



OFFICE OF THE
UTAH STATE AUDITOR

**Guide for Agreed-Upon Procedures Engagements for Local Government Entities
Significant Changes for 2015**

Chapter 1. APPLICABILITY

- **No longer applicable to nonprofits.** Now applicable to only local governments with revenues or expenditures greater than \$350,000 and less than \$750,000 and non-operating charter schools.

Chapter 2. COMPONENTS OF AN AGREED-UPON PROCEDURES ENGAGEMENT – no significant changes

Chapter 3. AGREED-UPON PROCEDURES (workpaper format)

1. Modified wording eliminating subjective procedures such as the use of ‘appropriate,’ ‘reasonable,’ and ‘proper.’
2. Deleted step to review the design/implementation of internal controls.
3. Deleted step to agree change in assets & liabilities to income/loss.
4. Added step to determine if entity has specific written policies and procedures.
5. Modified fraud inquiry step to report instances of fraud instead of evaluating them.
6. Steps were added regarding compliance with the following relating to the Open & Public Meeting Act:
 - 24 hour notice of meetings posted on the Utah Public Notice Website.
 - Original and final budget adoption (moved from the prior year “Budget Notices and Format” section)Our office is also requesting the CPA report any noncompliance with the Open and Public Meetings Act directly to the OSA at stateauditor@utah.gov.
7. The step to determine if the entity had any deficit fund balances was modified to determine whether entity took appropriate action to retire the deficit balance.
8. Added step to select one month of purchasing card statements and determine if the statement was reconciled by someone other than the card holder.
9. Revenues & Disbursements: Scope of reviewing changes modified from 10% of total revenues/expenses to 5% of total revenues/expenses, and from 15% of the individual line item to 10%.
10. Added a step to select one month of purchasing card statements and determine if the purchases were reconciled by someone other than the card holder.
11. Added a step to determine if the bank reconciliation is performed by someone who does not have access to receipts or disbursements, or if that person does, to determine if a separate individual reviews the reconciliation.

12. Added a step to determine if the budget was approved before the start of the budget year and that it was presented in the proper form and properly noticed.

Chapter 4. EXAMPLE AGREED-UPON PROCEDURES ENGAGEMENT LETTER

- Letter modified to include a schedule of procedures instead of listing the procedures directly in the letter.

Chapter 5. EXAMPLE REPORT ON AGREED-UPON PROCEDURES

- Updated for the changes in procedures noted above in Chapter 3.

Chapter 6. EXAMPLE WRITTEN REPRESENTATION LETTER – no significant changes

Guide for Agreed-Upon Procedures Engagements for Local Education Agencies and Community-Based Organizations -- No significant changes