

AGREED-UPON PROCEDURES REGARDING INTERNAL CONTROL OVER FINANCIAL REPORTING: SECTION 9110

- The purpose of this engagement is solely to assist those charged with **governance**, those having **oversight responsibility** for the financial reporting process, or **management** in assessing the design, implementation or operating effectiveness of the entity's internal control over financial reporting
 - This **Section does not apply** to engagements to report on an entity's internal control over financial reporting to **external parties** who are not in a position to determine whether the agreed-upon procedures are sufficient and appropriate (such engagements should be done in accordance with section 5025)
- **No assurance** or opinion is provided on the design, implementation or operating effectiveness of the entity's internal control over financial reporting
- Only perform **procedures requested by the client**
- The public accountant and assistants should have adequate technical training and proficiency
- Ensure that:
 - The engagement is **adequately planned**
 - The engagement is conducted and the report of findings prepared with **due care** and with an **objective state of mind**
 - The assistants employed on the engagement are **properly supervised**
- The procedures specified by the client **cannot be overly subjective**; the agreed-upon procedures should result in observable outcomes such that if another accountant reperformed the procedures, they would observe similar outcomes
 - **Subjective procedure** = test the purchase invoices for authorization
 - **Good procedure** = select 25 random purchase invoices from the current fiscal period, and report whether the invoice contains a signature from the purchase manager
 - **Tip:** avoid using **general terms** like: **review, check, interview or test**
- The engagement letter should have the following:
 - A **description of the procedures to be performed** and the **timing** and **extent of those procedures**
 - Details regarding the **period of time, or the point in time**, to which the agreed-upon procedures are to be applied
 - A statement that the **client is responsible** for determining the suitability and sufficiency of the agreed-upon procedures, and that the public accountant accepts no responsibility
- In the engagement report **document the procedures performed, and the results**
- **The engagement report should not include:**
 - **Views or conclusions** regarding whether findings represent deficiencies in internal control over financial reporting
 - **Recommendations** for addressing findings that may indicate deficiencies in internal control over financial reporting
 - A positive or negative assurance