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GUIDELINES
FOR
ATTESTATION SERVICES
RELATING TO
QUARTERLY LOBBYING FIRM
COMPENSATION REPORTS

Joint Legislative Auditing Committee
As adopted on November 4, 2013
and subsequently revised on November 2, 2015

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Joint Legislative Auditing Committee

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Substantive Changes Made to the Guidelines on November 2, 2015

- Addresses amended compensation reports:
 - If a lobbying firm amends any compensation report(s) subsequent to the time the Committee obtained them from the Lobbyist Registration Office, but prior to audit fieldwork, the auditor is required to obtain the amended report(s) from the Division of Law Revision and Information's website. (Page 8 (F.2.a))
 - If a lobbying firm files an amended compensation report as a result of a finding, the auditor is required to include such a statement in the agreed-upon procedures report. (Pages 8 (F.2.b) and 10 (F.2.c))
- Requires the auditor to include a finding in the agreed-upon procedures report if a lobbyist or principal is included in a compensation report, but was not registered. (Page 8 (F.2.b))
- Addresses lobbying firms' documentation:
 - Authorizes the shipment of lobbying firms' original documentation in lieu of some or all travel. (Page 8 (F.2.c))
 - Authorizes the review of lobbying firms' original documentation on site at the lobbying firms' offices in lieu of providing copies of such documentation to the auditors for their workpapers. (Page 8 (F.2.c))
- Authorizes lobbying firms to provide a written statement of explanation or rebuttal concerning any or all of the auditor's findings for inclusion in the agreed-upon procedures report. (Pages 12 (F.2.f) and 17 (Appendix 2))
- Revises the distribution of the agreed-upon procedures reports. Audit firms are required to submit: (1) an electronic copy of each report to the lobbying firm and the Committee, and (2) a specified number of bound copies to the Committee. (Pages 12-13 (F.2.h)).

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**JOINT LEGISLATIVE AUDITING COMMITTEE
GUIDELINES FOR ATTESTATION SERVICES RELATING TO
LOBBYING FIRM COMPENSATION REPORTS**

A. Introduction

1. Purpose

Chapter 2005-359, *Laws of Florida*, mandates the filing of quarterly lobbying firm compensation reports that must be prepared and filed by both legislative branch and executive branch lobbying firms as defined in law.¹ The law also requires the Joint Legislative Auditing Committee (Committee) to adopt guidelines to govern random audits and field investigations of the quarterly compensation reports filed by lobbying firms in accordance with Sections 11.045 and 112.3215, *Florida Statutes*.

The purpose of these Guidelines is to provide direction to lobbying firms and to certified public accountants (CPA) and CPA firms selected to perform the attestation services specified herein relating to the compensation reports filed by lobbying firms in accordance with Sections 11.045 and 112.3215, *Florida Statutes*. The Guidelines also describe the types of compensation-related records that should be maintained by the lobbying firms and made available to the CPA or CPA firm during the performance of the attestation services. These Guidelines are intended to supplement, rather than replace, the judgment of the independent CPA performing the attestation services.

In all cases, decisions and judgments by the CPAs should be made based upon applicable attestation standards established by the American Institute of Certified Public Accountants, provisions of *Florida Statutes*, and direction given in these Guidelines. Also, for background purposes, the CPAs should familiarize themselves with Joint Rule One of the *Joint Rules of the Florida Legislature* and Chapter 34-12, *Florida Administrative Code* (Rules of the Florida Commission on Ethics), as they relate to lobbying and compensation reporting requirements for the legislative branch and executive branch, respectively. Further guidance, including a frequently-asked questions document, will address issues and questions that may arise during the performance of the attestation services or from lobbying firms complying with the reporting requirements.

These guidelines govern attestation services relating to quarterly compensation reports filed after January 1, 2015. The attestation services described in these guidelines will begin after the deadline for filing the final compensation reports for calendar year 2015, and the procedures described in section F.2. below will be performed on each quarterly compensation report filed by the randomly selected lobbying firm for the preceding calendar year.

¹ Sections 11.045, 11.40, and 112.3215, *Florida Statutes*

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2. Responsible Parties

The Lobbyist Registration Office (Office) within the Office of Legislative Services, Division of Law Revision and Information (Division), administers lobbyist registrations for the legislative branch. The Commission on Ethics (Commission) administers lobbyist registrations for the executive branch. The Commission has co-located Commission employees in the Office. The Office maintains and provides this information to legislators, staff, public agencies, and the public. The lobbying firms are required to file quarterly lobbying firm compensation reports electronically with the Division. The Division is responsible for maintaining the electronic filing system and ensuring that all of the lobbyist registration forms and compensation reports are available for public inspection and duplication, if requested. The Division is also responsible for ensuring that the forms and reports filed with the Division are reasonably available on the Internet in an easily understandable and accessible format.

The Legislative committee charged with administrative responsibility for the process mandated in Chapter 2005-359, *Laws of Florida* (now Section 11.40(3), *Florida Statutes*), is the Joint Legislative Auditing Committee (Committee).

3. Committee Contact

The Committee Coordinator is assigned to act as liaison to the CPAs and CPA firms performing the attestation services relating to the quarterly lobbying firm compensation reports and can be contacted as follows:

Telephone: (850) 487-4110
Email: jlac@leg.state.fl.us
FAX: (850) 922-5667

4. Questions

Questions concerning the attestation services specified in these Guidelines, report formats, or special situations or circumstances encountered during the performance of the attestation services are encouraged from any CPA firm staff member. All such questions should be directed to the Committee contact at the telephone number, email, or FAX number listed above.

All other questions should be directed to the Committee contact, preferably in writing at the email or FAX number listed above.

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B. Definitions

The following are definitions of terms used throughout these guidelines:

Committee - the Joint Legislative Auditing Committee established by Joint Rule 4.1, *Joint Rules of the Florida Legislature*, or its successor committee.

Compensation² - a payment, distribution, loan, advance, reimbursement, deposit, salary, fee, retainer, or anything of value provided or owed to a lobbying firm, directly or indirectly, by a principal for any lobbying activity. [Sections 11.045(1)(b), and 112.3215(1)(c), *Florida Statutes*]

Independent contract auditor - a state-licensed certified public accountant or firm with which a state-licensed certified public accountant is currently employed or associated who is actively engaged in the accounting profession. [Section 11.40(3)(a), *Florida Statutes*]

Lobbies/Lobbying - seeking, on behalf of another person, to influence an agency with respect to a decision of the agency in the area of policy or procurement or an attempt to obtain the goodwill of an agency official or employee. [Section 112.3215(1)(f), *Florida Statutes*]; influencing or attempting to influence legislative action or nonaction through oral or written communication or an attempt to obtain the goodwill of a member or employee of the Legislature. [Section 11.045(1)(e), *Florida Statutes*]

Lobbying firm - any business entity, including an individual contract lobbyist, that receives or becomes entitled to receive any compensation for the purpose of lobbying, where any partner, owner, officer, or employee of the business entity is a lobbyist. [Sections 11.045(1)(f) and 112.3215(1)(g), *Florida Statutes*]

Lobbyist - a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. [Sections 11.045(1)(g) and 112.3215(1)(h), *Florida Statutes*]

Principal - the person, firm, corporation, or other entity which has employed or retained a lobbyist. [Sections 11.045(1)(i) and 112.3215(1)(i), *Florida Statutes*]

Workpapers - documentation developed or obtained by the CPA during the course of the attestation engagement as a basis for, and in support of, the agreed-upon procedures report. Such documentation is the record of procedures performed, relevant evidence

² It should only include compensation for lobbying before the Florida Legislature and state officials. It should not include compensation for lobbying local (i.e., counties, municipalities, special districts, universities, colleges, district school boards, etc.), or federal officials or officials of other states.

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obtained, and conclusions reached by the CPA. It may include letters of confirmation and representation, schedules, copies of relevant documents, and correspondence concerning issues and questions that arise during the engagement. The workpapers are governed by standards adopted by the Florida Board of Accountancy. Ownership of such workpapers and the CPA's responsibilities related to communications with clients³ and confidential client information are set forth in Sections 473.316 and 473.318, *Florida Statutes*, and Chapter 61H1-23, *Florida Administrative Code* (Rules of the Florida Board of Accountancy). Additionally, such workpapers are confidential and exempt from disclosure pursuant to Sections 112.3215(8)(d) and 11.0431(2)(a) and (i), *Florida Statutes*.

C. Compensation-Related Records to be Maintained

Each lobbying firm and each principal shall preserve for a period of 4 years all accounts, bills, receipts, computer records, books, papers and other documents and records necessary to substantiate compensation. [Sections 11.045(2)(e) and 112.3215(5)(e), *Florida Statutes*] The lobbying firm's bookkeeping and accounting system need not be sophisticated; however, the lobbying firm should be using a reasonably systematic method of accounting for its financial transactions.

Records that should be maintained by the lobbying firm to document compensation received from or owed by a principal may include, but are not limited to, the following:

1. Agreements and/or contracts for lobbying (however termed) between the lobbying firm and each principal by calendar year, including any amendments to such agreements or contracts.
2. Agreements and/or contracts between the lobbying firm and other lobbying firms or lobbyists that are working on a subcontractor basis with the lobbying firm for the purpose of lobbying (however termed), including any amendments to such agreements or contracts.
3. A schedule of contracted compensation by principal that indicates the payment schedule for such compensation (i.e., as services are rendered and billed, monthly, quarterly, lump sum at beginning of contract period, lump sum at end of contract period, etc.).
4. Payment records by principal, including original receipts documentation. Such payment records should include: principal name, date of each payment, amount of each payment, and any amounts billed but not yet received. Original receipts documentation should include: receipts, invoices, or copies of the payment check;

³ For purposes of these guidelines, client is defined as both the Legislature and the lobbying firms.

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and deposit slips or other bank records that indicate that payments received from principals were deposited.

5. If the compensation reported includes any reimbursements received, then documentation to substantiate the reimbursement must be maintained. Such documentation could include receipts or invoices describing the goods or services for which reimbursement was requested, cancelled checks, and credit card receipts.
6. Records to document any allocation of compensation from a principal.

The Committee recognizes that a reasonable, common sense approach is necessary when any allocation is required. Therefore, in calculating such allocated amounts, any reasonable, fact-based method of calculation is acceptable.

One method that could be utilized is allocating the compensation based on percentage of time spent on activities. For example, actual time spent (hours or minutes) multiplied by the hourly rate of pay (for each lobbyist or support staff working on each activity).

It is imperative, however, that documentation be maintained to support both the method and any percentages used to determine amounts allocated to the following areas:

- a) Lobbying services versus non-lobbying services
- b) Florida legislative branch lobbying versus executive branch lobbying
- c) Florida legislative or executive branch lobbying versus lobbying any level or branch of a local, other state, or federal government.

The lobbying firm may choose to keep records of all Florida legislative or executive branch lobbying activities separate from the records of all other such lobbying and non-lobbying activities. If this is the case, then the lobbying firm is not required to make any documents related to any other lobbying or non-lobbying activities available as part of the attestation engagement. However, if the lobbying firm has chosen to keep records and accounts which ordinarily and customarily integrate both Florida legislative and/or executive branch lobbying activities and all other such lobbying and non-lobbying activities, then such integrated records must be made available during the attestation engagement if they are necessary to document all or a portion of the compensation amounts included on the quarterly compensation reports.

The types of documentation that may be used to support an allocation of compensation include, but are not limited to, the following:

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- a) Signed time sheets or other records for each lobbying firm staff member that reflect the actual time spent (in hours or minutes) on lobbying activities for a principal, including reports generated by a time-reporting system using a coding or other system to identify time spent on lobbying activities with respect to a principal for purposes of billing for lobbying services;
- b) Salary information that indicates the hourly rate of pay for each lobbying firm staff member who worked on lobbying activities for a principal;
- c) Written contract or agreement for lobbying services signed by the parties specifying a fixed amount for lobbying services or providing for an agreed-upon allocation of compensation using specified percentages or other agreed-upon allocation;
- d) Written statement(s), signed by a management-level employee of either or both the lobbying firm and the principal, that describes the specific reasons for allocating compensation using specified percentages (i.e., 60% legislative branch and 40% executive branch or 70% lobbying services and 30% non-lobbying services).

An allocation method may be adjusted if the lobbying firm determines that such adjustments need to be made to accurately reflect current activity. Documentation as discussed above should be maintained to support any such adjustments.

D. Record Redaction

The Committee recognizes that records maintained by a lobbying firm and used to substantiate compensation may contain privileged or confidential information, the disclosure of which is not necessary for the CPA or CPA firm to perform the attestation procedures specified herein. A lobbying firm may redact information that is privileged or confidential so long as such redaction does not prevent the CPA or CPA firm from using the records to substantiate the accuracy of the compensation reported, the principal owing or providing the compensation, and the related time period.

If a lobbying firm refuses to provide documentation or if the lobbying firm provides redacted documentation that prevents the CPA or CPA firm from substantiating the compensation reported, the CPA or CPA firm should contact the Committee Coordinator for assistance.

E. Records Retention

The records retention requirements are established in Sections 11.045(2)(e) and 112.3215(5)(e), *Florida Statutes*. Each lobbying firm and each principal is required to preserve for a period of **4 years** “all accounts, bills, receipts, computer records, books, papers, and other documents and records necessary to substantiate compensation.”

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F. Objectives and Requirements for Attestation Services

1. Objectives

The legislative objective of the process mandated in Section 11.40(3), *Florida Statutes*, is to obtain a timely attestation report from a CPA or CPA firm, licensed by the Florida Board of Accountancy. The attestation engagement is to be conducted and the attestation report is to be prepared in accordance with the applicable attestation standards promulgated by the American Institute of Certified Public Accountants as adopted by the Florida Board of Accountancy in Chapter 61H1-20, *Florida Administrative Code*. The specific procedures performed on the randomly selected lobbying firm's quarterly compensation reports will be as agreed upon between the Legislature and the CPA or CPA firm selected to perform such procedures. Such procedures are described in section F.2. below and have been adopted by the Committee as authorized by Section 11.40(3)(h), *Florida Statutes*.

2. Agreed-Upon Procedures to be Performed

The agreed-upon procedures to be performed by the CPA or CPA firm selected to perform the attestation engagement are described below. Revisions to such procedures may be made if determined to be necessary by the Committee or by joint agreement of the presiding officers. Such revisions must be agreed upon in writing by the Committee or joint agreement of the presiding officers and the CPA or CPA firm contracted to perform such services. No oral agreements shall be valid or binding.

a) Documentation to be Obtained

Obtain the following documentation from the Committee office:

- 1) all of the quarterly lobbying firm compensation reports (original and amended) for the calendar year that the lobbying firm filed with the Division;⁴
- 2) the registration form and the authorization form filed with the Division by each lobbyist of the lobbying firm for the calendar year; and
- 3) any change of address forms or cancellation forms filed with the Division by each lobbyist of the lobbying firm for the calendar year.

⁴ The quarterly compensation reports are also available on the Division's website (<http://olcrpublic.leg.state.fl.us/>).

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Note: If the lobbying firm filed an amended compensation report subsequent to the time the Committee office obtained the above-noted reports from the Division, but prior to audit fieldwork, then such amended reports must be obtained directly from the Division's website to verify that the amended compensation report was properly filed.

b) Comparison of Documents Filed with the Division

- 1) Compare the lobbyist(s) registered for the lobbying firm per the registration form(s) to the lobbyists listed on the quarterly lobbying firm compensation reports, noting any differences. Obtain a detailed explanation from the lobbying firm for any differences and document the explanation in the workpapers.
- 2) Compare the principal(s) listed for each lobbyist of the lobbying firm per the registration form(s) to the principal(s) listed on the quarterly lobbying firm compensation reports, noting any differences. Obtain a detailed explanation from the principal(s) for any differences and document the explanation(s) in the workpapers.

A finding must be included in the report if the explanations are not sufficiently documented or if a lobbyist or principal was included on a compensation report, but was not registered. In addition, a statement should be included in the report if the lobbying firm filed an amended compensation report as a result of a finding.

c) Comparison of Documents Filed with Lobbying Firm Records

Request access from the lobbying firm to the documentation that supports all of the compensation amounts reported on the quarterly lobbying firm compensation reports, including \$0 amounts (i.e., applicable agreements and/or contracts for lobbying services, payment records, and original receipts). If agreeable to the lobbying firm, such original documentation may be shipped to/from the CPA or CPA firm's office. In addition, if preferred by the lobbying firm, a review of such documentation may be performed on site at the lobbying firm's office(s). If problems relating to access of such records and documentation are encountered, contact the Committee Coordinator for assistance.

- 1) Review all agreements and/or contracts for lobbying (however termed) between the lobbying firm and each principal that cover the calendar year, including any amendments. Also request and review all agreements and/or contracts between the lobbying firm and other lobbying firms or lobbyists

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that are working on a subcontractor basis with the lobbying firm for the purpose of lobbying, including any amendments.

- 2) Review the agreements/contracts obtained in section F.2.c1 above and verify that none are contingency fee based,⁵ unless an exception is provided in law (i.e., related to a claim bill (both legislative and executive); compensation or commission of a salesperson as part of a bona fide contractual relationship with company paying the compensation or commission (executive only)). A finding must be included in the report if it is determined that an agreement or contract was based on a contingency fee in violation of law.
- 3) Using the above-noted agreements and/or contracts, prepare (or obtain from the lobbying firm, if available) a schedule of the contracted compensation by principal, noting the payment schedule for such compensation (i.e., as services are rendered and billed, monthly, quarterly, lump sum at beginning of contract period, lump sum at end of contract period, etc.).

If the schedule is prepared by the lobbying firm, compare all compensation amounts per the schedule to the agreements and/or contracts. Resolve any differences, documenting the explanations provided by the lobbying firm in the workpapers.

- 4) Compare the principals per the schedule in section F.2.c3 above to the principals noted in (b) above. Resolve any differences, documenting the explanations provided by the lobbying firm in the workpapers.
- 5) Compare all of the compensation reported as provided or owed to the lobbying firm from each principal per the quarterly lobbying firm compensation reports to the schedule in section F.2.c3 above. Resolve any differences, documenting the explanations provided by the lobbying firms (timing, etc.) in the workpapers.
- 6) In order to verify the reported amounts, compare all of the compensation amounts provided or owed to the lobbying firm by each principal to the applicable client (principal) payment records and original receipts documentation, as described in section C.4. above. Prepare a schedule to document the results and notes to describe the procedures performed and the records utilized.

Any differences noted while performing the procedures specified in this section (F.2.c) must be discussed with the lobbying firm, and explanations obtained and

⁵ See Sections 11.047 and 112.3217, *Florida Statutes*, relating to contingency fees.

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documented. A finding must be included in the report if the explanations are not sufficiently documented. In addition, a statement should be included in the report if the lobbying firm filed an amended compensation report as a result of a finding.

d) Allocation of Compensation

Documentation, as discussed in section C.6. above, must be maintained to support both the method and any percentages used to determine any amounts allocated.

If any compensation amounts have been allocated between any of the following categories of services: (1) lobbying services versus non-lobbying services, (2) Florida legislative branch lobbying versus executive branch lobbying, (3) Florida legislative or executive branch lobbying versus lobbying any level or branch of a local, other state, or federal government, then:

- 1) Verify that the explanation(s) and documentation provided by the lobbying firm for each allocation is in accordance with either the allocation determined and documented by the lobbying firm or the default methodology described below for each applicable category.
- 2) Using the schedule in section F.2.c3 above, verify that the allocated compensation amounts were correctly included or omitted from the quarterly lobbying firm compensation reports in order to verify the reported amounts.
- 3) Prepare a schedule to document the results and include any documentation provided by the lobbying firm in the workpapers. As described below, certain findings must be included in the report. Any finding must include a description of the amount allocated and any explanation provided by the lobbying firm as to why the allocation method was not documented.

• **Lobbying services versus non-lobbying services**

If the lobbying firm provided non-lobbying services to the principal, the compensation for the non-lobbying services must be excluded from the compensation report.

If the lobbying firm has not utilized and documented a reasonable allocation method between compensation from a principal for lobbying versus non-lobbying services, then the CPA will probably need to look at additional records maintained by the lobbying firm in order to determine that only

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compensation for lobbying services was included on the quarterly compensation reports.

If there is not sufficient documentation to determine that the amounts reported on the quarterly compensation reports are only for lobbying services rendered, then a finding must be included in the report.

- **Florida legislative branch lobbying versus executive branch lobbying**

If the lobbying firm is providing both Florida legislative branch and executive branch lobbying services, there must be no double reporting of compensation on the legislative branch and the executive branch quarterly compensation reports.

If the lobbying firm has not utilized and documented a reasonable allocation method between compensation for such legislative branch versus executive branch lobbying services rendered, then the assumption will be that the compensation should be equally split (50-50) between the two categories of lobbying services.

A finding must be included in the report if the compensation reported on the quarterly compensation reports is not accurate based on either the allocation records maintained by the lobbying firm or the assumption applied, in the case where no allocation method was utilized and sufficiently documented by the lobbying firm.

- **Florida legislative or executive branch lobbying versus lobbying any level or branch of a local, other state, or federal government**

If the lobbying firm lobbied any level or branch of a local, other state, or federal government, the compensation for these lobbying services must be excluded from the compensation report.

If the lobbying firm has not utilized and documented a reasonable allocation method between compensation received for Florida legislative branch lobbying or executive branch lobbying services versus lobbying any level or branch of a local, municipal, other state, or federal government, then the assumption will be that the compensation should be equally proportioned between the categories of lobbying services described in the contract, agreement or other document that denotes the lobbying services to be provided by the lobbying firm.

A finding must be included in the report if the compensation reported on the quarterly compensation reports is not accurate based on either the

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allocation records maintained by the lobbying firm or the assumption applied, in the case where no allocation method was utilized and sufficiently documented by the lobbying firm.

e) Representation Letter from Lobbying Firm

Obtain a representation letter from the lobbying firm, indicating that the lobbying firm has provided full and complete records to the CPA or CPA firm, including all pertinent contracts and/or agreements for lobbying services provided during the calendar year and related supporting documentation. A sample representation letter is included as Appendix 1.

f) Written Statement of Explanation or Rebuttal from the Lobbying Firm

Inquire if the lobbying firm would like to provide a written statement of explanation or rebuttal concerning any or all of the auditor's findings for inclusion in the agreed-upon procedures report. Request that the lobbying firm provide such written statement(s) within 7 days of audit inquiry. Include any such written statement of explanation or rebuttal for a finding in the report, as either a paragraph below the applicable finding or an appendix to the report.

g) Preparation of Agreed-Upon Procedures Report

Prepare an agreed-upon procedures report in accordance with attestation standards promulgated by the American Institute of Certified Public Accountants as adopted by the Florida Board of Accountancy. A sample report shell is included as Appendix 2.

Pursuant to the requirements of Section 11.40(3)(f), *Florida Statutes*, a schedule must be prepared and included as an appendix to the report that states the name, address, and title, if any, of any individual in the lobbying firm who failed to fully, voluntarily, and promptly participate in the attestation engagement process, or to provide any reasonably relevant documentation requested by the CPA or CPA firm in the course of conducting the attestation engagement.

h) Distribution of Agreed-Upon Procedures Report

The agreed-upon procedures report, which includes copies of the quarterly lobbying firm compensation reports as an appendix, and the schedule prepared in (f) above must be distributed as follows:

If the report is of a legislative branch lobbying firm, as soon as the engagement is completed, provide an electronic copy of the report to the

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Committee and to the lobbying firm. In addition, once all engagements have been completed, provide three bound copies of each report to the Committee. The Committee will provide the reports to the President of the Florida Senate and to the Speaker of the Florida House of Representatives.

If the report is of an executive branch lobbying firm, as soon as the engagement is completed, provide an electronic copy of the report to the Committee and to the lobbying firm. In addition, once all engagements have been completed, provide two bound copies of each report to the Committee. The Committee will provide the reports to the Florida Commission on Ethics.

3. Confidentiality of Records and Other Matters

Workpapers developed by the CPA or CPA firm during the course of the attestation engagement as a basis for, and in support of, the agreed-upon procedures report, are governed by standards adopted by the Florida Board of Accountancy. Ownership of such workpapers and the CPA's responsibilities related to communications with clients and confidential client information are set forth in Sections 473.316 and 473.318, *Florida Statutes*, and Chapter 61H1-23, *Florida Administrative Code* (Rules of the Florida Board of Accountancy).⁶ Such workpapers and draft reports of a CPA or CPA firm are confidential, but a final report submitted by a CPA or CPA firm to a client is not. Therefore, the agreed-upon procedures report is confidential until the report is issued.

Records of a lobbying firm that are associated with the attestation engagements relating to the quarterly compensation reports are confidential and exempt from public record disclosure requirements, unless there is a finding of probable cause that the audit reflects as a violation of the reporting laws. (See Sections 112.3215(8)(d) and 11.0431(2)(a) and (i), *Florida Statutes*)

The CPA or CPA firm contracted to perform the attestation engagement may be required to appear before various committees of the Legislature or the Florida Commission on Ethics, as applicable, to make oral presentations of the completed attestation report. If such appearance is required, the individuals involved will be paid based on the fee schedule that will be included in the contract with the CPA or CPA firm.

⁶ A CPA may not disclose any confidential information in the course of a professional engagement, except with the consent of the client.

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APPENDIX 1 – SAMPLE REPRESENTATION LETTER

[Date]

To **[CPA/CPA Firm Name]**

We are providing this letter in connection with your attestation engagement relating to the **[20__]** calendar year **[legislative branch/executive branch]** quarterly compensation reports of the **[Name of Lobbying Firm]**. We confirm that we are responsible for the accuracy of the information included in these quarterly compensation reports.

We confirm, to the best of our knowledge and belief, as of **[date of CPA's report]** the following representation made to you during your attestation engagement.

We have made available to you all –

1. Contracts and/or agreements with principals for lobbying services provided during the **[20__]** calendar year.
2. Contracts and/or agreements with other lobbying firms or lobbyists that are working on a subcontractor basis with **[me/us]** for the purpose of lobbying during the **[20__]** calendar year.
3. All related documentation necessary to support the total amount of compensation for lobbying activities on each quarterly compensation report and all allocations of compensation received from principals for lobbying activities, including payment records and original receipts documentation.

[Name of Lobbying Firm Executive Officer and Title]

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APPENDIX 2 – SAMPLE REPORT

**INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the President of the Senate and the Speaker of the House of Representatives
(For legislative branch compensation reports)

or

To the Florida Commission on Ethics
(For executive branch compensation reports)

[Introductory Paragraphs]

We have performed the procedures enumerated below, which were agreed to by the Joint Legislative Auditing Committee, solely to assist in evaluating the **[Name of Lobbying Firm]**’s compliance with the requirements set forth in the *Florida Statutes* relating to the **[20__]** calendar year **[legislative branch/executive branch]** quarterly lobbying firm compensation reports. Management of the **[Name of Lobbying Firm]** is responsible for compliance with those requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

[Include paragraphs to enumerate procedures and findings.]

The procedures that we performed and our findings are as follows:

1. *(Describe procedure performed.)*

No exceptions were found as a result of performing this procedure.

(or add description of exceptions and any written statement of explanation or rebuttal from the lobbying firm regarding such (or reference the appendix containing the written statement))

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2. *(Describe procedure performed.) [NOTE: Repeat as needed to address all procedures performed.]*

No exceptions were found as a result of performing this procedure.

(or add description of exceptions and any written statement of explanation or rebuttal from the lobbying firm regarding such (or reference the appendix containing the written statement))

3. **[Add if applicable]** Pursuant to the requirements of Section 11.40(3)(f), *Florida Statutes*, we were required to prepare a schedule and include such as an appendix to this report that states the name, address, and title, if any, of any individual in the lobbying firm or associated with a principal of the lobbying firm who failed to fully, voluntarily, and promptly participate in the attestation engagement process, or to provide any reasonably relevant documentation requested by the CPA or CPA firm in the course of conducting the attestation engagement. Such schedule is included as Appendix A to this report.

[Concluding Paragraphs]

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Legislature *(or the Commission on Ethics for executive branch compensation)* and is not intended to be, and should not be, used by anyone other than these specified parties.

[Signature of CPA or CPA Firm]

[Date]