

***Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures
Sample Engagement Agreement***

CPA Firm Letterhead

Date

**Entity Governing Board
XYZ Entity
City, State**

Dear **Entity Head**:

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the **XYZ Entity (Entity)**.

You will agree to the procedures listed in the attached schedule, and will acknowledge that the procedures to be performed are appropriate for the intended purpose of this engagement, which is to perform specified procedures on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period ended **June 30, 20xx**. These procedures were also agreed to by LLA, and LLA acknowledges that the procedures are appropriate for the intended purpose of the engagement.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgment that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. The agreement and acknowledgment are contained within this letter. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on the C/C areas. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We plan to begin our procedures on approximately **Example Date** and, unless unforeseeable problems are encountered, the engagement should be completed by **Example Date**.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the **Entity** and the LLA, and will be published on the LLA's website as a public document.

Statewide AUP Sample Engagement Agreement

If we encounter restrictions in performing our procedures, we will discuss the matter with you. If we determine the restrictions are appropriate, we will disclose the restrictions in our report.

Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

You understand that the report is intended solely for the use of the **Entity** and LLA, and should not be used by anyone other than those specified parties.

There may exist circumstances that, in our professional judgment, will require we not issue a report and withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or we conclude that the written representations provided are otherwise not reliable.
- We determine that the description of the procedures performed or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of the engagement are not appropriate.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations (unless otherwise specified in the agreed-upon procedures); however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the C/C areas that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the results of the procedures performed in the C/C areas, we will communicate such matters to you and will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

You agree to the procedures to be performed, and acknowledge that they are appropriate for the intended purpose of the engagement.

You are responsible for the C/C areas and ensuring that these areas are administered in accordance with the best practices criteria presented in the SAUPs; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon

Statewide AUP Sample Engagement Agreement

procedures, and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the C/C areas and administration of those areas in accordance with the best practices criteria in the SAUPs.

Name of Engagement Partner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will not exceed \$XXXX. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is understood that our engagement documentation is confidential information. However, we will make our engagement documentation available to any successor auditor, LLA, or recognized external quality control review organizations as requested. We will retain our engagement documentation for five years.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their acknowledgement that the procedures are appropriate for their purposes.

Respectfully submitted,

CPA Firm Name

APPROVED BY:

By: _____

Statewide AUP Sample Engagement Agreement

Title: _____

Date: _____

Phone No. _____

Attachment: Agreed-Upon Procedures