##### **Appendix D3**

##### **Checklist for Agreed-upon-procedures Engagements Performed by the Office of Inspector General**

This appendix includes guidance for reviewing the Office of Inspector General’s (OIG’s) agreed-upon-procedures (AUP) engagements conducted in accordance with *Government Auditing Standards* (GAS)⎯commonly referred to as generally accepted government auditing standards (GAGAS)⎯and the American Institute of Certified Public Accountants’ (AICPA’s) Statements on Standards for Attestation Engagements (SSAE). When an auditor conducts an AUP engagement under GAGAS, the engagement must be conducted in accordance with the SSAE[[1]](#footnote-2) and additional GAGAS requirements. For additional information, the peer review team should consult the guidance in SSAE 18 applicable to AUP engagements and the AICPA’s Peer Review Program (PRP) checklists for attestation engagements. This appendix is not intended to replace auditor judgment; the peer review team may modify the checklist to ensure coverage as necessary.

OIG UNDER REVIEW

& PERIOD REVIEWED:

ENGAGEMENT NAME:

ENGAGEMENT NO.:

REVIEWER(S):

DATE COMPLETED:

|  | **Yes** | | **No** | **N/A** | **Comments** | |
| --- | --- | --- | --- | --- | --- | --- |
| **1. Standards of Independence, Professional Judgment, Competence and Continuing Professional Education, and GAGAS Compliance[[2]](#footnote-3)** | | | | | | |
| 1. Did the auditors document the independence considerations as appropriate, including identifying threats to independence, evaluating the significance of the threats identified, and applying safeguards as necessary to eliminate the threats or reduce them to an acceptable level? (GAS 3.27-3.33, 3.84, 3.90, 3.107)[[3]](#footnote-4) |  | |  |  |  | |
| 1. Taken as a whole, does the engagement documentation show that the auditors were independent of the entity subject to the procedures during the period of the professional engagement, and that professional judgment was used in planning and performing the engagement and reporting the results? (GAS 3.18- 3.20, 3.23, 3.109; AT- C §105.24, §215.09) |  | |  |  |  | |
| 1. Did the staff assigned to the engagement collectively have the competence needed for their assigned roles to address the engagement objectives and perform the work? (GAS 4.02, 4.03, 4.12) |  | |  |  |  | |
| 1. Did the staff who planned, directed, and performed the engagement and reported the results develop and maintain their professional competencies by completing required continuing professional education hours? (GAS 4.16) |  | |  |  |  | |
| 1. If the auditors cite GAGAS compliance, did the auditors comply with GAGAS in addition to the relevant SSAE for AUP engagements? (GAS 7.78) |  | |  |  |  | |
| **2. Fieldwork Standards – Planning** | | | | | | |
| 1. Did the auditors establish an agreement on the procedures to be performed, the responsibilities of the parties, the use of external specialists, the expected outcome using the criteria, the applicable materiality limits, and any restrictions of the report? (AT-C §215.10-.14, §215.21) |  | |  |  |  | |
| 1. Did the auditors ensure that procedures to be performed exclude steps that are open to varying interpretations? (AT-C §215.19) |  | |  |  |  | |
| 1. Did the auditors obtain a written assertion about the evaluation of the subject matter against the criteria or disclose that no such assertion will be given when the engaging party is not the responsible party? (AT-C §215.15-.16) |  | |  |  |  | |
| **3. Fieldwork Standards – Conducting the Engagement** | | | | | | |
| 1. Did the auditors perform the procedures pursuant to the written agreement and, when applicable, amend the written agreement to reflect modified procedures as appropriate? (AT-C §215.17-.18) |  | |  |  |  | |
| 1. Did the auditors communicate to the specified parties known and suspected fraud and noncompliance with laws, regulations, provisions of contracts, and provisions of grant agreements? (GAS 7.81; AT‑C §215.42) |  | |  |  |  | |
| 1. Did the auditors take appropriate action when circumstances imposed restrictions on the performance of agreed-upon procedures and the specified parties do not agree to modify the AUPs? (AT-C §215.37) |  | |  |  |  | |
| **4. Fieldwork Standards – Evidence** | | | | | | |
| 1. Did the auditors obtain evidence from applying the agreed-upon procedures that provided a reasonable basis for the findings expressed in the engagement report? (AT-C §215.20) |  | |  |  |  | |
| 1. Did the auditors present the results of applying agreed-upon procedures in writing in the form of procedures and findings? (AT-C §215.24) |  | |  |  |  | |
| 1. Did the auditors obtain a representation letter with the same date as the engagement report from the responsible party, or as appropriate from the engaging party, regarding all required management representations? (AT-C §215.28-.30) |  | |  |  |  | |
| 1. If the responsible party refused to provide the auditors with a required written assertion, did the auditors discuss with appropriate parties, request from the engaging party, re-evaluate the integrity of the parties, and determine the impact on the engagement report? (AT-C §215.31-.32) |  | |  |  |  | |
| 1. Did the auditors perform required procedures when agreeing to add a nonparticipant party or parties to the engagement? (AT-C §215.38, §215.40) |  | |  |  |  | |
| **5. Fieldwork Standards – Supervision and Documentation** | | | | | | |
| 1. Was staff properly supervised? (AT-C §105.33; GAS 5.36-.37) |  | |  |  |  | |
| 1. If difficult or contentious issues arose among team members during the engagement, did the auditors follow the OIG’s policies and procedures for consulting with an appropriate individual, agreeing on the scope and nature of the consultation; and did they document the understanding of the resulting conclusions reached and implemented? (GAS 5.24) |  | |  |  |  | |
| 1. Did the auditors prepare documentation sufficient to determine: (AT-C §215.43) |  | |  |  |  | |
| 1. The specified parties’ agreement on the procedures? |  | |  |  |  | |
| 1. The nature, timing, and extent of the procedures performed to comply with relevant standards and applicable legal and regulatory requirements? |  | |  |  |  | |
| 1. The results of the procedures performed and evidence obtained? |  | |  |  |  | |
| 1. Did the auditors prepare the engagement documentation in a timely manner and restrict access and prevent changes to the files after the report is issued? (AT-C §105.34-.41) |  | |  |  |  | |
| **6. Reporting Standards** | | | | | | |
| 1. Did the auditors issue a written report in the form of procedures and findings? (AT-C §215.33-.34) |  | |  |  |  | |
| 1. Did the report include all the elements required by AICPA standards: (GAS 7.82; AT-C §215.22-.23, §215.35, §215.36) |  | |  |  |  | |
| 1. A title that includes the word "independent," the date, and the appropriate addressee? |  | |  |  |  | |
| 1. The subject matter or assertion being reported on, procedures, and specified parties? |  | |  |  |  | |
| 1. The identification of the responsible party and its responsibility and the auditors’ do not express an opinion? |  | |  |  |  | |
| 1. Statements that:    1. The auditors conducted the engagement in accordance with GAGAS when the auditors complied with all applicable GAGAS requirements?    2. If applicable, the responsible party refused to provide written assertions?    3. The auditors did not perform an examination or review and their scope?    4. Describes significant reservations about the procedures and results? |  | |  |  |  | |
| 1. A list of the procedures performed and the results? |  | |  |  |  | |
| 1. Involvement of external specialists and procedures performed or shared with other auditors? |  | |  |  |  | |
| 1. An alert, in a separate paragraph, that restricts the use of the report and:    1. State that the practitioner's report is intended solely for the information and use of the specified parties?    2. Identify the specified parties for whom use is intended?    3. State that the report is not intended to be used, and should not be used, by anyone other than the specified parties? |  | |  |  |  | |
| 1. Does the auditor’s report exclude an expression of opinion or conclusion about the subject matter’s compliance with the criteria? (AT-C §215.25) |  | |  |  |  | |
| 1. Did the auditors present all findings from the application of the agreed-upon procedures, describe any agreed-upon materiality limits, and avoid using ambiguous language in the report? (AT-C §215.26, §215.27) |  | |  |  |  | |
| 1. Did the auditors appropriately communicate knowledge of any matters outside the agreed-upon procedures that came to their attention that contradict the subject matter or assertion referred to in the report? (AT-C §215.41) |  | |  |  |  | |
| 1. If the subject matter or assertion contains classified, confidential, or sensitive information, did the auditors limit the report distribution and document the limitation? (GAS 7.85) |  | |  |  |  | |
| 1. Did the OIG distribute the engagement report to those charged with governance, to the appropriate entity subject to the procedures officials, and to the appropriate oversight bodies or organizations requiring or arranging for the engagement? (GAS 7.85a) |  | |  |  |  | |
| **7. Overall Assessment** | | | | | | |
| 1. Based on the results of the checklist and other work performed, conclude whether in performing and reporting on this engagement, the OIG complied with GAGAS and its policies and procedures. Appropriate inquiries about exceptions should be made with the engagement team to determine the underlying reasons. | |  |  |  | |  |
| |  | | --- | | **END OF CHECKLIST** | | | | | | | |

1. The applicable AICPA standards for agreed-upon-procedures (AUP) engagements include SSAE 18’s AT-C 105, *Concepts Common to All Attestation Engagements,* and AT-C 215, *Agreed-Upon Procedures Engagements*. [↑](#footnote-ref-2)
2. In assessing compliance with GAGAS for Independence, Professional Judgment, and Competence and Continuing Professional Education on individual engagements, the peer review team should consult the reviewed OIG’s audit policies and procedures with respect to documents to be included to demonstrate compliance. Certain documents may be maintained centrally, and the evidence of compliance may not be found in the individual engagement file. When assessing the documentation, the peer review team should be alert to issues related to compliance with GAGAS and make further inquiries as appropriate. Organization-wide testing of Standards for Independence, Professional Judgment, and Competence and Continuing Professional Education is accomplished with Appendix B and not tested at the individual engagements. The peer review team should determine the methodology required to test this area based on the OIG’s audit policies and procedures. [↑](#footnote-ref-3)
3. For the purposes of CIGIE’s March 2020 Guide, “GAS” is used when citations are made to specific paragraphs from *Government Auditing Standards*. [↑](#footnote-ref-4)