



# FEDERATED STATES OF MICRONESIA

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## **Agreed-Upon Procedures (AUP) Engagement**

The Office of the National Public Auditor (ONPA) recently released two engagement reports (Reports No. 2016-01 & 2016-03) using a type of attestation engagement called an Agreed-Upon Procedures (AUP). These reports can be accessed at the office website [ONPA AUDITS](#).

An Agreed-Upon Procedure is a type of engagement under GAGAS (Generally Accepted Government Auditing Standards), which is one of the standards our Office uses to perform its audits. In this type of engagement, a practitioner (the auditor) is engaged by a client (the requestor) to issue a report of factual findings based on specific procedures. This new audit approach is very useful when reviewing specific areas or processes of a certain entity or organization. Procedures can be tailored to best meet the specific needs or issues for the client. However, those specific procedures must be agreed upon and deemed appropriate by the specified parties that consist of (1) the practitioner, (2) the client, and (3) the responsible party. After the procedures are finally agreed upon by the specified parties, the practitioner would then proceed to conducting the engagement and issue a report which should ONLY be in the form of procedures and findings/results.

Unlike an audit where opinions are expressed, an AUP engagement has no assurance whatsoever and an opinion is never stated, thus the users of the report should make their own assessment and draw a conclusion based on the findings/results of the procedures. Additionally, the distribution of the report is limited for an AUP engagement, as it is directed specifically for the intended users. Since this type of engagement is specific and direct, the timeframe for completing an AUP engagement is relatively short compared to a usual audit.