



February 19, 2026

A Request for Proposals for a Financial and Compliance Audit of the Department of Education, Fiscal Year 2026

Responses to Prospective Bidder Inquiries

1. Can you furnish to us the most recent available audit report?

OSA Response: The Department of Education does not have a separate audit report. The Department is included within the State of Colorado's Statewide Single Audit Report. The Statewide Single Audit Report for Fiscal Year 2025 is available on the OSA's website at: <https://content.leg.colorado.gov/content/statewide-single-audit-fiscal-year-ended-june-30-2025>

2. What is the reason for the RFP? Is the current audit firm allowed to bid and how long have they been conducting the audit of the Department?

OSA Response: As noted in the RFP in Section I, Part N, "The successful bidder will be awarded a one-year contract which may be renewed on an annual basis for up to four additional years' subject to acceptable performance and costs." The current auditor has been in place for the last five years. Since the auditor has been in place for 5 years, the audit firm is eligible to submit a proposal for this RFP. However, the audit firm must comply with the requirements stated in the RFP. See Section I, Part L, of the RFP for information on the eligibility of firms to propose.

3. Are there any known significant transactions or activities planned for the future periods that should be considered in our proposed fee structure?

OSA Response: According to Department staff, there are no known significant transactions or activities planned for the future periods.

4. Have there been any changes or departures in key staff, at all levels, in the past year that would affect the upcoming audit?

OSA Response: According to Department staff, there are no changes or departures in key staff, at all levels, in the past year that would affect the upcoming audit.

5. Are you aware of any upcoming departures of key financial reporting personnel due to retirements, etc. in the next year or two?

OSA Response: According to Department staff, there are no upcoming departures of key management or financial reporting personnel (due to retirements, etc.) in the next year or two.

6. IT Related Questions:

- What significant systems are tested as part of the Department's information technology?

OSA Response: This is part of the prior year work papers. State statute [Section 2-3-103(3)] does not permit the OSA to publicly release this information. The Fiscal Year 2026 contractor will need to determine the significant systems for the Fiscal Year 2026 audit. Significant systems tested during Fiscal Year 2025 is information that is part of the confidential audit workpapers. Access to prior year workpapers will be granted to the successful bidder after the contract has been signed.

- Which financial reporting (accounting) systems are currently in use by the department? Is remote or read-only access provided to the audit firm to assist with testing?

OSA Response: According to Department staff, the Department uses CORE (Colorado Operations Resource Engine) which is the State's official financial reporting (accounting) systems. No access will be granted however accountants are available to provide reports or walk through a process including providing screenshots and supporting documentation for transactions.

- What are the key accounting and reporting systems for the Department in addition to CORE and CPPS, and if so, do those systems have/obtain SOC reports?

OSA Response: According to Department staff, they have a Nutrition Claims system run by Colyar (LINQ) and a Teacher Licensing System (Level Data) that are important to the Department's financials. SOC Reports are available from the vendors.

- Are there any major anticipated IT implementations or transformations in the next couple of years?

OSA Response: According to Department staff, the only major IT implementation to their knowledge is the new CORE Payroll system which all indications point to going live in May of 2026. See additional information on this system called COMPAS (CORE Payroll) on the website at: <https://sites.google.com/state.co.us/compas/home>.

- Outside of CORE, were there other specific IT programs that were required to be tested for the 2025 audit? If so, how many additional IT programs were there? Any changes expected for 2026?

OSA Response: This information is part of the audit workpapers. State statute [Section 2-3-103(3), C.R.S.] does not permit the OSA to publicly release this information as workpapers are confidential. Access to prior year work papers will be granted to the awarded contractor upon signature of the contract. Changes to the IT testing for the future audits will need to be determined by the awarded contractor in consultation with the OSA.

7. Has the Department determined the impact of new accounting standards on its financials and if so, what is the expected impact to the department?

OSA Response: According to Department staff, based on meetings with the Office of the State Controller, attending continuing education seminars, and discussion with other controllers; overall, it is expected for there to be no impact as most of the new GASB standards should be handled within the Office of the State Controller. There might be a minor impact with GASB 104, but the Department already has the information that would be required for that standard.

8. Can you please share which audit firm currently performs these services, how long they have performed, and if they've been invited to bid?

OSA Response: Forvis Mazars LLP was the audit firm engaged to perform the Fiscal Year 2025 audit and also performed the Fiscal Years 2021 through 2024 audits. Since the auditor has been in place for 5 years, the audit firm is eligible to submit a proposal for this RFP. However, the audit firm must comply with the requirements stated in the RFP. See Section I, Part L, of the RFP for information on the eligibility of firms to propose.

9. Can you please confirm if the scope of the work performed by the firm would include issuing any stand-alone reports (i.e. responsible for issuing any audit/attest opinions) or if this RFP is specifically performing testing on behalf of the Office of the State Auditor (for both the financial statement audit and compliance audit)?

OSA Response: The scope of work performed by the firm does not include issuing a standalone report. The audit firm is performing testing as part of the State of Colorado Group Audit. The Office of the State Auditor is the Group Auditor for the Statewide audit in Fiscal Year 2026.

10. For the account balances that are tested for the Department (as referenced in Audit Scope 2.a. of the RFP) – can you please expand on how the testing approach is determined? For example if it's consistently substantive tests of details, or if analytical procedures are incorporated? Please confirm whether sample sizes are determined by the Statewide Team or the firm.

OSA Response: The OSA's Statewide audit team may select various account balances for statistical sampling, lead account balances, or analytical procedures as part of the substantive

portion of testwork for departments. This selection is made based on a low control risk assessment at the statewide level and the statistical sample sizes are determined by the OSA's Statewide audit team. If the auditor determines to conduct sample testing on any lead account balances or other audit areas, then the contract auditor will determine those sample sizes. If the contract auditor has determined a higher risk assessment in any area for the Department, then, in consultation with the OSA, additional substantive procedures beyond the account balances selected for testing by the Statewide audit team may need to be performed by the contract auditor to address that risk.

11. In the audit scope section 2.c. – who specifically makes the determination of compliance areas that could have a material effect on the Department's financial information?

OSA Response: The contracted audit firm should perform their risk analysis to determine which compliance areas could have a material effect on the Department's financial information. Additionally, access to prior year work papers will be granted to the successful bidder after the contract has been signed.

12. Will the Office of the State Auditor require or request a review of the audit firm's workpapers?

OSA Response: Yes, as noted in Contract Section I.2, the OSA requires the firm to allow the OSA contract monitor to review workpapers. Subject to the confidentiality requirements of our contract, the contractor shall permit the OSA or its authorized agent(s), any successor auditor, the federal government and any other duly authorized agent of a governmental agency to access and inspect, excerpt, and copy contractor's workpapers and reports related to this contract during the record retention period to assure compliance with the terms of the contract, to evaluate performance under the contract, or for any other purpose required by the OSA. The OSA reserves the right to inspect the work at all reasonable times and places during the term of this contract, including any extensions or renewals.

13. For the sharing of audit documentation, our firm uses a secure web portal titled Suralink, will that be accepted as a method for transferring of data?

OSA Response: According to Department staff, this is an accepted method for transferring of data.

As noted in Contract Section J1, the contractor shall keep confidential all audit records unless those records are publicly available. The contractor shall not, without prior written approval of the OSA, use, publish, copy, disclose to any third party, or permit the use by any third party of any audit records, except as otherwise stated in the contract, permitted by law, approved by the OSA in accordance with §2-3-103(3), C.R.S., or otherwise approved in writing by the OSA. RFP Section IV provides instructions on how to view the contract requirements.

14. Reflecting on your current audit relationship, what aspects of the service have worked especially well and should be carried forward by a new audit firm?

OSA Response: All OSA expectations of auditors are outlined in the RFP. The OSA places great importance on communication with the OSA contract monitor throughout the audit process and completing the audit in accordance with all due dates established in the timeline. It is important that the auditors use Department staff's time efficiently and to communicate openly and provide status updates throughout interim and final fieldwork.

According to Department staff, the current firm has a great understanding of materiality as it applies to transaction testing.

15. From your perspective, what defines a strong and successful long-term relationship between the firm and the state?

OSA Response: All OSA expectations of auditors are outlined in the RFP. The OSA places great importance on communication with the OSA contract monitor throughout the audit process and completing the audit in accordance with all due dates established in the timeline. It is important that the auditors use Department staff's time efficiently and to communicate openly and provide status updates throughout interim and final fieldwork.

16. Are there any key lessons learned from recent audits that you believe would be important for a new firm to understand as part of a potential transition?

OSA Response: According to Department staff, the Department did not have any key lessons learned that they believe to be important for a new firm to understand.

17. Historically, has the audit engagement been conducted in person, remotely, or through a hybrid approach, and do you have a preferred model for the incoming audit team?

OSA Response: According to Department staff, the audit engagement has been remote for the past 5 audits. The Department's preferred model is to remain remote.

18. Related to Fees—What were the fees charged on this contract for the last 5 years? Were there any additional audit fees billed last year pertaining to services provided outside the scope of the services listed in the RFP? If so, can you provide a list of services and additional fees pertaining to those services?

OSA Response: The contract fee for Fiscal Year 2025 was \$133,700. The contract fee for Fiscal Year 2024 was \$100,240. The contract fee for Fiscal Year 2023 was \$107,800. The contract fee for Fiscal Year 2022 was \$106,940. The contract fee for Fiscal Year 2021 was \$92,025.

There were no additional audit fees billed for the Fiscal Year 2025 audit pertaining to services provided outside the scope of the services listed in the RFP.

- Breakdown of the Fiscal Year 2025 audit fees:
 1. Financial statement audit work - \$92,000
 2. Federal Single Audit work - \$41,700
 - Special Education Cluster (IDEA) - \$13,900
 - Title I Grants to Local Educational Agencies (ALN 84.010) - \$13,900
 - Supporting Effective Instruction State Grants (ALN 84.367) - \$13,900

19. Historical Hours by Audit Area:

- Historical audit hours incurred for the Department of Education audit, by major audit area (or comparable categorization), for FY 2025 and prior years available.
- Examples of audit areas of interest include (to the extent available):
 1. Financial statement audit
 2. Federal programs / Single Audit
 3. Information technology or systems-related audit work
 4. Compliance with state laws and regulations
 5. Follow-up on prior audit findings
- If hours are tracked at a higher-level summary (rather than detailed task level), that summary format would be sufficient.
- How many audit team members were used on the engagement and for approximately how many weeks did the audit work span?

OSA Response: The actual number of hours, number of team members who worked on the audit, and levels of audit staff for this audit were not provided to us.

20. Were there any significant deficiencies or material weaknesses identified during the 2025 audit?

OSA Response: There were no significant deficiencies or material weaknesses identified for the Department of Education during the Fiscal Year 2025 audit.

21. Were there any major audit issues identified for 2025? Any anticipated ones for 2026?

OSA Response: There were no major audit issues identified for the Department of Education during the Fiscal Year 2025 audit.

According to Department staff, the Department does not anticipate any major audit issues for Fiscal Year 2026.

22. What are the areas of improvement that the Department or OSA would like to see made in the overall audit process, timing, communication, other areas?

OSA Response: According to Department staff, the Department has a concern with the timing of the interim testing based on the new payroll system that is anticipated to be implemented in May 2026. In prior years, the Department preferred for interim testing to be done in May, but for the upcoming year the Department believes beginning of June may be better due to the implementation of the new payroll system.

All OSA expectations of auditors are outlined in the RFP. The OSA places great importance on communication with the OSA contract monitor throughout the audit process and completing the audit in accordance with all due dates established in the timeline outlined in the RFP Section 1, Part C. It is important that the auditors use Department staff's time efficiently and to communicate openly and provide status updates throughout interim and final fieldwork.

23. How many audit adjustments were proposed, recorded, and passed in the last audited fiscal year and what were the nature of these audit adjustments?

OSA Response: There were no corrected or uncorrected misstatements reported by the auditors for the Department of Education for the Fiscal Year 2025 audit.

24. Have there been any findings reported from any governmental or other funding source reviews?

OSA Response: According to Department staff, there have not been any findings reported from any governmental or other funding source reviews.

25. What is the Department's preferred timing for interim and final fieldwork? How many auditors were onsite for both interim and final fieldwork and for how long? Are Department staff willing/able to be in the office for onsite work?

OSA Response: Interim fieldwork related to the Single Audit and the financial audit can begin as soon as the OSA has a completed contract with the awarded firm, a signed engagement letter has been obtained from Department management, and an entrance conference has been held with the Department/contract auditor/OSA. The firm awarded the contract may contact the Department to determine the best timing for performing fiscal year-end audit work. In general, Single Audit work may be performed at interim, with testwork related to coverage through the end of the year performed at a later time. Internal control testing and interim financial work may begin at a time subsequent to the entrance conference as agreed upon by the contractor and management. Remaining fiscal year-end financial work may begin after fiscal year-end close, which is approximately the beginning of August. All testing generally needs to be done based on the associated attest due dates as noted in the RFP documents. All testing generally needs to be

done based on the associated attest due dates, included in the Section I, Part C of the RFP. This timing is normally discussed during the entrance conference.

According to Department staff, the Department would prefer interim fieldwork to be done in early June and early August for final fieldwork. There were no auditors onsite for either interim or final fieldwork during Fiscal Year 2025. The Department's preference is the fully remote option. However, Department staff are willing and able to be in the office for onsite work if necessary.

26. What types of problems, if any, have been encountered during recent audits that caused delays in meeting OSA deadlines?

OSA Response: The auditors did not experience delays in meeting OSA deadlines during the Fiscal Year 2025 audit.

27. Does the Department anticipate any major changes in its federal or state funding over the next several years that would have a significant impact?

OSA Response: According to Department staff, the Department does not anticipate any major changes in its federal or state funding over the next several years.

28. Does the Department have any unusual or complex accounting issues?

OSA Response: According to Department staff, the Department indicated as a complex accounting area the capitalization of buildings for School Districts that are funded/paid with the State's Certificates of Participation issued by the Colorado Treasurer. These buildings are depreciated over 27.5 years.

29. Any unique or unusual transactions during Fiscal Year 2026 that we should be aware of?

OSA Response: According to Department staff, the Department does not have any unique or unusual transactions during Fiscal Year 2026 that auditors should be aware of.

30. Were there any significant changes to your operating activities and/or unusual transactions during the current fiscal year?

OSA Response: According to Department staff, there have not been any significant changes to operating activities during the current fiscal year.

31. How many of the State's exhibits are applicable to the Department?

OSA Response: There are a total of 48 exhibits that are subject to completion by the departments. Required exhibits vary by department depending on activity and funding for the fiscal year.

According to Department staff, there are 6 exhibits that are regularly applicable to the Department including I, K1, K3, P, U1, and W1. Exhibits for the Department of Education - Colorado Charter School Institute and the Department of Education - Colorado School for the Deaf and Blind are also reviewed by the auditors as part of the audit. In total for Fiscal Year 2025 there was 21 exhibits submitted across the Department, the Colorado Charter School Institute, and the Colorado School for the Deaf and Blind.

32. Are there any disagreements with the current auditor?

OSA Response: According to Department staff, there were no disagreements with the current auditor.

33. Is it expected that the implementation of GASB 103 will impact the Department?

OSA Response: According to Department staff, the Department does not expect the implementation of GASB 103 to impact the Department since it does not have proprietary funds.

34. Do you anticipate any significant changes to the number of lead balances and statistical samples required to be audited?

OSA Response: This information is part of the confidential audit workpapers. Access to prior year work papers will be granted to the successful bidder after the contract has been signed. Any changes to the number of lead balances and statistical samples are determined based on the activity and funding of the Department for the fiscal year.

35. Are you currently aware of any additional areas where OSA would like additional audit procedures performed beyond the standard audit plan in the RFP?

OSA Response: The OSA is currently not aware of any areas for which the OSA would like additional audit procedures performed beyond the services required described within the RFP in section I, Part C.

36. Can you please indicate if there have been any significant issues identified for this department during the FY25 audit that might impact the amount of follow up required in FY26?

OSA Response: There were no significant issues identified for the Department of Education identified the Fiscal Year 2025 audit that would require follow up during the Fiscal Year 2026 audit.

37. What level of assistance, if any, do you anticipate needing with the upcoming implementation of new GASB standards for YE 6/30/26?

OSA Response: According to Department staff, the Department does not anticipate needing assistance with any of the upcoming implementation of new GASB standards for YE 6/30/26.