



## *Louisiana Legislative Auditor* *Audit Risk Alert*

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AUDIT RISK ALERT # 10

DATE: June 27, 2018 (updated October 14, 2021) (see [Audit Risk Alert No. 16](#) for 2019 procedures update and [Audit Risk Alert No. 26](#) for 2020 procedures update; also see [Audit Risk Alert Nos. 13, 28, 29 and 37](#))

SUBJECT: New statewide agreed-upon procedures – **FOR YOUR IMMEDIATE ATTENTION**

The Louisiana Legislative Auditor began requiring an agreed-upon procedures report to accompany all local government and quasi-public agency (local auditee) audit reports, beginning with fiscal years ending June 30, 2017.

These statewide agreed-upon procedures have recently been updated, and the updated documents have been added to the *Louisiana Governmental Audit Guide*.

We have received numerous questions about the application of the original (Year 1) and revised (Year 2) statewide agreed-upon procedures to the December 31, 2017 audit reports that are due to LLA in a few days.

Key points about the Year 1 and Year 2 statewide agreed-upon procedures are –

1. These agreed-upon procedures documents that have been revised for Year 2:
  - The [Statewide Agreed-Upon Procedures](#) document
  - The [Statewide Agreed-Upon Procedures Example Representation Letter](#) document
  - The modifier “Year 1” has been added to the file name for the Statewide Agreed-Upon Procedures Frequently Asked Questions document; but **there is no new FAQ document for Year 2.**
2. No changes have been made to the example statewide agreed-upon procedures engagement letter or report documents.
3. **Either the Year 1 or Year 2 statewide agreed-upon procedures may be used for audits with fiscal years ending on or before May 31, 2018.** Documents related to Year 1 and Year 2 statewide agreed-upon procedures may currently be found in the *Louisiana Governmental Audit Guide*.

**4. The Year 2 statewide agreed-upon procedures must be used for audits with fiscal years ending on or after June 30, 2018.**

There has also been some confusion between the statewide agreed-upon procedures report that accompanies audit reports, and the agreed-upon procedures report that is required to be submitted with the review reports of local auditees that receive between \$200,000 and \$499,999 in public funds.

Key points about the review/attestation report are as follows –

1. An agreed-upon procedures report is required to be submitted with review reports of local auditees.
2. There are different procedures and reports for the review/attestation engagements of local governments, quasi-public organizations, and charter schools. Related sample documents for review/attestation engagements and reports may be found in the [practice aids section](#) of the *Louisiana Governmental Audit Guide*.
3. The agreed-upon procedures report that is submitted with review reports is different than the statewide agreed-upon procedures report that accompanies audit reports.
4. **The agreed-upon procedures report that is submitted with review reports cannot be substituted for the statewide agreed-upon procedures report that accompanies audit reports.**

If you have any questions about statewide agreed-upon procedures engagements, please call Diane Allison, Director of Local Government Services, at [dallison@lla.la.gov](mailto:dallison@lla.la.gov) or (225) 339-3812.