

Office of the State Auditor  
Financial and Compliance Audit of Western Colorado University  
Fiscal Year 2024

Responses to Prospective Bidder Inquiries:

1. Please provide the fees paid for audit services for each of the past three years.  
The total contract fees for Fiscal Years 2021, 2022, and 2023 were \$43,900, \$46,000 and \$57,195, respectively.
2. Does your current audit firm perform any work other than the items detailed in the scope of this RFP? If applicable, please indicate if there were any billings above contracted amounts for “out-of-scope” or additional services not contemplated at contract award and what the additional services were provided.

During Fiscal Year 2023, there were additional audit fees contracted that were outside the scope of the services listed in the RFP which were related to the performance of additional audit procedures for the University’s implementation of GASB 96. The fee for this was \$7,350. In addition, there were additional audit procedures performed related to the University’s system conversion from Banner to Workday during Fiscal Year 2023. The fee for this was \$3,345. Both of these are included in the total contract fee for Fiscal Year 2023 in question 1. above.

During Fiscal Year 2021, there were additional audit fees contracted that were outside the scope of the services listed in the RFP which were related to the performance of additional financial audit procedures on funds received from the federal Higher Education Emergency Relief Fund (HEERF). The fee for this was \$2,000 and is included in the total contract fee for Fiscal Year 2021 in question 1. above.

3. What is the reason for going out to bid? What are the most important factors that you will be considering when making your decision related to the RFP?  
As noted in the RFP, Section I, Part N states “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.” For Fiscal Year 2024, the current auditor and the OSA did not agree on the contract terms for the audit. Therefore, we determined to issue a RFP for the Fiscal Year 2024 audit.
4. How long has the University had the current auditor in place? Are they eligible to be retained for another 5-year contract, or is rotation required? Are your current auditors being asked/allowed to propose in this process?

The current auditor has been in place for Fiscal Years 2022 and 2023. Since the auditor has been in place for 2 years, the audit firm is eligible to submit a proposal for the Fiscal Year 2024 audit services. However, the audit firm must comply with the requirements of the RFP and therefore, would be allowed to propose if they comply with the requirements. See Section I, Part L for information on the eligibility of firms to propose.

5. It appears you have been with your current audit firm for only 2 years (FY 22 and 23). Is this audit being put out to bid on a normal cycle or are there other considerations driving this request? Were there any issues with the current auditor? As noted in the RFP, Section I, Part N states “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.” For Fiscal Year 2024, the current auditor and the OSA did not agree on the contract terms for the audit. Therefore, we determined to issue a RFP for the Fiscal Year 2024 audit.

6. What are the expectations for the performance of the fieldwork? Does the auditee prefer onsite, remote or hybrid (split between onsite and remote) approach to the audit fieldwork?

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 University management, and an entrance conference has been held with the University/contract auditor/OSA. The firm awarded the contract may contact the University 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. Fiscal year-end financial compliance work may begin at a time subsequent to the entrance conference as agreed upon by the contractor and University. 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. This timing is normally discussed during the entrance conference.

According to University staff, the University has not had onsite auditors since before COVID but is not opposed to it. Remote audit fieldwork has been going smoothly.

7. In a typical year, how many auditors are on-site during audit fieldwork, or was the audit performed completely remote?

The actual number of auditors and levels of audit staff for this audit was not provided to us. According to University staff, the audit has been performed completely remotely in recent years.

8. What is the University's preferred timing for interim and year-end audit fieldwork? Interim fieldwork related to the financial, single audit, and IT systems can begin as soon as the OSA has an executed contract with the awarded bidder, a signed engagement letter obtained from the University, and an entrance conference held with the University/contract auditor/OSA. The OSA prefers that an entrance conference be held as soon as possible after the contract execution. In general, internal control testing, including IT testing, and Single Audit work may be performed at interim, with testwork related to coverage through the end of the year performed at a later date. Internal control testing may begin at a time subsequent to the entrance conference, as agreed upon by the awarded bidder and the University. All testing generally needs to be completed based on the associated attest due dates, as noted in Section I, Part C under "Deliverables and Timelines" of the RFP documents.

According to University staff, the University prefers interim work to be done in May, late July/early August for revenue testing, and September for final fieldwork.

9. Does your current auditor perform interim work and if so when is it performed and for how long? How many staff?

According to University staff, yes, certain interim work has been performed.

Generally, control work and a bit of interim review of capital assets has occurred in May or June. the University believes typically 2-3 auditors have been assigned for about a week for this interim work.

10. What is the typical timeline for final fieldwork? How long is the team typically in the field and how many staff?

As stated in the RFP, all testing needs to be completed based on the associated attest due dates, as noted in Section I, Part C under "Deliverables and Timelines".

According to University staff, for the last several years, fieldwork has all been performed remotely. the University believes the staff is typically 4-5 people for final fieldwork and fewer for both revenue and interim testing (2-3 people).

11. How many auditors are assigned to the engagement each year, and for how long?

Did the incumbent auditors provide consistency of staff over the last few audits?

According to University staff, the University believes the staff is typically 4-5 people for final fieldwork and fewer for both revenue and interim testing (2-3

people). Senior staff on the audit have been fairly consistent historically with more regular turnover of junior staff.

12. What is the approximate number of hours spent by auditor on the prior year's audit?

The number of hours for this audit were not provided to us.

13. It appears that the OSA determines which major federal programs are to be tested but no programs are expected to be tested in FY24. When will the State planning be performed to provide the Type B programs to be audited? When is the last time (if ever) that the University's programs were subject to Uniform Guidance testing? As stated in the RFP, there are no major programs anticipated to be audited at the University. The University's federal programs are part of the State of Colorado and included as part of the Statewide single audit testing. Therefore, the OSA will advise which program(s) to test based on our preliminary major program determination for the State that will be completed in March/April. In addition, it is the contractor's responsibility to review the listing of major programs to confirm the OSA's preliminary determination through its own review. During the audit, the contractor should also use the University's Fiscal Year 2024 information in conjunction with the statewide major program threshold information to identify any other programs that may not have been identified during preliminary determination, and contact the OSA contract monitor, as applicable.

14. If any University programs were tested, were findings identified?

There were no findings identified related to the programs tested. The last time the University had federal programs tested was in the Fiscal Year 2021 audit. The Fiscal Year 2021 audit report can be found at the following link and any findings would be included in the audit report:

<https://leg.colorado.gov/audits/western-colorado-university-fiscal-years-ended-june-30-2020-and-2021>

15. How are we, as the auditor, required to report on any tested federal programs?

Will it be in a separate report for the University or rolled up and incorporated into the State's UG report?

The University does not have a separate Schedule of Expenditures of Federal Awards (SEFA), but it provides that information to the Office of the State Controller (OSC) for preparation of the SEFA through the Exhibit K1, which is audited by the auditor for this University.

The results of any federal programs tested would be reported by the contract auditor for the University on the Attest E and the Attest F1. The information provided on these attestation memos would be included in the State's Single Audit Report. The Fiscal Year 2023 Statewide Single Audit Report can be found at the following link:

<https://leg.colorado.gov/audits/statewide-single-audit-fiscal-year-ended-june-30-2023>

16. What is the timing of pension and OPEB data from the State?

The Fiscal Year 2023 calculations and sample disclosures were distributed to the University in late August 2023, and we expect a similar timeline for Fiscal Year 2024.

17. What is the status of the significant deficiencies? Can the progress in responding to findings 2023-01 and 2023-02 be described?

According to University staff, continued progress is being made on 2023-01 and will be fully implemented by the June 2024 implementation date. The update to the University's internal control procedure memo recommended in 2023-02 was made in December 2023.

18. Has there otherwise been a management letter issued in recent years (issues other than significant deficiencies)? If so, can that be provided?

If the University did have a management letter for Fiscal Year 2023, this information will be part of the successor prior year workpapers. State statute [Section 2-3-103(3), C.R.S.] does not permit the OSA to publicly release this information. Access to prior year work papers will be granted to the awarded contractor upon signature of the contract.

19. How does the University track and manage its leases and SBITA's? Do you use systems that track and manage this data?

According to University staff, Lease's and SBITA's are tracked internally by their Director of Procurement. A system was used in Fiscal Year 2022-23, but the University found that an internal tracking system could be created that accomplished the same thing, along with cost savings. The University has a relatively small number of leases and SBITAs.

20. Does management maintain an inventory and amortization/depreciation schedule for all leases, subscription-based IT arrangements (SBITA), and capital assets? For leases and SBITAs, is annual consideration performed for new agreements and are material agreements posted by management?

According to University staff, management maintains an inventory for all leases, SBITAs, and capital assets. For material agreements, an amortization/depreciation schedule is kept. Yes, annual consideration is performed for new agreements and management posts material agreements. The University has a relatively small number of leases and SBITAs.

21. Is the auditor expected to provide any ongoing support for GASB 96?

According to University staff, no.

22. Can the preparation efforts for implementation of the GASB standard on compensated absences be described?

According to University staff, staff at the University are familiar with the new standard on compensated absences, which will be effective for the University for Fiscal Year 2024-25. The new standard will primarily impact how certain sick leave is recorded at the University, and they will work over the course of the next eighteen months on determining the best method to estimate that sick leave liability.

23. It does not appear that there has been recent debt activity. Any plans for additional debt/refundings? Are there any new bond issuances that have occurred or are anticipated?

According to University staff, no new bond issuances have occurred, but the University is contemplating a debt issuance for housing. It is unlikely that this will happen in Fiscal Year 2023-24.

24. Are there any significant capital campaigns planned or ongoing? Any significant capital projects expected in the next 3 years?

According to University staff, yes, there is currently a significant fundraising campaign ongoing. The University has ongoing small but material capital projects that are individually less than \$5 million.

25. Were there any significant gifts during 2024?

According to University staff, yes, the Mountaineer Bowl project was completed in Fiscal Year 2024 and received by the University. Valuation will be based on construction costs.

26. The information for the Foundation comes from the financial statements audited by another firm. Has consideration been given relative to the GASB disclosure requirements for investments and derivatives in the University financial statements?



According to University staff, the University believes its disclosures in this area are compliant with GASB requirements.

27. Are significant accounts closed on a monthly or quarterly basis such that there are accounts that can be audited effectively as of an interim date (e.g. 10 months' worth of capital asset or debt activity)?

According to University staff, they do close the books on a monthly basis, although certain entries are only made at year-end. Interim review of both debt and capital assets would be possible.

28. When are the books closed and available for audit? Can the auditor expect that there are only normal adjustments after the trial balance has been provided at the start of final audit fieldwork?

The OSC determines the timing of closing the periods during a fiscal year. The State plans to have the 2024 year-end close in early August 2024.

According to University staff, most of the University's entries are posted by mid-August. However, certain entries, such as those related to GASB 68 & 75 occur later in August. The trial balance is typically not considered final until those late entries are in; however, most of the trial balance accounts are sound as of mid-August.

29. Does the entity draft the financial statements? Who is responsible for preparing the draft financial statements?

According to University staff, yes, the management is responsible for preparing the draft financial statements.

30. If the financial statements are prepared by management, are those made available at the start of final fieldwork? If not, on what date can those be expected? When is the TB expected to be available to the auditor?

According to University staff, most of the University's entries are posted by mid-August. However, certain entries, such as those related to GASB 68 & 75 occur later in August. However, most of the trial balance accounts are sound as of mid-August. Financial statements are typically not prepared until those late entries are in. Basic financial statements (and certain exhibits) are due to the state from mid-August until early September. Note disclosures are typically not available until mid-to-late September.

31. The June 30, 2023 financial statements were issued on November 30, 2023. Is this the traditional timeline for issuance? Were there any significant items that caused the 2023 report to be issued after the October deadline?

As stated in the RFP, in Section I, Part C under “Deliverables and Timelines”, the final audit report, including all findings and recommendations along with written responses must be delivered by the awarded bidder to the OSA by October 31, 2024 for our review and that the OSA expects the Contractor to satisfy the project deliverables and timelines outlined in the RFP to meet a December 2024 Legislative Audit Committee date, at which point the audit report will be publicly released. Therefore, the November 2023 issuance date was in line with the timelines in the RFP.

According to University staff, this is the traditional timeline for issuance and is determined by the Colorado Office of the State Controller & Colorado State Auditor. There were no significant items that caused a delay.

32. Do you typically have adjusting journal entries? If so, how many do you typically have?

The University’s uncorrected misstatements can be found on Page 86 of the University’s Fiscal Year 2023 audit report at:  
<https://leg.colorado.gov/audits/western-colorado-university-fiscal-years-ended-june-30-2023-and-2022>

As shown on Page 85 of the University’s Fiscal Year 2023 audit report, the University did not have any corrected misstatements.

33. What GL system is used?

According to University staff, Workday.

34. What software is used for the Student Billings and Financial Aid?

According to University staff, Banner.

35. Has your current auditor done any control testing relative to the IT environment?

Yes, the current auditor performed IT general control testing relative to the IT environment for the University.

36. Are there any expected changes in your IT systems?

According to University staff, yes, student billings and financial aid are being changed from Banner to Workday in Fiscal Year 2025.



37. For the general control testing over the key information technology systems that is due on June 30, 2024, is the deliverable for this aspect of the scope the “IT Attest Memo – Results of IT Audit Work” or is a formal report also required?  
Yes, the deliverable for the results of the general controls testing over the key information technology systems, is the IT Attest Memo as well as any corresponding draft report findings and recommendations. Those must be completed by June 30, 2024. An additional formal report is not required.
38. For compliance testing due 6/30/24, we wanted to confirm if the only deliverable due at that time is “Attest A2”?  
Yes, as noted in the RFP, in Exhibit I – Reporting for Statewide Financial Statements and Single Audit, the “Report on procedures performed and the results of information technology general controls testing of financially significant systems and/or those significant to major program compliance, as well as logical access procedures on select systems” is due June 30, 2024. In addition, the “Report on procedures performed for risk factors identified related to internal controls, including any associated audit findings and recommendations” is also due June 30, 2024. Therefore, both the IT Attest Memo and the Attest A2 are the deliverables due June 30, 2024.
39. Have you had any significant turnover of key personnel? Have there been any significant changes in key accounting staff in the past year that would affect the 2024 audit?  
According to University staff, in the past year a new Controller was hired, and a previous controller was rehired as the Strategic Finance Operations Director.
40. What are the three biggest challenges affecting the University?  
According to University staff, enrollment decreases, state funding, retention and recruitment of faculty/staff.
41. Are there any significant changes planned relative to the scope and breadth of your organization and its operations that need to be considered in developing the scope of effort required for this audit?  
According to University staff, no.
42. Are there any significant changes in the University’s operations (or pending changes) that will have an impact on the audit process moving forward?  
According to University staff, no.

43. What part of the audit process would the University like to improve over the past audits?

According to University staff, clear communication on PBC expectations and timelines.

44. Is there anything about your current audit process that you would like to be changed in the future?

According to University staff, clear communication on PBC expectations and timelines.

45. What transition issues would the University be concerned about if the audit is awarded to new auditors?

According to University staff, learning the University's system and building relationships between accounting staff and the audit staff. Additionally, if there are new/non-standard PBC requests that require significant IT or staff time to prepare, that would be a concern.

46. Have there been any disagreements between management and your independent auditor during the prior three engagements?

As noted in the Fiscal Year 2023, 2022, and 2021 audit reports, there have been no disagreements between the auditors and the University.

The University's System's Required Communications to the Legislative Audit Committee for Fiscal Year 2023 can be found on pages 83 through 87 within the audit report located at:

<https://leg.colorado.gov/audits/western-colorado-university-fiscal-years-ended-june-30-2023-and-2022>

The University's System's Required Communications to the Legislative Audit Committee for Fiscal Year 2022 can be found on pages 78 through 81 within the audit report located at:

<https://leg.colorado.gov/audits/western-colorado-university-fiscal-years-ended-june-30-2022-and-2021>

The University's System's Required Communications to the Legislative Audit Committee for Fiscal Year 2021 can be found on pages 78 through 80 within the audit report located at:

<https://leg.colorado.gov/audits/western-colorado-university-fiscal-years-ended-june-30-2020-and-2021>

47. What are the communication/update meeting expectations during the course of the audit?

Overall, timely responsiveness and proactive, clear communication between the contract auditor and the OSA is essential. The auditor must complete the audit in accordance with all due dates established in the timeline, which is especially important so that that OSA has appropriate time to review.

According to University staff, the University would prefer open lines of communications during the course of the audit and appreciates updates as the auditor sees fit.

48. Did the incumbent auditors meet the pre-determined deadlines?

The incumbent auditors met the pre-determined deadlines.

49. Would the OSA be open to considering multi-year contracts instead of a one-year contract, particularly given the additional investment of time the first year of an audit engagement can entail on behalf of both the auditee and auditor?

As noted in the RFP, Section I, Part N states “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.”