the resulting fee.
- Should Kushner LaGraize, L.L.C., decide to reissue the report, the Legislative Auditor will be notified immediately and the reissued report will be distributed in the same manner as the original report.
- No additional services will be performed for the City of Hammond unless otherwise approved by the City of Hammond.
- Kushner LaGraize, L.L.C. agrees to provide the City of Hammond, upon request and without liability, a copy of any peer review or other quality assurance reports performed on the firm or its audits.

APPENDIX A: COST DESCRIPTION SHEET

The City reserves the right to sign annual contracts with both scopes of work as shown in #A and #B or to include only the scope of #A, depending on annual need. The City also reserves the right to contract with one contractor for the scope of work #A and a second contractor for the scope of work #B.

Costs should be itemized for the following:

A. ANNUAL COMPREHENSIVE FINANCIAL REPORT CONTRACT

1. Basic Financial Statement to include:
 - a. Government-Wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to Financial Statements
2. Required Supplemental Information (RSI) other than MD&A
3. Other Supplemental Information

Year 1 = FY2022 \$ 7,560

Year 2 = FY2023 \$ 7,560

B. ANNUAL AUDIT REPORT & STATE AGREED-UPON PROCEDURES REPORT

4. Complete the Annual Audit
5. Complete the Annual State Agreed Upon Procedures Report

Year 1 = FY2022 \$66,204-audit; \$8,500-SAUP

Year 2 = FY2023 \$66,204-audit; SAUP fee to be negotiated

Hours and fee for the audit (SAUP not included in table below):

Classification	Hours	Dollars
Partner	90	\$ 22,500
Senior Manager (Pension, Leases)	36	\$ 7,560
Manager I	160	\$ 25,600
Senior	88	\$ 11,000
Staff	<u>60</u>	<u>\$ 6,900</u>
Subtotal		\$ 73,560
Discount (10%)		<u>(\$ 7,356)</u>
TOTAL	<u>434</u>	<u>\$ 66,204</u>

APPENDIX B
RESUMES OF AUDIT TEAM

PARTNER
MICHELLE B. TRESCHWIG
Certified Public Accountant

EXPERIENCE: 2001 - Present, *Kushner LaGraize, L.L.C., Certified Public Accountants and Consultants, Metairie, Louisiana - Partner.*

1996 - 2000 - *Communications Center, Inc.*

1995 - 1996 - *Metron, Inc.*

1993 - 1995 - *Egan Nursing Services.*

**AREAS OF
EXPERTISE:**

Responsible for planning, performing and supervision and review of audit, review and compilation engagements of governmental and private entities. Additional responsibilities include management consulting in the areas of performance measurement and internal controls.

Governmental Engagements

City of Hammond, Louisiana

Jefferson Parish, Louisiana

24th Judicial District

Port of South Louisiana

Washington Parish

34th Judicial District Court Expense Fund

Jefferson Parish Coroner's Office

Brazos Transit District, Texas

Position

Served on the

Engagement

Audit Partner

Audit Partner

Audit Partner

Audit Partner

Audit Partner

Audit Partner

Audit Partner

Audit Partner

EDUCATION: *University of New Orleans - Bachelor of Science, Accounting - 2000.*

Texas A&M University - Bachelor of Business Administration in Management - 1993.

AFFILIATIONS: Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants

*This individual has fully complied with the continuing governmental accounting and auditing education requirements of the Louisiana State Board of CPAs and the United States Government Accounting Office.

SENIOR MANAGER
CHAD M. McADAM
Certified Public Accountant

EXPERIENCE: 2009 - Present, *Kushner LaGraize, L.L.C., Certified Public Accountants and Consultants, Metairie, Louisiana – Senior Manager.*

AREAS OF EXPERTISE: Responsible for planning, performing and reviewing work on audits, reviews and compilation engagements of governmental and private entities.

	Position
<u>Governmental Engagements</u>	<u>Served on the Engagement</u>
Jefferson Parish, Louisiana	Audit Manager
24 th Judicial District	Audit Manager
Washington Parish	Audit Manager
34 th Judicial District Court Expense Fund	Audit Manager
Jefferson Parish Coroner's Office	Audit Manager
City of Hammond, Louisiana	Audit Manager

EDUCATION: *Southeastern Louisiana University - Bachelor of Science, Accounting - 2008.*

*This individual has fully complied with the continuing governmental accounting and auditing education requirements of the Louisiana State Board of CPAs and the United States Government Accounting Office.

MANAGER I
CHRISTOPHER A. BREAU, JR.
Certified Public Accountant

EXPERIENCE: 2017 - Present, *Kushner LaGraize, L.L.C., Certified Public Accountants and Consultants*, Metairie, Louisiana – Audit Manager I.

2014 - 2017 - Hawthorn, Waymouth & Carroll, L.L.P.

**AREA OF
EXPERTISE:**

Responsible for performing work on audits, reviews and compilation engagements of governmental, not-for-profit and private entities.

Governmental Engagements
City of Hammond, Louisiana
Washington Parish
24th Judicial District Court
Jefferson Parish Council on Aging
Jefferson Parish Coroner's Office
Brazos Transit District, Texas

Position
Served on the
Engagement
Audit Manager
Audit Manager
Audit Manager
Audit Manager
Audit Manager
Audit Senior

EDUCATION: *Southeastern Louisiana University* - Bachelor of Science, Accounting – 2013

AFFILIATIONS: Louisiana Society of Certified Public Accountants

*This individual has fully complied with the continuing governmental accounting and auditing education requirements of the Louisiana State Board of CPAs and the United States Government Accounting Office.

APPENDIX C
PEER REVIEW REPORT



CPAs & Advisors

Report on the Firm's System of Quality Control

November 5, 2019

To the Partners of
Kushner LaGraize, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Kushner LaGraize, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans; and an audit of a broker-dealer.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Kushner LaGraize, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Kushner LaGraize, LLC has received a peer review rating of *pass*.

Haddox Reid Eubank Betts PLLC

HADDOX REID EUBANK BETTS PLLC

APPENDIX D
POSITION DESCRIPTIONS

Kushner LaGarde, L.L.C.
POSITION DESCRIPTION

Audit Staff Accountants C The work of the audit staff accountant is the foundation on which the work of others will be based. Therefore, it is imperative that work is performed in a thorough, accurate and efficient manner. Staff audit accountants are expected to:

1. Become familiar with the firm's policies and procedures and Quality Control Document.
2. Become familiar with AICPA's Statements on Standards for Accounting and Review Services (SSARS).
3. Become familiar with pronouncements of the FASB, AICPA, and when assigned to governmental engagements, the GAO and GASB.
4. Become proficient at preparing financial statements.
5. Obtain exposure on the types of financial statement engagements offered by the firm.
6. Become familiar with firm's computer and other resources.
7. Working under direct supervision of a senior, manager 1, manager 2, or senior manager, the staff audit accountant may perform some or all of the following functions:
 - a. Perform basic accounting services, such as bank reconciliations, account analysis, etc.
 - b. Prepare workpapers and appropriate supporting documentation.
 - c. Prepare compiled financial statements.
 - d. Assume responsibility for unaudited financial statement engagements or segments of audits under the supervision of more experienced staff.
 - e. Conduct research on less complicated issues.
8. Develop nontechnical abilities, such as time management (meeting deadlines and budgets) and communication skills (keeping seniors or managers informed regarding the status of jobs).
9. Develop technical abilities through continuing education, reading of professional and business journals, and by learning from assignments.
10. Progress professionally by working toward passing the CPA examination as soon as possible.

Kushner LaGrange LLP
POSITION DESCRIPTION

Audit Senior Accountants C The senior audit accountant should be able to perform and direct a broad range of audit and accounting services so that the direct participation of managers or partners is kept to a minimum. The senior audit accountant is primarily responsible for efficient completion of each engagement, and insuring that work is accurate, complete and technically correct.

- I. Working under the direct supervision of an engagement manager, the senior audit accountant may perform some or all of the following functions:
 - a. Set up time budgets and direct staff accountants to employ methods that will accomplish engagement objectives in minimum time.
 - b. Supervise, coordinate, and review work of staff accountants and assist in their training and development.
 - c. Review the accuracy and technical compliance of basic accounting services, such as bank reconciliations, account analysis, etc.
 - d. Review for accuracy and technical compliance compiled financial statements.
 - e. Begin to develop a command of GAAP, OCBOA, unique or specialized accounting principles, and financial statement presentations.
 - f. Obtain a thorough understanding of generally accepted auditing standards and common audit procedures and techniques.
 - g. Assume responsibility for efficiently supervising both audit and nonaudit engagements.
 - h. Suggest client management ideas to engagement manager.
 - i. Prepare more complicated sections of accounting and audit engagements.
 - j. Conduct research and prepare memorandums dealing with more complicated accounting and audit issues.
 - k. Review and update the client's permanent file.
 - l. Prepare routine correspondence for approval and signature of a partner or manager.
 - m. Contact and/or meet with certain clients to obtain audit and accounting information.

Kushman LaGrange LLP
POSITION DESCRIPTION

Audit Senior Accountants (continued)

2. Become familiar with the firms administrative procedures regarding scheduling, time budgeting, due date monitoring, and time and billing.
3. Improve nontechnical skills including time management, communication, and delegation to permit the handling of multiple ongoing assignments, keeping engagement managers informed regarding the status of jobs, and supervising the work of staff accountants.
4. Increase technical knowledge and stay up to date with current audit and accounting issues by reading professional journals, newsletters, and other literature.
5. Progress professionally by working toward passing the CPA examination as soon as possible.

Kushner LaGrange, LLC
POSITION DESCRIPTION

Audit Manager 1 C Responsibilities are essentially the same as that of a senior audit accountant. However, the audit manager 1 is more experienced, and therefore, will be involved in more complex matters. In addition, the audit manager 1 will become involved in firm administrative matters under the direct supervision of managers or partners.

The Audit Manager 1 should also begin developing and demonstrating the technical, nontechnical and business skills required of an Audit Manager 2 before promotion to that level, including:

1. *Initiative* - The ability and desire to take charge of engagements: ascertain what needs to be done and get the job done, resolving problems independently.
2. *Communication skills* - Effective communication skills, written and oral, are essential to interacting with other professionals and clients.
3. *Organization skills* - The ability to manage an overall workload involving a number of people, projects and clients; providing timely, cost-effective client services in a manner that is also profitable to the firm.
4. *Leadership* - The ability to assume authority to supply the direction that successful group work takes and assume the responsibility that implies.
5. Successfully passing the CPA Exam before promotion to a Manager 2 level.

Kishner LaPrairie LLP
POSITION DESCRIPTION

Audit Manager 2 C The audit manager 2 assumes full responsibility for directing certain engagements including billing and profitability. As an entry-level senior manager, the audit manager 2 will also become involved in firm management including scheduling, personnel, CPE, etc.

1. Working under the direct supervision of a partner, the audit manager 2 may perform some or all of the following functions:
 - a. Review the most complex audit engagements for accuracy and technical compliance.
 - b. Perform final technical review of other engagements.
 - c. Conduct and supervise research, consult directly with clients and prepare correspondence dealing with very complex issues.
 - d. Coordinate all phases of certain engagements as engagement manager, including staffing, scheduling, billing, and collections.
 - e. Supervise, coordinate, and review the work of manager 1s and seniors.
 - f. Meet with clients to discuss audited financial statements.
2. Maintain complete knowledge of the firm's philosophy and be conversant with its standards, policies and procedures.
3. Motivate and assist staff in their professional development and evaluate the performance of senior audit accountants and audit manager 1s.
4. Develop and maintain expertise in current professional practice and knowledge of general economic trends and of accounting and auditing pronouncements that could affect the business climate.
5. As engagement manager on certain engagements, the audit manager 2 is responsible for:
 - a. Client relations: promote and enhance goodwill between the firm and the client.
 - b. Client service: be responsive to client needs and ensure that each client receives quality service on a timely basis, at cost-effective rates.
 - c. Business development: look for new or additional ways that the firm can help the client.
 - d. Firm profitability: ensure that engagements are run efficiently, then billed and collected in accordance with firm policies.
 - e. Communication: keep engagement partner informed of significant events, problems, or possibilities related to the client.

Kushner LaPrairie, LLP
POSITION DESCRIPTION

Audit Senior Manager C Responsibilities are essentially the same as those of an audit manager 2; however, the audit senior manager is more experienced and, therefore, handles more complex issues and is responsible as engagement manager for more engagements. The audit senior manager is involved in virtually all areas of firm management and administration.

The Audit Senior Manager should also begin development of technical, nontechnical and business skills required of a partner before promotion to that level, including:

1. Develop a working knowledge of the local and national business and economic environment and trends that may affect clients' and potential clients' businesses.
2. Develop specialized technical knowledge in particular areas that will improve your ability to advise clients and enhance the professional services provided by the firm.
3. Develop counseling, leadership and motivational skills necessary to guide less experienced personnel, implement policies and achieve firm goals.
4. Serve as a role model for professional staff by exhibiting professional and personal standards in day-to-day activities.
5. Develop communication skills, written and oral, to enhance client service and assist in business development through proposals, presentations, etc.
6. Becoming part of the Firm Team placing and setting firm priorities and interest above own.