



DATE: June 12, 2024  
BULLETIN NUMBER: 2024-01  
TO: Municipalities  
Regarding: Implementation of HB 2362

House Bill 2362, effective November 1, 2024, amended state statutes related to audit requirements for municipalities and certain public trusts. The amendments to 11 O.S. § 17-105 and 60 O.S. § 180.1 include the implementation of newly defined agreed-upon procedures and the option of a biennial agreed-upon-procedures engagement.

In response to the new legislation, the State Auditor & Inspector's Office proposes the following:

- 1) All municipalities beginning with the letters A – F, choosing a biennial agreed-upon procedures engagement, should contract for an engagement for the fiscal year ending June 30, 2024, and then move to a biennial engagement following the year June 30, 2026. The biennial engagement obtained in 2026 would provide audit coverage for both the June 30, 2025, and the June 30, 2026, fiscal years.
  - If the engagement contract for the fiscal year ending June 30, 2024, is dated prior to November 1, 2024 (the effective date of the amended statute), the auditor should perform the procedures defined in statute prior to the 2024 amendment. If work has not begun or is not completed by November 1, 2024, the engagement contract could be amended to encompass the new procedures.
  - If the engagement contract for the fiscal year ending June 30, 2024, is dated November 1, 2024, or later, the auditor should perform the new procedures in the amended statute.
- 2) All municipalities beginning with the letters G – Z, choosing a biennial agreed-upon procedures engagement, should **not** engage in an agreed-upon-procedures engagement for the fiscal year ending June 30, 2024, but instead should wait to obtain a biennial engagement following the fiscal year ending June 30, 2025. The biennial engagement obtained in 2025 would provide audit coverage for both the June 30, 2024, and June 30, 2025, fiscal years.

Nothing in statute prevents any municipality from obtaining an annual agreed-upon-procedures engagement or an annual financial statement audit in any given year.

A handwritten signature in blue ink that reads "Cindy Byrd".

Cindy Byrd, CPA  
State Auditor & Inspector