

OHIO AUDITOR OF STATE KEITH FABER



From: Auditor of State's Center for Audit Excellence

To: All IPA Firms

Subject: AUP Updates

Date: April 19, 2021

Several Agreed-Upon Procedures items have been updated to address Potential Fraud Concerns and Related Party Transactions. The updated procedures and files are effective for all engagements that do not have a signed engagement letter. The updates are as follows:

Potential Fraud Concerns:

- Eligibility Checklist document has been updated to include the additional criterion for auditors to inquire with not only the Fiscal Officer of the entity but also the President of the Council/Board as to any known potential fraud concerns. This must be documented on the form, including the name, title, and date of the inquiry.
- For known fraud concerns that have been identified and appropriately addressed or resolved, auditors may request a waiver.

Related Party Transactions:

- Agreed-Upon Procedure (AUP) report shells have been updated to include procedures to inquire and address Related Party Transactions.

Additional Updates:

A few additional updates were made to the AUP Report Shells:

- Added clarification to payroll procedures, including a slight reorganization.
- Added exception examples to the Compliance procedures for the CARES Act expenditure testing.
- Added clarification on the calculation of the 10% materiality of Other Receipts.

Note: Not all of the Additional Updates apply to all report shells.

Questions can be directed to Teresa Hicks at TMHICKS@ohioauditor.gov.