# Archdiocese of Saint Paul and Minneapolis Policy

**Issued Date:** October 23, 2019  
**Last Reviewed Date:**  
**Number:** 406  
**Subject:** Audit, Review, and Agreed Upon Procedure Policy  
**Scope:** All Parishes in the Archdiocese  
**Reference:**  
**Distribution:** Posted on Website  
**Archbishop Signature:** [Signature]

## I. Purpose

To provide the minimum requirements for Agreed Upon Procedures (AUP) at each Parish for those audit firms whom must complete the work and guidelines as it relates to Audits, Reviews, and AUPs within the Archdiocese, which provides the Pastor, Trustees and Parish Finance Council some assurances that the finances of the Parish are being handled appropriately.

## II. Definitions

**“Agreed Upon Procedures (AUP)”** means a review of administrative, financial, accounting, and operational controls as outlined by the Archdiocese of Saint Paul and Minneapolis.

**“Archdiocese”** means that certain corporate entity formed, maintained and existing under Minnesota Section 315.16 with Minnesota Business Name: “The Archdiocese of St. Paul and Minneapolis”.

**“Audit”** means an objective examination of an entity's accounting records, as well as the physical inspection of its assets. If performed by a certified public accountant (CPA), the CPA can express an opinion on the fairness of the entity's financial statements. This opinion is then issued along with the financial statements to the investment, banking or other financial community IF REQUIRED.

**“Parish”** means a parish within the Archdiocese Territory that is Archdiocese-recognized as Catholic.

**“Parish Finance Council”** means the canonical consultative body established in a Parish in accordance with canon 537 of the 1983 Code of Canon Law and the policy of the Archdiocese, which provides consultation to the pastor from a cross-section of parishioners to share their thoughts and insights in service to the mission of a specific Parish.

**“Pastor”** means a Parish pastor or a parochial administrator, as the case may be.

**“Review”** means a financial statement review and is a service under which the accountant obtains limited assurance that there are no material modifications that need to be made to an entity’s financial statements for them to be in conformity with the applicable financial reporting framework (such as GAAP). A review does not require the accountant to obtain an understanding of internal control, or to assess fraud risk, or other types of audit procedures. Consequently, a review does not provide the accountant with assurance that they have become aware of all the significant matters that would normally have been discovered and
disclosed in an audit.

"Trustees" means the two lay members of the Parish appointed to serve as members and officers of the Parish corporation by the Archbishop, the Vicar General and the pastor or a majority of them.

III. Policy

1. Every Parish must have an AUP performed a minimum of once every three years. This requirement shall become effective for Parishes not later than June 30, 2022. Prior to the three-year being adopted by Parishes, the Parish must remain in compliance with the previous five-year requirement for an AUP.

2. Whereas a change in Pastor occurs, the new Pastor has the right to require an Audit, Review, or AUP for the period prior to the change in Pastor, even if three years have not passed since the last AUP.

3. If the new Pastor chooses to waive his right to an Audit, Review or AUP, the Parish must receive an exemption from the Chief Financial Officer of the Archdiocese in writing.

4. Once published, the Parish must forward a copy of the completed Audit, Review, or AUP and management letter to the Chief Financial Officer of the Archdiocese.

5. All Audit, Review, and AUP reports must be distributed, reviewed and discussed at a Parish Finance Council meeting preferably by the firm that completed the report at a meeting attended by the Pastor, Trustees and Parish Business Administrator (or equivalent position). Recommended changes to the internal controls must be shared at that meeting.

6. An independent Audit or Review may still be required by a Parish’s financial institution, granting agency, or other. In addition, the Pastor, at his discretion, may require an Audit, Review, or AUP to be completed at any time.

7. The firms on the attached schedule are approved to complete an AUP for Parishes. The schedule of approved firms may be modified by the Chief Financial Officer of the Archdiocese.

8. If the Parish has an Audit or Review performed, in addition to the AUP, the Parish may select a firm other than the three listed on the attached schedule. However, the Parish should contact several firms that are in its geographical area. It is important to be aware of potential conflicts of interest that may occur, such as CPAs who attend the Parish or who are members of a committee within the Parish. It is recommended to ask for bids from and interview two or three firms, with the understanding that they are independent and have experience with fund accounting. Parish staff and members of the Parish Finance Council should interview the firms. There are three approved CPA firms supporting the AUP program and are listed on the attached schedule. If the Parish chooses a firm other than one of the approved firms to perform an Audit or Review, the Parish will be required to have one of the three approved firms perform the AUP.
Archdiocese of Saint Paul and Minneapolis Schedule

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<th>Schedule Name: Attachment to Audit, Review, and Agreed Upon Procedure Policy</th>
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<td>- AUP Fee and Firms</td>
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1) The fee for the basic AUP is $4,500 plus any direct out of pocket expenses or additional services.

2) The following firms are approved to complete AUPs for Parishes:

**Boulay PLLP**
Attn: Jadin C. Bragg, CPA
7500 Flying Cloud Drive, Suite 800
Minneapolis, MN 55344
(952) 841-3012
jbragg@boulaygroup.com

**Boyum & Barenscheer PLLP**
Attn: Matthew J. Bistodeau, CPA
3050 Metro Drive, Suite 200
Minneapolis, MN 55425-1547
(952) 858-5598
mbistodeau@myboyum.com

**CliftonLarsonAllen LLP**
Attn: Larry Adams, CPA
220 South 6th Street, Suite 300
Minneapolis, MN 55402-1436
(612) 397-3052
larry.adams@claconnect.com