

PHA

AGREED-UPON PROCEDURES ENGAGEMENT LETTER

DATE

PHA NAME

PHA ADDRESS

PHA CITY, STATE, ZIP

We are pleased to confirm our understanding of the services we are to provide for PHA NAME (the PHA).

We will apply the agreed-upon procedure which the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), has specified and listed in Attachment 1, to the electronic submission and related hard copy documents listed in the attached schedule of PHA NAME as of and for the year ended DATE. This engagement is solely to assist the PHA and the U.S. Department of Housing and Urban Development, REAC, in determining whether electronic submission of certain information agrees with the related hard copy documents included within the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) reporting package. Our engagement to apply the agreed-upon procedure will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or we will not issue a report as a result of this engagement.

We will submit a report listing the procedure performed and our findings. This report is intended solely for the use of the PHA and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Our report will include a statement indicating that we have not performed any additional auditing procedures after the date of our reports on the audited financial statements and supplemental information, including a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

You are responsible for establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulation, contracts, and grant agreements. You are also responsible for the presentation of the electronic submission and related hard copy documents listed in the attached schedule of The PHA as of and for the year ended DATE in

accordance with the agreed-upon procedure which the U.S. Department of Housing and Urban Development, REAC, has specified, listed in the attached schedule; and for selecting the criteria and determining that such criteria are appropriate for your purposes.

You agree to assume all management responsibilities relating to the nonattest services we provide. Further, you agree to oversee the nonattest services by designating an individual, preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

You agree to retain a copy of the Uniform Guidance reporting package in its entirety.

The attest documentation for this engagement is the property of **FIRM NAME** and constitutes confidential information. However, we may be requested to make certain attest documentation available to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, or the U.S. Government Accountability Office or their representatives, pursuant to authority given to them by law or regulation. We will notify you of any such request. If requested, access to such attest documentation will be provided under the supervision of **FIRM NAME**'s personnel. Furthermore, upon request, we may provide copies of selected attest documentation to HUD or the Government Accountability Office representatives. HUD and the Government Accountability Office may decide to distribute the copies or information contained therein to others, including other governmental agencies.

PARTNER NAME is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We plan to begin the engagement on approximately **DATE** and, unless unforeseeable problems are encountered, the engagement should be completed by **DATE**. At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the presentation of the electronic submission and the financial statements and supplemental information included in the Uniform Guidance reporting package

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes **XX** days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Based on our preliminary estimates, the fee should approximate **\$X,XXX**. That estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the PHA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified users of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedure.

Very Truly Yours,

[Firm Name]

RESPONSE:

This letter correctly sets forth the understanding of [ORGANIZATION].

Signature:

Title:

Date:

Select One of the Two

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE (FULL)

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic Financial Statements (inclusive of auditor reports)	Agrees

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE (GAGAS ONLY)

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	Agrees
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees