



OFFICE OF THE STATE AUDITOR

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C O L O R A D O

**A Request for Proposals  
for an Agreed Upon Procedures  
and Compilation Engagement for the  
Disaster Emergency Fund for the  
Fiscal Years Ended June 30, 2025  
and June 30, 2026**

**May 7, 2026**

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# Section I Administrative Information

## A. Issuing Office

This request for proposal (RFP) is issued by the Colorado Office of the State Auditor (OSA). The terms OSA, State Auditor, State, and State of Colorado are used interchangeably throughout this RFP.

As an agency within Colorado's Legislative Branch, the OSA and this solicitation are exempt from the State Procurement Code and State Procurement Rules [see Section 24-101-105(1)(a), C.R.S.].

All communications regarding this RFP must take place directly with the OSA's assigned contract monitor listed in Section I(E)–Inquiries and Section I(F)–Submission of Proposals.

## B. Background Information

The OSA is soliciting proposals from qualified organizations to conduct an agreed upon procedures and compilation engagement of the State of Colorado's Disaster Emergency Fund (DEF). State statute [Section 24-33.5-706(8), C.R.S.] requires the State Auditor to conduct this engagement of the DEF for the two most recently completed fiscal years and complete the report on or before December 1, 2026. The DEF was created by the General Assembly in 1992 through Senate Bill 92-036, and outlines the intent of the DEF in statute: "It is the intent of the general assembly and declared to be the policy of the state that funds to meet disaster emergencies always be available." [Section 24-33.5-706(1), C.R.S.]. Because of this, the Governor's Office of State Planning and Budget (OSPB) is responsible for ensuring that there is sufficient money in the DEF to cover known costs and future estimates for disasters the State is responding to, and that federal reimbursements are transferred back to the DEF or other originating fund. Therefore, OSPB is required by statute to report on DEF expenditures each quarter in accordance with statute [Section 24-33.5-706(7), C.R.S.].

Statute further states that, in order to respond to and recover from emergencies, "It is the legislative intent that first recourse be to money regularly appropriated to state and local agencies. If the Governor finds that the demands placed upon this money in coping with a particular disaster are unreasonably great, the Governor may make money available from the disaster emergency fund." [Section 24-33.5-706(4)(a), C.R.S.]. Thus, if a disaster depletes and exceeds local resources, the local agencies request help from the State by submitting a resource mobilization request to the Department of Public Safety's Division of Homeland Security & Emergency Management (DPS). If DPS approves the request, then it goes to the Governor for review, and the Governor determines whether to declare a disaster and issue an executive order. Pursuant to statute, the Governor is responsible for addressing the dangers to the State and its

people caused by disasters by declaring a disaster emergency through an executive order [Section 24-33.5-704, C.R.S.].

The DEF balance comprises all revenue transferred into the DEF (including federal reimbursements), less any disaster expenses paid for with DEF money, and any DEF money transferred out of the DEF by the Office of the Governor (GO) or General Assembly.

## **C. Services Required**

The OSA is soliciting proposals from qualified organizations to conduct an agreed upon procedures engagement of the DEF, pursuant to Section 24-33.5-706(8), C.R.S. for the fiscal years ending June 30, 2025 and June 30, 2026.

### **1. Accounting and Attestation Standards**

The agreed upon procedures engagement shall be performed in accordance with attestation standards promulgated by the American Institute of Certified Public Accountants in Statements on Standards for Attestation Engagements, the standards for attestation engagements contained in *Government Auditing Standards—2024 Revision* issued by the Comptroller General of the United States, and Fiscal Rules promulgated by the State Controller.

The compilation engagement shall be performed in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.

### **2. Agreed Upon Procedures Scope**

Agreed upon procedures work to be performed for the fiscal years ending June 30, 2025 and June 30, 2026, consists of the following:

Performance of the following agreed upon procedures on the DEF:

1. Hold an entrance conference with the Office of the State Auditor (OSA), Governor's Office of State Planning and Budgeting (OSPB), and the Department of Public Safety (DPS) [including staff within the Division of Homeland Security and Emergency Management (DHSEM) and the Division of Fire Prevention and Control (DFPC)] on or before August 13, 2026.
2. Gain an understanding of the departments' internal controls for accurately and completely tracking disaster spending in the State during Fiscal Year 2025 (FY25) and Fiscal Year 2026 (FY26).
  - a. Develop an understanding of internal controls over this area through:

- i. Inquiry
    - ii. Process Documentation
  - b. Identify the population of Executive Orders (EO) related to the State's Governor-declared disasters that were effective in FY25 and FY26 and test for completeness and accuracy when compared to what was recorded in the State's accounting system – Colorado Operations Resource Engine (CORE) - (e.g., spending authority, encumbrances, etc.) and OSPB's quarterly DEF reports.
3. Agree OSPB's quarterly reports required by Section 24-33.5-706(7), C.R.S. for the 2 most recent fiscal years (FY25 and FY26) to the information recorded in CORE, to assist the users of the report in determining whether the OSPB's reports to the General Assembly on the DEF are accurate, complete, and in compliance with statutory requirements.
  4. Obtain a DEF trial balance from OSPB for FY25 and FY26 showing activity and balances of accounts included in the DEF for each fiscal year.
  5. Compile a summary schedule of revenues and expenditures and changes in fund balance (Schedule) for the DEF for the fiscal years ended June 30, 2025 and June 30, 2026. The Schedule will be presented in accordance with the requirements of Section 24-33.5-706, C.R.S. and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America (GAAP).
  6. Evaluate DPS's and OSPB's internal controls in place during FY25 and FY26 over the DEF's revenues, expenses, transfers, and related account balances. This should include internal controls over reimbursements to, and from, the DEF in accordance with statute.
    - a. Develop an understanding of internal controls over DEF revenues, expenses, transfers, and reimbursements through:
      - i. Inquiry
      - ii. Process Documentation
  7. Select a sample of amounts transferred out of the DEF into other State funds during FY 25 and FY26.
    - a. For the selected transactions in the sample, conduct testing to assist the users of the report in determining whether the transactions are properly supported, accurately recorded in the fund, recorded in the appropriate fiscal year, and in compliance with Section 24-33.5-706, C.R.S. and other applicable statutes.

8. Select a sample of amounts transferred into the DEF, including Governor's Office Executive Order transactions from the State Emergency Reserve (SER), or other sources, and reimbursements from other departments.
9. For the selected transactions in the sample, conduct testing to assist the users of the report in determining whether the transactions are properly supported, accurately recorded in the fund, recorded in the appropriate fiscal year, and in compliance with Section 24-33.5-706, C.R.S. and other applicable statutes.
10. Hold an exit conference with the OSA, OSPB, and DPS on or before November 12, 2026 to discuss the results of procedures and any findings.

Such work will result in the issuance of a final combined agreed upon procedures and compilation report on November 19, 2026 with a brief description of the DEF, including a summary schedule of the DEF's revenues, expenses, and changes in fund balance as of the fiscal years ended June 30, 2025 and June 30, 2026. In addition, this report will include an Independent Accountant's Report on Applying Agreed Upon Procedures and a Compilation Report of Independent Accountants. The report should also include the results of the procedures conducted as part of the review and findings, as appropriate. A draft report shall be provided to the OSA and approved by the OSA prior to submission to DPS or OSPB, and DPS and OSPB.

### **3. Deliverables and Timelines**

A draft report with any draft findings should be completed by October 8, 2026. The final report, including final findings and DPS, GO, and OSPB (departments) responses, must be delivered to the State Auditor by November 19, 2026.

The OSA expects the Contractor to satisfy the project deliverables and timelines outlined in this RFP to meet a December 2026 Legislative Audit Committee hearing date, at which point the agreed upon procedures report will be publicly released.

Work for this project is estimated to commence in July 2026. However, work could begin sooner or later depending on how long it takes to route and execute the contract after selection of the successful proposal. No billable work can begin on this project until the effective date of the contract.

#### **a. Work Location**

Depending on the needs of the engagement or the nature of the work being performed, some work for this engagement may be able to be completed using email, phone, and other virtual file-sharing and remote meeting technologies. However, some amount of in-person or on-site work at the departments may also be required.

## **b. Findings Development and Report Review**

The OSA has a rigorous findings development and report review process, which includes review and revisions at multiple levels of the organization as well as review and comment by the departments. Prospective bidders should take this into consideration when preparing a proposed calendar and budget. The findings must adhere to the OSA’s standards as described in “Exhibit G–Developing and Presenting Findings” of the OSA’s standard contract. The final report must adhere to the OSA’s standards as described in “Exhibit H–Reporting Requirements and Format for Separately Issued Reports” of the OSA’s standard contract. The final report must also be in compliance with the accessibility standards required by Section 24-34-802(1)(c), C.R.S., and Section H5. of the OSA’s standard contract.

Section IV–Supplemental Information also includes a link to the prior engagement report for the DEF issued by the OSA. Prospective bidders should review that report to gain an understanding of the OSA’s high expectations in terms of form and presentation.

## **c. Oral Presentation**

The Contractor may be required to testify in person for about two hours before the Legislative Audit Committee. This testimony will be an oral summary of the written report with questions by Committee members and verbal responses from the Contractor and from the departments. Upon notification by the OSA, the Contractor shall make an oral presentation to one other legislative committee.

If the final engagement report will be presented with a hearing to the Legislative Audit Committee, then the Contractor must be present in person at the hearing at the end of the engagement when the report is publicly released. The OSA will make the determination in November if the report will be presented with a hearing.

In addition, the Contractor is expected to provide oral presentations to the departments at the commencement and conclusion of the engagement.

Various other meetings with the OSA and departments’ personnel will be required to communicate requirements, expectations, issues, and results, to ensure a smooth and timely completion.

## **D. Schedule**

The following schedule will be followed with respect to this RFP:

1. RFP available to prospective bidders Thursday, May 7, 2026
2. **Prospective bidders’ inquiry deadline (11:59 p.m.MT) Thursday, May 21, 2026**

- |  |                                |
|--|--------------------------------|
| 3. OSA response to inquiries deadline                  | Thursday, June 4, 2026         |
| <b>4. Proposal submission deadline (11:59 p.m. MT)</b> | <b>Thursday, June 18, 2026</b> |
| 5. Approximate bid selection date                      | Thursday, July 2, 2026         |
| 6. Approximate contract date                           | Thursday, July 9, 2026         |

#### **E. Inquiries**

Prospective bidders may make written inquiries concerning this RFP to obtain clarification of requirements. Inquiries must be submitted via email to John Kormos, Contract Monitor, at [john.kormos@coleg.gov](mailto:john.kormos@coleg.gov). **No inquiries will be accepted after 11:59 p.m. MT on Thursday, May 21, 2026.**

#### **F. Submission of Proposals**

Proposals must be submitted via email to John Kormos, Contract Monitor, at [john.kormos@coleg.gov](mailto:john.kormos@coleg.gov). **No proposals will be accepted after 11:59 p.m. MT on Thursday, June 18, 2026.**

All proposals become the property of the OSA upon receipt and will not be returned to the bidder. The OSA shall have the right to use all ideas, or adaptations of these ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

#### **G. Acceptance of Proposal**

This RFP does not commit the OSA to award a contract, to pay any costs incurred in the preparation of a bid submitted in response to this request, or to procure or contract for services or supplies. The OSA reserves the right to accept or reject, in part or in its entirety, any or all bids received as a result of this RFP if the OSA determines that it is in the best interest of the State to do so. The lowest cost proposal will not necessarily be selected. The OSA also reserves the right to engage in further negotiation of the engagement's scope of work, price, and contract terms after selection of the Contractor if the OSA determines that it is in the best interest of the State to do so.

#### **H. Addendum or Supplement to Request for Proposals**

The OSA reserves the right to issue amendments to this RFP prior to the closing date for submission of proposals. In the event that it becomes necessary to revise any part of this RFP, an addendum to this RFP will be provided to each known prospective bidder.

## **I. Award Without Discussion**

The OSA reserves the right to make an award without further discussion of proposals received. Therefore, proposals must be submitted in the most complete terms possible from both the technical and cost standpoint.

## **J. Award Information to Unsuccessful Firms**

The OSA will notify all unsuccessful bidders after the award. No information will be released after the proposal submission deadline until an award has been made.

## **K. Joint Ventures**

No joint venture proposals will be accepted. However, this requirement does not preclude the use of outside special consultants if deemed necessary by the Contractor.

## **L. Eligible Bidders**

To be considered an eligible bidder, bidders must meet the following criteria:

1. Be a properly licensed certified public accounting firm authorized to practice in the State of Colorado.
2. Have participated in a quality control review within the past 3 years.
3. Not have any past history of substandard work.
4. Be independent for this engagement.

## **M. OSA Contract Monitor**

The OSA will assign a contract monitor to serve as the Contractor's primary point of contact and liaison throughout the engagement. The contract monitor will attend all key department meetings during the engagement (e.g., entrance/exit conferences, findings clearing meetings, briefing meetings with management or boards/commissions, Legislative Audit Committee hearing); assist the Contractor in understanding the OSA's requirements, processes, and expectations; and facilitate the OSA's review of project deliverables, including providing guidance and feedback for revisions.

## **N. Award of Bid**

The contract will be awarded to the bidder whose proposal the OSA determines to be the most advantageous to the State of Colorado, price and other factors considered. The successful bidder will be awarded a one-year contract.

## **O. Submission of Invoices**

The Contractor can submit monthly invoices for engagement work completed. The OSA will withhold payment for 10 percent of the total contract amount pending satisfactory completion of the contract scope of work, which typically occurs after the Legislative Audit Committee hearing when the final report is publicly released.

# Section II Required Information

## A. Proposal Sections

Proposals must include the following information. Failure to provide all required information may result in disqualification of the proposal.

### 1. Title Page

Identify the RFP being responded to and the responding organization's name, local address, telephone number, contact person, and date.

### 2. Table of Contents

List the material included in the proposal by section and page number.

### 3. Transmittal Letter

Include a transmittal letter to no more than two pages. The transmittal letter must include the names of the individual(s) authorized to make representations for the organization and their title(s), mailing address(es), email address(es), and telephone number(s).

### 4. Profile of the Organization

This section of the proposal must:

- a. State whether the organization is local, national, or international.
- b. Give the location(s) of the office from which the work will be done and number of partners, shareholders, and managers and other professional staff employed at that office.
- c. Describe the range of activities performed by the office from which the work will be done, including descriptions of or links to prior work products that demonstrate experience and expertise providing the services described in this RFP. This should also include the numbers and classifications of personnel who will work on the engagement.
- d. Affirm that the organization is a properly licensed certified accounting firm authorized to practice in the State of Colorado.
- e. Describe any and all work that (i) is currently being performed for the departments or the State of Colorado, (ii) work that was performed for the departments or the State of Colorado within the past 2 years (i.e., April 2024 through May 2026), and (iii) is planned

for the departments or the State of Colorado (i.e., proposals submitted for work that has not yet been awarded or contracted).

- f. Affirm that the organization is independent for this engagement.

Prior, current, or planned work disclosed pursuant to Item #4(e) may create a threat to independence. In affirming the organization's independence for this engagement, the proposal must include explanation/analysis in accordance with the independence framework prescribed in Government Auditing Standards why this prior, current, or planned work would not impair the organization's independence—or create the appearance thereof—in performing this engagement.

- g. Affirm that the organization does not have any past history of substandard work (e.g., a prior engagement has been terminated for poor performance).
- h. Provide information on any past, current, or anticipated claims (i.e., knowledge of pending claims) on respondent contracts; explain the litigation, the issue, and its outcome or anticipated outcome.
- i. Affirm that the organization has participated in a quality control review within the past 3 years. A copy of the results of the organization's most recent external peer review must be included in the proposal.
- j. Provide no more than three references for similar work performed.

## **5. Qualifications of Assigned Personnel**

Describe the proposed engagement team's relevant experience and areas of expertise. The proposal must identify the principal staff (i.e., principals, managers, and supervisors/in-charges) who will work on the engagement, including any specialists or subcontractors, such as actuarial or investment valuation services, to be used. The proposal must include a resume of all principal staff highlighting their professional qualifications and similar engagement work that they have performed. Resumes must be included in an appendix.

The OSA may require that the Contractor provide the OSA with the results of background checks conducted pursuant to the organization's standard employment practices on personnel assigned to the engagement. If background checks are not a standard employment practice for the Contractor, the OSA may require the Contractor to conduct a background check on personnel assigned to the engagement and provide the results to the OSA.

## **6. Organization's Approach to the Agreed Upon Procedures and Compilation Engagement**

The proposal must include a description of the methodology, approach, tools, and resources to be used to conduct the engagement.

## **7. Contract Terms and Conditions**

**The OSA expects the successful bidder to execute and adhere to the terms and conditions in the OSA's standard contract and its related exhibits (see Section IV–Supplemental Information).**

Bidders should not wait until after the OSA has made a contract award to consult with their legal team/advisor about the contract terms and conditions. Bidders must identify any issues with the terms and conditions in the OSA's standard contract and its related exhibits as part of their proposal, including proposing alternative language if appropriate. The OSA will consider this information when evaluating proposals and making the contract award.

## **8. Compensation and Staff Hours**

This section of the proposal must:

- a. State the number of professional staff hours estimated to complete the engagement work by staff level, the associated hourly rate, and the resulting total cost. Travel costs incurred in the performance of engagements are reimbursable only as a part of the hourly rate and must be covered under said rate and will not be separately reimbursed.
- b. State the total inclusive maximum fee for which the work requested will be done.
- c. Affirm that all prices, terms, and conditions will be held firm for at least 90 days after the bid opening.

## **9. Delivery Schedule**

Include a detailed proposed schedule of the engagement work to be performed and deliverable due dates for the project milestones discussed in Section I(C)–Services Required.

## **10. Additional Data**

Include additional information that is considered essential to the proposal but has not otherwise been provided in response to a specific item in this section.

## **B. Separate Redacted Proposal for Proposals Containing Proprietary Information**

All proposals submitted to the OSA in response to this RFP are subject to the Colorado Open Records Act (CORA). In accordance with CORA, bidders may request that the OSA withhold proprietary information (i.e., trade secrets) in their proposals from public disclosure pursuant to a CORA request.

**Bidders requesting that the OSA withhold proprietary information in their proposal from public disclosure pursuant to a CORA request must prepare and submit a separate redacted copy of their proposal to the OSA. In no event may an entire proposal be classified as proprietary information.**

The OSA will review any designations of proprietary information for reasonableness and appropriateness as part of its review of proposals. If the OSA does not agree with the bidder's designation of proprietary information, the bidder will be notified and asked to provide additional explanation and clarification and, if necessary, refine what is designated as proprietary information and submit a revised redacted proposal.

# Section III Proposal Evaluation Process

## A. General

An OSA evaluation team will judge the merits of proposals received in accordance with the general criteria defined below.

During the evaluation process, the evaluation team may, at its discretion, request any one or all bidders to make oral presentations or answer questions about their proposals. Not all bidders may be asked to make such oral presentations.

The OSA will select the bidder whose proposal is most responsive to the State's needs while being within available resources. The specifications within this RFP represent the minimum performance necessary for response.

## B. Mandatory Criteria

1. The organization must be licensed to practice as a certified public accounting firm in the State of Colorado.
2. The organization must have had a quality control review completed within the past 3 years. A copy of the review must be included in the proposal.
3. The organization is independent for the engagement.

## C. General Criteria

1. Adequacy and completeness of the proposal with respect to the information required by Section II of the RFP.
2. Experience and stability of the organization.
3. Qualifications and experience of personnel, including any subcontractors, specialists, or consultants to be assigned to the engagement team.
4. Comprehensiveness and appropriateness of the proposed work plan.
5. Proposed hours and cost.
6. Proposed time frame for meeting project milestones and completing the engagement.
7. Acceptance of the OSA's standard contract and its related exhibits without significant revision.

## Section IV Supplemental Information

Attached to this RFP is the following document:

1. Standard OSA contract and related exhibits. See Section II(7) of the RFP for discussion.

The following web links provide additional information to assist in preparing the proposal:

- Prior Engagement
  - The Disaster Emergency Fund, Agreed Upon Procedures report for the fiscal years ended June 30, 2023 and June 30, 2024:
    - <https://content.leg.colorado.gov/content/disaster-emergency-fund-agreed-upon-procedures-fiscal-years-ended-june-30-2023-and-2024>
    - The departments' Disaster Emergency Fund's performance audit report for Fiscal Years 2018 through 2022 is available at <https://leg.colorado.gov/audits/disaster-emergency-fund>.
- Audit and engagement reports for prior years are available at: [Search Audits | Colorado General Assembly](#)
- Colorado Office of the State Auditor Website: [Office of the State Auditor](#)