**SAMPLE REVIEW/ATTESTATION ENGAGEMENT AGREEMENT
 GOVERNMENTAL AGENCY, QUASI-PUBLIC AGENCY OR CHARTER SCHOOL**

(Date)

(Addressed to the governing
 board of the Agency)

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

We are pleased to confirm our acceptance and understanding of the terms of our review/attestation engagement for the year ended June 30, 20X1, and the nature and limitations of the services we are to provide for the Agency.

We will perform a review/attestation engagement with respect to the basic financial statements of the Agency as of and for the year ended June 30, 20X1, as required by Louisiana Revised Statute 24:513.

Our review/attestation engagement will be performed in accordance with the *Louisiana Governmental Audit Guide*, authorized by Louisiana Revised Statute 24:513 A. (5) (a) (i), which is published jointly by the Louisiana Legislative Auditor and the Society of Louisiana Certified Public Accountants; and the applicable standards enumerated below.

***Our Responsibilities – Review Engagement*** The objective of our review engagement is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our review engagement in accordance with *Statements on Standards for Accounting and Review Services* (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA), and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General; and will comply with the AICPA’s *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

A review engagement includes primarily applying analytical procedures to the Agency’s financial data and making inquiries of the Agency’s management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the Agency’s internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or other examination of source documents, or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements.

The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Such information is the responsibility of the Agency’s management and will be derived from, and related directly to, the underlying accounting and other records used to prepare the financial statements. The information will be subjected to the review procedures applied in our review of the financial statements. We will not audit the information and accordingly, we do not express an opinion.

Our review engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Agency or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

Should we become aware of fraud or misappropriation of funds during our review, we will immediately notify you and the Legislative Auditor in writing.

We will also notify you and the Legislative Auditor of any breach of the security of our firm’s computer system, defined in R.S. 51:3073 as the compromise of the security, confidentiality, or integrity of computerized data that results in, or there is a reasonable likelihood to result in, the unauthorized acquisition of and access to the local auditee’s personal information, as defined in R.S. 51:3073. The notification to you and the Legislative Auditor will be in writing and will be within ten days of our firm’s constructive knowledge of the occurrence of the security breach.

***Our Responsibilities – Attestation (Agreed-Upon Procedures) Engagement*** We will apply the agreed-upon procedures listed in the attached schedule on certain control and compliance matters contained in the Louisiana Attestation Questionnaire, for the fiscal year ended June 30, 20X1, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*.

These procedures were agreed to by the Louisiana Legislative Auditor; and the Legislative Auditor acknowledges that the procedures are appropriate for the intended purpose of the engagement, as described in this letter.

Our engagement to apply agreed-upon procedures will be conducted in accordance withattestation standards established by the AICPA, and the standards applicable to attestation engagements contained in *Government Auditing Standards,* issued by the United States Comptroller General.

Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgement that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. The agreement and acknowledgement are contained within this letter. A refusal to provide such agreement and acknowledgement 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 do not constitute an examination or review, we will not express an opinion or conclusion on the control and compliance matters contained in the agreed-upon procedures. In addition, we have no obligation to perform any procedures beyond those to which you agree.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you and the Legislative Auditor any known and suspected fraud and noncompliance with laws or regulations affecting the control and compliance matters contained in the agreed-upon procedures that come to our attention. In addition, if in connection with this engagement, matters come to our attention that contradict the Agency’s representations in the Louisiana Attestation Questionnaire, 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.

Should we become aware of fraud or misappropriation of funds during the performance of the agreed-upon procedures, we will immediately notify you and the Legislative Auditor in writing.

***Your Responsibilities*** ***– Review Engagement*** The review engagement to be performed is conducted on the basis that you acknowledge and understand that our responsibility is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARSs:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of financial statements
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements
4. The prevention and detection of fraud
5. To ensure that the Agency complies with the laws and regulations applicable to its activities
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement
7. To provide us with (i) access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters; (ii) additional information that we may request from you for the purpose of the review engagement, and (iii) unrestricted access to persons within the Agency of whom we determine it necessary to make inquiries
8. To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review

***Your Responsibilities – Attestation (Agreed-Upon Procedures) Engagement*** You will agree to the procedures to be performed that are described in the attachment to this letter; and will acknowledge that the procedures to be performed are appropriate for the intended purpose of the engagement, which is to perform specified procedures on certain control and compliance matters contained in the Louisiana Attestation Questionnaire for the year ended June 30, 20X1, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*.

As stated previously, these procedures were also agreed to by the Louisiana Legislative Auditor; and the Legislative Auditor also acknowledges that the procedures are appropriate for the intended purpose of the engagement.

You have acknowledged to us your intent to complete and sign the Louisiana Attestation Questionnaire, indicating your responsibility for the assertions therein. Likewise, you are responsible for the Agency’s compliance with the laws and regulations specified in the questionnaire and the effectiveness of the Agency’s internal control over compliance with those laws and regulations.

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 procedures, and (3) unrestricted access to persons within the Agency 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 Agency’s compliance with the laws and regulations specified in the questionnaire and the effectiveness of the Agency’s internal control over compliance with those laws and regulations.

***Our Report*** We will issue a written accountant’s review report upon completion of our engagement. Our report will be addressed to the Agency’s governing board. We cannot provide assurance that an unmodified accountant’s review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

The Agency agrees to include our accountant’s review report in any document containing financial statements that indicates such financial statements have been reviewed by us, and, prior to inclusion of the report, to ask our permission to do so.

Our report will have an other-matter paragraph that will describe the required supplementary information that is presented and/or omitted, as well as the supplementary information that is presented. The paragraph will state that the required supplementary information and supplementary information is the responsibility of the Agency’s management, and will also inform the user that we reviewed all information presented, but do not express an opinion on the information presented.

We will also issue a written attestation report upon completion of our engagement that lists the procedures performed, our findings, and management’s response to our findings. The attestation report will be addressed to the Agency and the Louisiana Legislative Auditor, and will be included with our report on the reviewed financial statements.

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

Our attestation 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 attestation report is intended solely for the use of the Agency and the Legislative Auditor, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, the report will be distributed by the Legislative Auditor as a public document.

The reporting package will also include the following:

* A schedule of per diem paid to board members, as required by House Concurrent Resolution No. 54 of the 1979 Legislative Session, if applicable;
* The schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer, as required by Louisiana Revised Statute 24:513 A. (3);
* Management’s corrective action plan for any findings contained in the report, which the Agency’s management will complete;
* A summary schedule of prior findings, which the Agency’s management will complete; and
* The signed Louisiana Attestation Questionnaire

We will assist you in the preparation of management’s corrective action plan, if applicable, and the summary schedule of prior year findings, if applicable.

If, for any reason, we are unable to complete the review of the Agency’s financial statements, we will not issue a report on such statements as a result of this engagement. If, for any reason, we are unable to complete any of the agreed-upon procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from the engagement. Should such situation arise, we will notify you and the Legislative Auditor.

There may exist circumstances that, in our professional judgment, will require we not issue an attestation 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.

***Due Professional Care*** A review/attestation may not meet the needs of all report users, who may require additional information and assurances on the financial statements, internal control, and compliance with laws and regulations. In accordance with *Government Auditing Standards,* you should consider whether additional testing of financial statement amounts and presentations, controls, and compliance are necessary to supplement the coverage of these areas and to meet the reasonable needs of report users. These additional needs are quite often met by:

1. An audit of financial statements conducted in accordance with *Government Auditing Standard*s,
2. Supplemental (or agreed-upon) procedures, or
3. An examination of compliance or internal control resulting in an opinion.

If during the performance of our engagement we become aware that a review/attestation will not satisfy the requirements of all report users, laws, and regulations, we will notify you as soon as this comes to our attention. We will then submit another engagement letter for your approval that complies with the applicable requirements, and will submit the engagement to the Legislative Auditor for approval. We will consider all standards that may apply, but in particular, we will be cognizant of:

* State of Louisiana’s audit law.
* Audit requirements of *Government Auditing Standards*.
* *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Chapter I and Chapter II, parts 200, 215, 225 and 230) requirements when federal award expenditures equal or exceed $750,000 for the fiscal year.
* Bond requirements, either to issue bonds or as a bond indenture provision.
* Other contractual requirements.

We are available to discuss the expanded needs of report users, the nature of the expanded examinations, and the degree to which these type examinations, or other examinations, will meet the needs of the Agency and its report users.

***Timing of Engagement*** It is our understanding that the accounting records will be available \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. We anticipate that the engagement will commence no later than \_\_\_\_\_\_\_\_\_\_\_\_\_ and that the reports will be issued no later than \_\_\_\_\_\_\_\_\_\_\_.

***Recommendations*** During the course of our engagement, it is possible that we may observe opportunities for economies of operation, for improved internal administrative and accounting controls, or we may observe variances with applicable laws and regulations or other matters that should be brought to your attention. Our comments and recommendations concerning such matters, if any, will be conveyed to you in written form.

***Prior Comments and Recommendations*** Our engagement will include a review of any prior-year suggestions, recommendations, and/or comments included in the summary schedule of prior findings. As to any current-year recommendations, suggestions, and/or comments, we will afford you the opportunity to respond to such matters and include your response in management’s corrective action plan.

***Engagement Completion*** At the completion of our engagement, we will send the Agency \_\_\_ copies of our reports. In addition, we will send a copy of our reports to each board member, to the chief executive officer, and the chief fiscal officer. We will submit the report, including the management letter, if applicable, and management’s plan of corrective action, if applicable, to the Legislative Auditor. Either the accountant or the Agency shall send a copy of the report, any management letter, and management's corrective action plan to each state grantor agency providing assistance to the Agency, if applicable.

If we find events subsequent to the issuance of our reports that would cause us to revise and reissue the reports, we will notify the Legislative Auditor immediately. We shall distribute the revised and reissued reports in the same fashion and to the same individuals and organizations as the original reports.

***Changes*** The Legislative Auditor will be notified immediately in writing of the accountant’s decision to withdraw from the engagement or if the engagement is cancelled, to include all substantive reasons for the withdrawal or cancellation.

The Legislative Auditor will be notified immediately, in writing, if there are any significant disagreements. The Legislative Auditor will be notified immediately, in writing, if there are any changes in this agreement or if there are any restrictions placed on our staff during the engagement, to include failure to provide the appropriate books and records in a timely manner or denial of access to appropriate books and records, that would impact the scope of the engagement or the nature of the tests required under the previously discussed standards.

***Compensation*** Our fees for all services are related to our standard hourly rates in effect at the time services are performed. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. Our fee for this engagement, which we estimate, will not exceed $\_\_\_\_, including out-of-pocket expenses. This fee estimate is based on the assumption that you will provide assistance, 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. Any amendments to the not-to-exceed amount of the fees will be in writing and signed by both our firm and the Agency. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation.

If a multi-year engagement is entered into, all outstanding invoices for work performed during any prior engagement will be paid in full before work commences on the current engagement.

***Engagement Documentation*** It is understood that our engagement documentation is confidential information. However, we will make our engagement documentation available to the Legislative Auditor, any successor auditor/accountant, or any organization of the Louisiana Board of Certified Public Accountants authorized to perform quality assurance reviews. We will follow the Legislative Auditor’s policy regarding confidentiality of audit/engagement documentation found in the *Louisiana Governmental Audit Guide* when giving access to engagement documentation to any parties other than those previously named individuals and organizations.

Should we become aware of any illegal acts, we shall make our engagement documentation available to the local district attorney and/or any other state or federal enforcement or regulatory agency without liability. We will retain the engagement documentation for five years.

***Personnel*** We have assigned Mr./Ms.\_\_\_\_\_\_\_\_\_\_\_\_ of our staff (address and phone number,) as the manager for the engagement. He/she is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. It is our understanding that you have assigned Mr. John Supervisor of your staff (address and phone number) as your representative during the engagement.

***External Quality Review*** Enclosed is our last external quality review, dated (date).

***Other Services*** You may request that we perform additional nonattest services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We may also issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Under the provisions of *Government Auditing Standards*, our ability to provide nonattest services may result in an impairment of our independence, and therefore may be limited for the duration of this engagement and for the period covered by this engagement. We will consult those standards and the Louisiana Legislative Auditor to determine whether such an impairment exists, prior to the performance of any nonattest services.

***Approval*** We appreciate the opportunity to be of service to you, and believe this letter accurately summarizes the significant terms of our engagement. If these comments and arrangements meet with your approval, please sign below and return the agreement to us.

In accordance with the provisions of state law, this engagement agreement must be approved by the Legislative Auditor prior to commencement of our work. Upon your signature and approval, we will seek approval of the Legislative Auditor of this engagement.

We look forward to a pleasant association and the opportunity to provide the services included in this engagement. If you have any questions, please let us know.

Respectfully,

Certified Public Accountants

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Enclosure

RESPONSE:

This letter correctly sets forth the understanding of (Agency Name)

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_

**ATTACHMENT: AGREED-UPON PROCEDURES FOR: (CHOOSE ONE)**

**GOVERNMENTAL AGENCY**

**QUASI-PUBLIC AGENCY**

**CHARTER SCHOOL**