Colorado Office of the State Auditor

A Request for Proposals for a Financial and Compliance Audit of State of Colorado, Department of Transportation for the Fiscal Year Ended June 30, 2023

January 26, 2023

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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 a financial and compliance audit of State of Colorado's Department of Transportation (Department).

The Transportation Commission directs the Department through policy and budget authority pursuant to Statute. The Department is responsible for the operation and maintenance of the State's highway system including bridges, managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, and maintaining the aviation system plan. The Department employs 3,100 people who work in a variety of transportation-related professions such as Maintenance, Environmental, Transit, Aeronautics, Traffic and Safety, Engineering, and Planning as well as in support functions like Accounting, Facilities, Government Relations, Public Relations, Administration, and Human Resources.

The Department's budget for Fiscal Year 2023 is approximately $1.8 billion. About 46 percent of the Department's expenditures are related to construction funded by the Federal Highway Administration (FHWA). The Department's portion of the State Highway Users Tax Fund (i.e. the State Highway Fund), the Bridge and Tunnel Enterprise, the High Performance Transportation Enterprise, the Clean Transit Enterprise, the Nonattainment Area Air Pollution Mitigation Enterprise fees and various aviation-related taxes fund most of its other expenditures. The Department receives no general funds.

The General Assembly created the High-Performance Transportation Enterprise, the Statewide Bridge and Tunnel Enterprise, Clean Transit Enterprise, and Nonattainment Area Air Pollution Mitigation Enterprise as government-owned businesses within the Department. The High-Performance Transportation Enterprise was formed to aggressively pursue innovative means of more efficiently financing important surface transportation infrastructure projects. Such innovative means of financing projects include, but are not limited to, public-

private partnerships, operating concession agreements, user fee-based project financing, and availability payment and design-build contracting. The purpose of the Bridge and Tunnel Enterprise is to complete designated bridge projects that involve the financing, repair, reconstruction, and replacement of bridges designated as structurally deficient, functionally obsolete or rated as poor by the Department as well as repair, maintain and more safely operate tunnels in Colorado. The passage of Senate Bill 21-260 created two new Enterprises within the Department. The Clean Transit Enterprise supports public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. The Nonattainment Area Air Pollution Mitigation Enterprise supports mitigation of the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies.

C. Services Required

The OSA is soliciting proposals from qualified organizations to conduct a financial and compliance audit of the Department for the fiscal year ending June 30, 2023.

Accounting and Auditing Standards

The financial and compliance audit shall be performed in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants *in Statements on Auditing Standards*, the applicable revised standards for financial and compliance audits contained *in Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act as amended, the Provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (federal uniform guidance), the *AICPA State and Local Governments- Audit and Accounting guide* and *Government Auditing Standards and Single Audits Audit and Accounting Guide*, and Fiscal Rules promulgated by the State Controller.

Audit Scope

Audit work to be performed for the fiscal year ending June 30, 2023 end consists of the following:

a) An audit of those balances of the Department that exceed the materiality level determined at the statewide level, including a review of the related internal control structure. Based on a risk assessment, the Contractor, in consultation with the State also will identify and perform appropriate audit procedures on any other critical or significant audit areas, transaction streams, or account balances, including the Department's key information technology systems.

b) Audit of the basic financial statements of the Statewide Bridge and Tunnel Enterprise for the year ended June 30, 2023, including a review of the related internal control structure as required by generally accepted auditing standards and *Government Auditing Standards*. This includes the identification of the Audited Agency's key information

technology systems, and determination of the extent of testing to be performed on those systems, in accordance with auditing standards.

c) Audit of the basic financial statements of the Colorado High-Performance Enterprise for the year ended June 30, 2023, including a review of the related internal control structure as required by generally accepted auditing standards and *Government Auditing Standards*. This includes the identification of the Audited Agency's key information technology systems, and determination of the extent of testing to be performed on those systems, in accordance with auditing standards.

d) Audit of the Department's federal grant programs under the federal Single Audit Act for the year ended June 30, 2023, as applicable and as identified by the Office of the State Auditor. For purposes of this RFP, the federal programs anticipated for audit in Fiscal Year 2022 are noted in the Deliverables and Timelines section.

e) Review of the Department's compliance with state and federal laws and regulations, State Fiscal Rules, and bond covenants that could have a material effect on the Department's financial statements.

f) Performance of audit work to evaluate the Department's progress in implementing prior audit recommendations, if applicable.

g) Review of the Department's exhibits required by the State Controller to be submitted to the Office of the State Controller in support of the statewide financial statements. Also, review of all of the Department's adjusting entries, posted or not, after the Colorado Operations Resource Engine's (CORE's) final year-end closing.

h) Submission of attestation memos to the OSA on the results of audit work performed. These memos will be used to support the audit of the statewide financial statements and statewide Single Audit. The attestation memo templates that were required for the Fiscal Year 2022 audit are included in Section IV, Supplemental Information, of this RFP for reference purposes. The attestation memos required for Fiscal Year 2023 will be provided at a later date.

i) Preparation of report comments and/or a management letter, as appropriate based on assessed severity level, containing audit findings and recommendations for improvements in the operations, internal controls, and accounting procedures of the Department, along with any opportunities for cost savings determined through the audit. This will include obtaining and reviewing responses to the recommendations from the Department's management and ensuring they meet the State's established parameters for responses. In accordance with *Government Auditing Standards*, for any "Partially Agree" or "Disagree" response, the contractor shall prepare an Auditor's Addendum as a rebuttal to the Department's response. All report comments, management letters, responses, and Auditor's Addenda must be reviewed and approved by the OSA. Note: Deficiencies in internal control will be written and included either as a finding or in a management letter and cannot be communicated orally. Any deficiencies that Contractor plans to communicate orally must be approved by the OSA.

i. Communicate in writing to the Department a summary of any exceptions identified during testing prior to the drafting of any findings or management letter comments

j) Issuance of an independent auditors' report on the financial statements of the Statewide Bridge and Tunnel Enterprise as of and for the year ended June 30, 2023.

k) Issuance of an independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements of the Statewide Bridge and Tunnel Enterprise performed in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

l) Issuance of an independent auditors' report on the financial statements of the Colorado High-Performance Enterprise as of and for the year ended June 30, 2023.

m) Issuance of an independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements of the Colorado High-Performance Enterprise performed in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

Deliverables and Timelines

The following are the general deliverables and timelines for the audit. These timelines correspond to the timelines within "Exhibit I–Reporting for Statewide Financial Statements and Single Audit" of the OSA's standard contract, which is included in Section IV–Supplemental Information.

The general controls testing over the key information technology systems, and corresponding draft report findings and recommendations, must be completed by June 30, 2023.

All non-IT internal control and compliance audit work, and corresponding draft report findings and recommendations, must be completed by June 30, 2023.

The major programs for the Single Audit Act for the Department are determined by the OSA at the statewide level. For Fiscal Year 2023, it is anticipated that the Highway Planning and Construction Cluster (ALN 20.205), Formula Grants For Rural Areas and Tribal Transit Program (ALN 20.509), and Federal Transit Cluster will be audited as major programs at the Department. The preliminary determination for Type B programs audited as major at each department will be determined as part of the Fiscal Year 2023 audit planning.

The Department's TABOR enterprise status and revenue testing must be completed by August 22, 2023.

The Department's prior year's audit recommendations, if applicable, must be tested and auditor's dispositions determined by September 13, 2023.

Proposed audit adjustments and their effect on the Department's financial statements should be provided to the State Auditor by October 9, 2023. A draft report, including all findings and recommendations, should be completed by about October 13, 2023. The final audit report, including all finding and recommendations along with written responses, must be delivered to the State Auditor by October 31, 2023.

The OSA expects the Contractor to satisfy the project deliverables and timelines outlined in this RFP to meet a December 2023 Legislative Audit Committee hearing date, at which point the audit report will be publicly released.

Work for this project is *estimated* to commence in April 2023. 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.***

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 Department may also be required.

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 Department. 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 OSA's standard contract containing both exhibits is included in Section IV–Supplemental Information.

Section IV–Supplemental Information also includes a link to the prior audit report 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.

Oral Presentation

The Contractor may be required to testify for about one hour 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 Department.

If the final audit 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 for which reports will be presented with a hearing.

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

Various other meetings with the OSA and Department 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, January 26, 2023
2.	Prospective bidders' inquiry deadline (5:00 p.m. MT)	Thursday, February 9, 2023
3.	OSA response to inquiries deadline	Thursday, February 23, 2023
4.	**Proposal submission deadline (5:00 p.m. MT)**	**Thursday, March 9, 2023**
5.	Approximate bid selection date	Thursday, March 23, 2023
6.	Approximate contract date	Thursday, March 30, 2023

E. Inquiries

Prospective bidders may make written inquiries concerning this RFP to obtain clarification of requirements. Inquiries must be submitted via email to Rhiannon Ferguson, Contract Monitor, at rhiannon.ferguson@coleg.gov. ***No inquiries will be accepted after 5:00 p.m. MT on*** **Thursday, February 9, 2023*.***

F. Submission of Proposals

Proposals must be submitted via email to Rhiannon Ferguson, Contract Monitor, at rhiannon.ferguson@coleg.gov. ***No proposals will be accepted after 5:00 p.m. MT on*** **Thursday, March 9, 2023*.***

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 audit 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 audit engagement.

5. Any firm providing financial and compliance audit services for Department under contract with the OSA in previous years may bid on this contract provided that the lead partner under the proposal has not performed audit services beyond a total maximum of 5 years within a 10-year period.

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 audit. The contract monitor will attend all key Department meeting during the engagement (e.g., entrance/exit conferences, findings clearing meetings, briefing meetings with management, 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 which may be renewed on an annual basis for up to four additional years subject to acceptable performance and costs.

O. Submission of Invoices

The Contractor can submit monthly invoices for audit 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 audit.

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 Department or the State of Colorado, (ii) work that was performed for the Department or the State of Colorado within the past 2 years (i.e., March 2021

through March 2023), and (iii) is planned for the Department 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 audit 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 audit 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 audit.

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 audit 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 audit, including any specialists or subcontractors to be used. The proposal must include a resume of all principal staff highlighting their professional qualifications and similar audit 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 Audit

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

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 audit work by staff level, the associated hourly rate, and the resulting total cost. Travel costs incurred in the performance of audits 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, and provide separated fees for audit work of federal major programs. The fees for this audit work will be added to the base price. The anticipated fee for the audit of a federal major program for Fiscal Year 2023 is $8,400.

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 audit 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 audit 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 audit 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 audit.

7. Acceptance of the OSA's standard contract and its related exhibits without significant revision.

Section IV
Supplemental Information

Attached to this RFP are the following documents:

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

2. Statewide Attestation memos to be submitted to the OSA's statewide audit report team applicable for the prior fiscal year audit.

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

- Prior Audits
    - The Department of Transportation's audit is included as part of the Statewide Single Audit. The Statewide Single Audit, including any findings for the Department, for the Year Ended June 30, 2022, is anticipated to be available after the scheduled Legislative Audit Committee hearing on February 14, 2023. The Statewide Single Audit for the Year Ended June 30, 2021, and audit reports for years prior are available at our website at:

      https://leg.colorado.gov/audits-for-department/Statewide

    - In addition, the audit reports for the Colorado Bridge Enterprise and the Colorado High-Performance Transportation Enterprise for the fiscal year ended June 30, 2022, and the audit reports for years prior to that are available at our website at:

      https://leg.colorado.gov/audits-for-department/Transportation

- Colorado Office of the State Auditor Website
  http://www.colorado.gov/auditor

Routing # 2023-XX

STATE OF COLORADO
State Auditor and
Legislative Audit Committee
Financial Audit Contract for the
Audit of the INSERT NAME OF ENTITY
With
INSERT NAME OF CONTRACTOR

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1. PARTIES

This Contract ("Contract") is entered into by and between _____ ("Contractor"), and the STATE OF COLORADO (the "State") acting by and through and for the use and benefit of the State Auditor and the Legislative Audit Committee. Contractor and the State agree to the following terms and conditions specified in this contract.

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

The Effective Date of this Contract is the date on which this Contract has been approved and signed by all of the Parties, including on behalf of the State, the State Auditor or the State Auditor's designee and the Chair of the Legislative Audit Committee, and also signed, after legal review, by the Director of the Office of Legislative Legal Services or the Director's designee. This Contract is not effective or enforceable before the Effective Date, and the State is not liable to pay or reimburse Contractor for any Work performed or costs or expenses incurred by the Contractor before the Effective Date or after the expiration or other termination of this Contract.

3. RECITALS

A. Authority, Appropriation, And Approval

Authority to enter into this Contract exists in §2-3-103(1), C.R.S., funds have been budgeted, appropriated, and otherwise made available pursuant to Fund 1000, Appropriation Code MGFCC4010, Contract Encumbrance Number 2023-XX, and a sufficient unencumbered balance of the funds remains available for payment. Required approvals, clearance, and coordination have been accomplished from and with appropriate agencies.

B. Consideration

The Parties acknowledge that the mutual promises and covenants contained in this Contract, including the Exhibits attached to and incorporated by reference in this Contract are sufficient and adequate to support this Contract.

C. Purpose

The State is engaging Contractor to render professional auditing services as specified in this Contract, including the Exhibits attached to and incorporated by reference into this Contract.

4. DEFINITIONS

The following terms shall be construed and interpreted as follows:

A. Audit Report

"Audit Report" means the standard report on the audit of the Audited Agency's financial statements and the related report on internal control over financial reporting and compliance.

B. Audited Agency

"Audited Agency" means the Insert Name of Entity.

C. Business Day

"Business Day" means any day on which the State is open and conducting business, but does not include Saturday, Sunday, or any day on which the State observes a legal holiday listed in §24-11-101 (1), C.R.S.

D. CJI

"CJI" means criminal justice information collected by criminal justice agencies needed for the performance of their authorized functions, including, without limitation, all information defined as criminal justice information by the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy and all criminal justice records, as defined in §24-72-302, C.R.S.

E. Contract

"Contract" means this Contract, including the Exhibits attached to and incorporated by reference into this Contract, any other documents incorporated by reference into this Contract, and any amendments

to this Contract or additional Exhibits, or other documents incorporated into this Contract after the Effective Date.

F. Contract Funds

"Contract Funds" means the maximum amount of funds available for payment by the State to Contractor pursuant to **§7.A**. of this Contract.

G. CORA

"CORA" means the "Colorado Open Records Act", §§24-72-200.1, *et seq.*, C.R.S.

H. Effective Date

"Effective Date" means the date on which this Contract has been approved and signed by all of the Parties and, after legal review, by the Director of the Office of Legislative Legal Services or the Director's designee.

I. Exhibits.

"Exhibits" means the following Exhibits that are attached to and incorporated by reference into this Contract: **Exhibit A** (Statement of Work), **Exhibit B** (Request for Proposal), **Exhibit C** (Modifications to Contractor's Proposal), **Exhibit D** (Contractor's Proposal), **Exhibit E** (Information Security Policy for Contractors), **Exhibit F** (Compensation and Procedures for Billing), **Exhibit G** (Developing and Presenting Audit Findings), **Exhibit H** (Reporting Requirements and Format for Separately Issued Reports), **Exhibit I** (Reporting for Statewide Financial Statements and Single Audit), and **Exhibit J** (Safeguarding Requirements for Federal Tax Information).

J. Incident

"Incident" means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any communications or information resources of the State, which are included as part of the Work, as described in §§24-37.5-401, *et seq.,* C.R.S. Incidents include, without limitation, (i) successful attempts to gain unauthorized access to a State system or State Confidential Information regardless of where such information is located; (ii) unwanted disruption or denial of service; (iii) the unauthorized use of a State system for the processing or storage of data; or (iv) changes to State system hardware, firmware, or software characteristics without the State's knowledge, instruction, or consent.

K. OSA

"OSA" means the Office of the State Auditor.

L. Party or Parties

"Party" means the State or Contractor and "Parties" means both the State and Contractor.

M. PCI

"PCI" means any payment card information including any data related to credit card holders' names, credit card numbers, or the other credit card information as may be protected by state or federal law**.**

N. PHI

"PHI" means any protected health information, including, without limitation, any information, whether oral or recorded in any form or medium that: (i) relates to the past, present, or future physical or mental condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual; and (ii) either identifies the individual or provides a reasonable basis to believe that it can be used to identify the individual. PHI includes, but is not limited to, any information defined as Individually Identifiable Health Information by the federal Health Insurance Portability and Accountability Act.

O. PII

"PII" means personally identifiable information including, without limitation: (i) any information maintained by the State about an individual that can be used to distinguish or trace the individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (ii) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII includes, but is not limited to, all information defined as personally identifiable information in §24-72-501 and 24-73-101, C.R.S.

P. Proposal

"Proposal" means Contractor's Proposal dated Insert Date. [If applicable add: "including the modification(s) to the proposal dated Insert Date(s)."]

Q. Request for Proposal or RFP

"Request for Proposal" or "RFP" means the State's Request for Proposal, issued Insert Date. [If applicable add: "including the supplement(s) to the RFP, dated Insert Date(s)."]

R. Services

"Services" means the required financial and compliance audit services to be performed by Contractor pursuant to this Contract.

S. State Auditor

"State Auditor" means the Colorado State Auditor.

T. State Confidential Information

"State Confidential Information" means any and all State Records not subject to disclosure under CORA. State Confidential Information includes, but is not limited to, PII, PHI, PCI, Tax Information, CJI, and State personnel records not subject to disclosure under CORA. State Confidential Information does not include information or data concerning individuals that is not deemed confidential but nevertheless belongs to the State, that has been communicated, furnished, or disclosed by the State to Contractor and that: (i) is subject to disclosure pursuant to CORA; (ii) is already known to Contractor without restrictions at the time of its disclosure to Contractor; (iii) is or subsequently becomes publicly available without breach of any obligation owed by Contractor to the State; (iv) is disclosed to Contractor, without confidentiality obligations, by a third party who has the right to disclose such information; or (v) was independently developed without reliance on any State Confidential Information.

U. State Fiscal Rules

"State Fiscal Rules" means the fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a), C.R.S.

V. State Fiscal Year

"State Fiscal Year" means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then the term means the State Fiscal Year ending in that calendar year.

W. State Records

"State Records" means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.

X. Subcontractor

"Subcontractor" means a third-party, if any, engaged by Contractor to aid in performance of its obligations.

Y. Statewide Single Audit Report

"Statewide Single Audit Report" is the report issued by the OSA and released by the Legislative Audit Committee that, in accordance with the federal Single Audit Act, includes findings and recommendations resulting from this audit related to federal awards.

Z. Tax Information

"Tax information" means Federal and State tax information including, without limitation, Federal and State tax returns, return information, and such other tax-related information as may be protected by Federal and State law and regulation. Tax Information includes, but is not limited to, all information defined as Federal Tax Information (FTI) in Internal Revenue Service Publication 1075.

AA. Work

"Work" means the tasks and activities that Contractor is required to perform to fulfill its obligations under this Contract, including the performance of the Services and delivery of the Work Product.

BB. Work Product

"Work Product" means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software

(including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, correspondence, communication, materials, ideas, concepts, know-how, and any other results of the Work. Work Product also includes the Audit Report, audit findings, oral testimony, and audit workpapers, whether referred to in relevant statutes as "workpapers" or "work papers", subject to **§18** of this Contract, and any separate report issued as specified in **Exhibit H**.

CC. Terms Defined in Exhibits

Any term used in this Contract that is defined in an Exhibit shall be construed and interpreted as defined in the Exhibit.

5. TERM AND EARLY TERMINATION

A. Term-Work Commencement

The Parties' respective performances under this Contract shall commence on the Effective Date. This Contract terminates on the earlier of thirty (30) days after the Audit Report has been released by the Legislative Audit Committee or June 30, 2024, unless sooner terminated as specified in this Contract. The State may terminate this Contract for its convenience for any reason, without penalty to the State, upon thirty (30) days prior written notice to Contractor.

B. Early Termination

Upon early termination, Contractor shall not incur further obligations or render further performance under this Contract past the effective date of the notice of termination and shall terminate any outstanding subcontracts with Subcontractors. Contractor shall deliver to the State all Work Product to the extent completed as of the termination date. Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of Contractor. Contractor shall immediately return to the State all materials owned by the State in the possession of Contractor in which the State has an interest. The State shall reimburse Contractor for accepted performance up to the termination date. In accordance with the American Institute of Certified Public Accountants ("AICPA") professional standards, if circumstances arise that in Contractor's professional judgment may prevent Contractor from completing an engagement, Contractor shall discuss such circumstances with the State and shall take action pursuant to the professional standards to the extent deemed necessary and appropriate by the Contractor and the State.

C. Background Checks

Notwithstanding **§5.A.**, the OSA may require Contractor, before commencing its performance under this Contract, to provide to the OSA at Contractor's own expense the results of background checks conducted pursuant to Contractor's standard employment practices for any personnel assigned to perform Work under this Contract. If Contractor does not conduct employee background checks as a standard employment practice, the OSA may require Contractor, before commencing its performance under this Contract and at Contractor's own expense, to conduct background checks on personnel assigned to the engagement and provide the results of the background checks to the OSA. In addition, a background check for an employee of Contractor whose employment by Contractor in performing the Work will allow the employee to access or use Tax Information or will otherwise subject the employee to the requirements specified in Internal Revenue Service Publication 1075 must satisfy all background check requirements set forth in both that publication and **Exhibit J**.

6. STATEMENT OF WORK

A. Completion

Contractor shall complete the Work on or before October 27, 2023.

B. Services and Work Product

Contractor shall provide the Services and deliver the Work Product necessary to complete the Work. Contractor shall accomplish the provision of Services and delivery of Work Product using the Contract Funds only.

C. Employees

All persons employed by Contractor or Subcontractors to perform Work under this Contract are Contractor's or Subcontractors' personnel for all purposes of this Contract and are not employees of the State for any purpose as a result of this Contract.

7. PAYMENTS TO CONTRACTOR

The State, in accordance with the provisions of this **§7**, shall pay Contractor in the amounts and using the methods set forth below:

A. Maximum Amount

The maximum amount payable under this Contract to Contractor by the State is $XXX,XXX, as determined by the State from available funds. Payments to Contractor are limited to the unpaid obligated balance of the Contract and shall be made as set forth in **Exhibit F** (Compensation and Procedures for Billing). The estimated amount payable by the State to Contractor during State Fiscal Year 2022-2023 is $XXX,XXX and the estimated amount payable by the State to Contractor during State Fiscal Year 2023-2024 is $XXX,XXX. The exact funding split between the State Fiscal Years, if applicable, will be determined by the State based on amounts that have been budgeted, appropriated, or otherwise made available for this Contract.

B. Payment

i. Interim and Final Payments

Contractor shall initiate any payment requests by submitting invoices to the State in a form approved by the State and in the manner specified in **Exhibit F**. Contractor shall not request payment from the Audited Agency.

ii. Interest

The State shall fully pay each invoice within forty-five (45) days of its receipt if the amount invoiced represents performance by Contractor previously accepted by the State. Uncontested amounts not paid by the State within forty-five (45) days bear interest on the unpaid balance beginning on the 46th day at the rate of one percent per month until paid in full. Interest does not accrue on unpaid amounts that are subject to a good faith dispute between Contractor and the State. Contractor shall invoice the State separately for accrued interest on delinquent amounts, and any such separate billing shall reference the delinquent payment, the number of days' interest to be paid, and the one percent interest rate. The State shall provide written notice to Contractor, specifying the basis for any disputed invoice, within forty-five (45) days of receipt of the disputed invoice or the invoice shall be deemed undisputed and payable. Upon receipt of written notice of a disputed invoice by Contractor, the parties shall promptly commence good faith discussions to resolve the dispute. If the dispute is not resolved within forty-five (45) days of receipt by Contractor of the written notice, Contractor may suspend performance of Services, without liability, penalty, or breach, until the dispute is resolved.

C. Use of Funds

Contract Funds shall be used only for costs identified in this Contract.

8. REPORTING - NOTIFICATION

Reports required under this **§8** shall be in the form and subject to the procedures prescribed by the State.

A. Performance, Progress, Personnel, and Funds

Contractor shall comply with all reporting requirements set forth in the Exhibits.

B. Litigation Reporting

Upon being served in an action before a court or an administrative decision making body with any pleading that is related to this Contract or that may affect Contractor's ability to perform its obligations under this Contract, Contractor, within ten (10) days, shall notify the State of the action and deliver copies of the pleadings to the State's principal representative as identified in **§17** of this Contract. If the State's principal representative is not then serving, Contractor shall deliver notice and copies to the State Auditor.

C. Noncompliance

Contractor's failure to provide reports, notification of a legal action, or copies of pleadings to the State in a timely manner in accordance with this **§8** may result in the delay of payment of funds, termination, or both, as provided under this Contract.

D. Subcontracts

Contractor shall submit copies of any and all subcontracts entered into by Contractor to perform its obligations under this Contract to the State or its principal representative upon request by the State.

9. CONTRACTOR RECORDS

A. Maintenance

Except as otherwise required with respect to State Records following the expiration or termination of this Contract by **§10.C.** of this Contract, Contractor shall maintain a complete file of all documents, records, communications, notes, and other materials, including but not limited to all Work Product and internal workpapers of Contractor relating to the performance of Work or the production of Work Product, pertaining in any manner to the Work or the delivery of Services, including Work performed and Services delivered by Subcontractors. Unless Contractor receives written notice of an extension from the State, the federal government, or another duly authorized agent of a governmental agency, Contractor shall maintain the records until the last to occur of: (i) the date five (5) years after the date on which the State accepts the Audit Report or, in the case of early termination, terminates this Contract; (ii) the date on which any pending disputes relating to this Contract are resolved; or (iii) if the performance of this Contract is being audited or Contractor receives notice that an audit is pending, the date on which the audit is completed and its findings have been resolved (the "Record Retention Period").

B. Inspection

Subject to the confidentiality requirements of **§10**, Contractor, at no additional charge, shall permit the State 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 this Contract, to evaluate performance under this Contract, or for any other purpose required by the State. The State reserves the right to inspect the Work at all reasonable times and places during the term of this Contract, including any extensions or renewals.

C. Monitoring

The State, in its discretion, may monitor Contractor's performance of its obligations under this Contract using procedures determined by the State that do not unduly interfere with Contractor's performance of the Work.

10. WORK PRODUCT-CONFIDENTIAL INFORMATION-STATE RECORDS

A. Confidentiality

Contractor shall keep confidential, and cause all Subcontractors to keep confidential, all State Records, unless those State Records are publicly available. Contractor shall not, without prior written approval of the State, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Contract, permitted by law, approved by the State in accordance with §2-3-103(3), C.R.S., or otherwise approved in writing by the State. Contractor shall provide for the security of all State Confidential Information in accordance with all applicable laws, rules, policies, publications, and guidelines. If Contractor or any of its Subcontractors will or may receive the following types of data, Contractor or its Subcontractors shall provide for the security of such data according to the following: **(i)** the most recently promulgated IRS Publication 1075 for all Federal Tax Information and in accordance with the Safeguarding Requirements for Federal Tax Information attached to this Contract as an Exhibit, **(ii)** the most recently updated PCI Data Security Standard from the PCI Security Standards Council for all PCI, **(iii)** the most recently issued version of the U.S. Department of Justice, Federal Bureau of

Investigation, Criminal Justice Information Security Services Policy for all CJI, and **(iv)** the federal Health Insurance Portability and Accountability Act for all PHI. Contractor shall immediately forward any request or demand for State Records to the State's principal representative.

B. Other Entity Access and Nondisclosure Agreements

Contractor may provide State Records to its agents, employees, assigns, and Subcontractors as necessary to perform the Work, but shall restrict access to State Confidential Information to those agents, employees, assigns, and Subcontractors who require access to perform their obligations under this Contract. Contractor shall ensure that all such agents, employees, assigns, and Subcontractors sign agreements containing nondisclosure provisions that are at least as protective as those in this Contract, and that the nondisclosure provisions are in force at all times at which the agent, employee, assign, or Subcontractor has access to any State Confidential Information. Contractor shall provide copies of the signed nondisclosure provisions to the State upon execution of the nondisclosure provisions.

C. Use, Security, and Retention

Contractor shall use, hold and maintain State Confidential Information in compliance with any and all applicable laws and regulations in facilities located within the United States, and shall maintain a secure environment designed to ensure the confidentiality of all State Confidential Information wherever located. Contractor shall provide the State with access, subject to Contractor's reasonable security requirements, for purposes of inspecting and monitoring access and use of State Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Contract, Contractor shall return State Records provided to Contractor or if specifically instructed to do so by the State, destroy the State Records and certify to the State that it has done so as directed by the State; except that Contractor may retain an archival copy of State Confidential Information if and to the extent that Contractor deems it necessary to do so to comply with applicable law or professional standards or document or support Contractor's professional conclusions. If any law, regulation, or other provision of this Contract prevents Contractor from returning or destroying State Confidential Information or if Contractor retains an archival copy of State Confidential Information, Contractor warrants that it will guarantee the confidentiality of, and, except for the use of an archival copy of State Confidential Information to comply with applicable law or professional standards or document or support Contractor's professional conclusions, cease to use, the State Confidential Information.

D. Incident Notice and Remediation

If Contractor becomes aware of any Incident, it shall notify the State promptly and in accordance with applicable law and cooperate with the State regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the State. Unless Contractor can establish that none of Contractor or any of its agents, employees, assigns or Subcontractors are the cause or source of the Incident, Contractor is responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Contractor shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the State, which may include, but is not limited to, developing and implementing a remediation plan approved by the State at no additional cost to the State. The State may, in its sole discretion and at Contractor's sole expense, require Contractor to engage the services of an independent, qualified, State-approved third party to conduct a security audit of the facts related to the Incident. Contractor shall provide the State with the results of such audit and evidence of Contractor's planned remediation in response to any negative findings.

E. Data Protection and Handling

Contractor shall ensure that all State Records, Work Product, and internal workpapers of Contractor relating to the performance of Work or the production of Work Product in the possession of Contractor or any Subcontractors are protected and handled in accordance with the requirements of this Contract, including any requirements set forth in Exhibits, at all times.

F. Safeguarding PII

If Contractor or any of its Subcontractors will or may receive PII under this Contract, Contractor shall provide for the security of the PII, in a manner and form acceptable to the State, including, without

limitation, State non-disclosure requirements, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits. Contractor shall be a "Third-Party Service Provider" as defined in §24-73-103(1)(i), C.R.S. and shall maintain security procedures and practices consistent with §§24-73-101 *et seq*., C.R.S.

G. Federal Tax Information

Contractor will work with the Audited Agency to determine whether the receipt or review of any FTI is necessary for the performance of Contractor's work under this Contract and shall develop a process with the Audited Agency for identifying FTI.

11. CONFLICTS OF INTEREST

A. Actual Conflicts of Interest

Contractor shall not engage in any business or activities or maintain any relationships that create a conflict of interest by conflicting in any way with the full performance of Contractor's obligations under this Contract. Such a conflict of interest arises when a Contractor's or Subcontractor's employee, officer, or agent: (i) offers or provides any tangible personal benefit to a State employee, a State employee's partner, or a member of a State employee's immediate family; or (ii) discusses, arranges for, or accepts financial or performance auditing work or non-auditing work not identified in this Contract with the Audited Agency during the term of this Contract without the express written approval of the State. Contractor shall also abide by all applicable professional standards with regard to conflicts of interest and independence, including those of the American Institute of Certified Public Accountants.

B. Apparent Conflicts of Interest

Contractor acknowledges that with respect to this Contract even the appearance of a conflict of interest is harmful to the State's interests. Accordingly, absent the State's prior written approval, Contractor shall refrain from any practices, activities, or relationships that reasonably appear to conflict with Contractor's full performance of its obligations under this Contract. Contractor shall also provide written notice to the State, in accordance with **§17** of this Contract, and obtain the State's prior written approval, before entering into a contract or engagement with another State agency, department, or division that is subject to audit by the State.

C. Disclosure of Conflicts of Interest

If a conflict of interest or the appearance of a conflict of interest arises, or if Contractor is uncertain whether a conflict of interest or the appearance of a conflict of interest has arisen, Contractor shall submit to the State a disclosure statement that sets forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict of interest is a breach of this Contract. Contractor shall also comply with the applicable revision of *Government Auditing Standards* issued by the Comptroller General of the United States with respect to any actual or perceived conflicts of interest or threats to Contractor's independence arising from the performance of this Contract.

12. REPRESENTATIONS AND WARRANTIES

Each Party has relied on the representations and warranties of the other Party set forth below in entering into this Contract.

A. Qualifications, Standards, and Manner of Performance

Contractor represents and warrants that it is qualified and, if applicable, warrants that it is licensed in accordance with applicable laws and regulations, to perform the Work and Services and deliver the Work Product. Contractor shall perform its obligations under this Contract in accordance with applicable professional standards including but not limited to: (i) generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants in *Statements on Auditing Standards*; (ii) the applicable revision of the standards for financial and compliance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States;

(iii) the federal Single Audit Act; and (iv) the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

B. Legal Authority – Contractor Signatory

Contractor represents and warrants that it possesses the legal authority to enter into this Contract and that it has taken actions required by its procedures, by-laws, and applicable laws to exercise that authority and to lawfully authorize its undersigned signatory to execute this Contract, or any part of this Contract, and to bind Contractor to its terms. If requested by the State, Contractor shall provide the State with proof of Contractor's authority to enter into this Contract within fifteen (15) days of receiving the request.

C. Licenses, Permits, and Other Authorizations

Contractor represents and warrants that as of the Effective Date it has, and that at all times during the term of this Contract it will have and maintain, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required by law to perform its obligations under this Contract. Contractor warrants that it will maintain all necessary licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform its obligations under this Contract, without reimbursement by the State or any adjustment in Contract Funds. Additionally, all employees, agents, and Subcontractors of Contractor performing Services under this Contract shall hold all required licenses or certifications, if any, required to perform their responsibilities. Contractor, if a foreign corporation or other foreign entity transacting business in the State of Colorado, further warrants that it currently has obtained and will continue to maintain any applicable certificate of authority required to transact business in the State and that it has designated a registered agent in the State to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits, or other material authorizations necessary for Contractor to properly perform the terms of this Contract is a breach by Contractor and is grounds for termination of this Contract.

D. Contractor Independence

Contractor should be independent in performing the audit engagement. The State represents and warrants that it will not request or require Contractor to surrender Contractor's "independence" as that term is professionally understood and used with respect to certified public accountants and the applicable revision of *Government Auditing Standards* issued by the Comptroller General of the United States.

E. Contractor Compliance with IRS Publication 1075

To the extent that Contractor receives, transmits, processes, and/or stores Federal Tax Information (FTI) on behalf of the State, Contractor will comply with IRS Publication 1075. Contractor and Contractor's employees with access to or who use FTI must meet the background investigation requirements set forth in IRS Publication 1075.

F. Disclaimer

Except for the representations and warranties expressly stated in this Contract, the Parties disclaim all representations and warranties, written or oral, express or implied.

13. INSURANCE

Contractor shall obtain and maintain, and shall ensure that each Subcontractor obtains and maintains, insurance policies issued by insurance companies approved by the State at all times during the term of this Contract as follows and in accordance with the following requirements:

A. Workers' Compensation

Workers' compensation insurance as required by state statute, and employers' liability insurance covering all Contractor or Subcontractor employees acting within the course and scope of their employment.

B. General Liability

Commercial general liability insurance covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

i. $1,000,000 each occurrence;

ii. $1,000,000 general aggregate;

iii. $1,000,000 products and completed operations aggregate; and

iv. $50,000 any 1 fire.

C. Automobile Liability

Automobile liability insurance covering any auto (including owned, hired, and non-owned autos) with a minimum limit of $1,000,000 each accident combined single limit.

D. Protected Information

Liability insurance covering all losses of State Confidential Information, such as PII, PHI, PCI, Tax Information, and CJI, and claims based on alleged violations of privacy rights through improper use or disclosure of protected information with minimum limits as follows:

i. $1,000,000 each occurrence; and

ii. $2,000,000 general aggregate.

E. Professional Liability Insurance

Professional liability insurance covering any damages caused by an error, omission, or negligent act with minimum limits as follows:

i. $1,000,000 each occurrence; and

ii. $1,000,000 general aggregate.

F. Crime Insurance

Crime insurance including employee dishonesty coverage with minimum limits as follows:

i. $1,000,000 each occurrence; and

ii. $1,000,000 general aggregate.

G. Additional Insured

The State must be named as additional insured on all commercial general liability policies required of Contractor and Subcontractors.

H. Primacy of Coverage

Coverage required of Contractor and each Subcontractor must be primary over any insurance or self-insurance program carried by Contractor or the State.

I. Cancellation

The above insurance policies must include provisions preventing cancellation or non-renewal, except for cancellation based on non-payment of premiums, without at least thirty (30) days written prior notice to Contractor, and Contractor shall forward any such notice to the State in accordance with **§17** of this Contract within seven (7) days of Contractor's receipt of such notice.

J. Subrogation Waiver

All insurance policies secured or maintained by Contractor or its Subcontractors as required by this Contract must include clauses stating that each carrier waives all rights of recovery under subrogation or otherwise against Contractor, the State, and the State's agencies, institutions, organizations, officers, agents, employees, and volunteers.

K. Public Entities

If Contractor is a "public entity" within the meaning of the Colorado Governmental Immunity Act, §§24-10-101, *et seq.*, C.R.S. (the "GIA"), Contractor shall maintain, in lieu of the liability insurance requirements stated above, at all times during the term of this Contract such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. If a Subcontractor is a public entity within the meaning of the GIA, Contractor shall ensure that the Subcontractor maintain at all times during the terms of this Contract, in lieu of the liability insurance requirements stated above, such liability insurance, by commercial policy or self-insurance, as is necessary to meet the Subcontractor's obligations under the GIA.

L. Certificates

Contractor shall provide to the State certificates evidencing Contractor's insurance coverage required in this Contract within seven (7) Business Days following the Effective Date. Contractor shall provide to the State certificates evidencing Subcontractor insurance coverage required under this Contract within seven (7) Business Days following the Effective Date, except that, if Contractor's subcontract is not in effect as of the Effective Date, Contractor shall provide to the State certificates showing Subcontractor insurance coverage required under this Contract within seven (7) Business Days following Contractor's execution of the subcontract. No later than fifteen (15) days before the expiration date of Contractor's or any Subcontractor's coverage, Contractor shall deliver to the State certificates of insurance evidencing renewals of coverage. At any other time during the term of this Contract, upon request by the State, Contractor shall, within seven (7) Business Days following the request by the State, supply to the State evidence satisfactory to the State of compliance with the provisions of this **§13**.

14. DISPUTE RESOLUTION

Any dispute concerning the performance of this Contract that cannot be resolved by the designated Contract representatives shall be referred in writing to the State Auditor and the Contractor's managing partner or similar executive-level decision maker for resolution. The State Auditor and the Contractor's managing partner or similar executive-level decision maker shall informally discuss the dispute and attempt to resolve it. If the State Auditor and the Contractor's managing partner or similar executive-level decision maker are able to agree to a mutual resolution of the dispute, the resolution will be formalized in writing in accordance with this Contract. If either Party finds, at any time, that the attempted resolution of the dispute has failed, at which time each Party may pursue any and all remedies, including without limitation, those available under this Contract, at law or in equity.

15. BREACH OF CONTRACT

A. Defined

In addition to any breaches specified in other sections of this Contract, each of the following is a breach of this Contract:

i. Material Obligations

The failure of Contractor to perform, in whole, in part, or in a timely manner, any of its material obligations under this Contract to the satisfaction of the State.

ii. Satisfactory Performance

A determination by the State, in its reasonable discretion, that satisfactory performance of Contractor's obligations in accordance with the terms and conditions of this Contract is substantially endangered.

iii. Bankruptcy

The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property if the proceedings are not vacated or fully stayed within twenty (20) days after being instituted or occurring.

iv. Material Misrepresentation

Any statement, representation, or certification furnished by Contractor in connection with the RFP, Contractor's Proposal, Modifications to Contractor's Proposal or this Contract that is false, deceptive, incorrect, or incomplete in any material respects.

v. Failure to Timely Deliver Reports

Failure by Contractor to complete and deliver the Audit Report or Work Product by the date specified in **§6.A.** of this Contract, unless Contractor can show that the delinquency resulted from causes beyond its control, such as failure of the Audited Agency to provide, by the date specified in a written request from Contractor: requested documentation, records, or information; records that are auditable; or responses to Contractor's findings and recommendations. Contractor shall

allow a reasonable amount of time for the Audited Agency to provide the requested documentation, records, or information and responses.

vi. Debarment or suspension of Contractor under §24-109-105, C.R.S. at any time during the term of this Contract.

B. Notice and Cure Period

In the event of a breach, the aggrieved Party shall give written notice specifying the nature of the breach to the other Party in the manner provided in **§17** of this Contract. If a breach by Contractor is not cured within twenty (20) days of receipt of written notice, or, if a cure cannot be completed within twenty (20) days, the cure has not begun within twenty (20) days and been pursued with due diligence, the State may exercise any of the remedies set forth in **§16** of this Contract. Notwithstanding anything to the contrary in this Contract, the State, in its sole discretion, need not provide advance notice of a cure period and may immediately terminate this Contract in whole or in part if reasonably necessary to preserve public safety or prevent immediate public crisis.

16. REMEDIES

If Contractor fails to cure a breach of this Contract in accordance with **§15.B.** of this Contract, the State may exercise any or all of the remedies available to it, including but not limited to the following remedies, in its sole discretion, concurrently or consecutively.

A. Termination for Breach

The State may terminate this Contract upon written notice to Contractor. Exercise by the State of this right is not a breach of its obligations under this Contract.

B. Withhold Payment

The State may withhold payment to Contractor until corrections in Contractor's performance are satisfactorily made and completed in accordance with the terms and conditions of this Contract.

C. Deny Payment

The State may deny payment for any obligation of Contractor not performed if, due to Contractor's actions or inactions, Contractor cannot perform the obligation in accordance with the terms and conditions of this Contract.

D. Noncompliance with Federal Regulations

Contractor is liable for any and all penalties applied by the federal government due to noncompliance with federal regulations by Contractor, a Subcontractor, or any of Contractor's employees.

17. NOTICES AND REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required or permitted to be given to a Party under this Contract must be in writing and must be delivered: (i) by hand with receipt required; (ii) by certified or registered mail to the Party's principal representative at the address set forth below; or (iii) as an email with read receipt requested to the principal representative at the email address, if any, set forth below. If a Party delivers a notice to the other Party by email and the email is undeliverable, then, unless the delivering Party is provided with an alternative email address, the Party shall deliver the notice by hand with receipt required or by certified or registered mail to the other Party's principal representative at the address set forth below. Either Party may change its principal representative or principal representative contact information, or may designate specific other individuals to receive certain types of notices in addition to or in lieu of a principal representative by notice submitted in accordance with this **§17** without making a formal amendment to this Contract. Unless otherwise provided in this Contract, notices are effective upon delivery in accordance with this **§17**.

A. State:

Marisa Edwards, CPA Deputy State Auditor
Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, Colorado 80203-1700
marisa.edwards@coleg.gov

B. Contractor:

Name, Title
Company Name
Address
City, State Zip
Email

C. Media

The State is the official spokesperson to the news media pertaining to the Work, Services, and Work Product. Contractor shall forward immediately to the State any inquiries from the news media pertaining to the Work, Services, or Work Product.

18. RIGHTS IN WORKPAPERS

The workpapers developed by Contractor during the performance of the Services are the exclusive property of Contractor. The State has the right to copy the workpapers. Except as provided in **§§9.B.** and **10** of this Contract and to the extent necessary for Contractor to comply with the professional standards described in **§12.A.** of this Contract, Contractor shall not provide the workpapers to third parties or permit third parties to review, access, or use the workpapers for public inspection unless, and only to the extent that, the Legislative Audit Committee has specifically approved disclosure of the workpapers in accordance with §2-3-103(3), C.R.S., and the State has given Contractor prior written consent to disclose the workpapers. Contractor shall forward immediately to the State any requests for workpapers that Contractor receives pursuant to CORA.

19. STATEWIDE CONTRACT MANAGEMENT SYSTEM - EXEMPTION

Because this contract is a legislative department contract, it is not included within the state's contract management system, which includes only personal services contracts that are entered into by a "governmental body," as defined in §24-101-301, C.R.S. That definition of "governmental body" does not include the legislative department or its agencies.

20. GENERAL PROVISIONS

A. Assignment and Subcontracts

Contractor's rights and obligations under this Contract are personal and may not be transferred, assigned, or subcontracted without the prior written consent of the State. Any attempt at assignment, transfer, or subcontracting without such prior written consent is void. Any assignment, transfer, or subcontracting of Contractor's rights or obligations under this Contract that is approved by the State is subject to the provisions of this Contract. Upon the request of the State, Contractor shall provide to the State a copy of any subcontract entered into by Contractor in connection with this Contract. Contractor is solely responsible for all aspects of subcontracting arrangements and performance, and any subcontract entered into by Contractor in connection with this Contract must comply with all applicable federal and state laws and regulations and provide that it is subject to all provisions of this Contract and governed by the laws of the State.

B. Binding Effect

Except as otherwise provided in **§20.A.** of this Contract, all provisions of this Contract, including the benefits and burdens, extend to and bind the Parties' respective successors and assigns.

C. Captions and References

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. Unless the context clearly otherwise requires, all references in this Contract to sections (whether spelled out or using the § symbol), subsections, or Exhibits refer to sections, subsections, or Exhibits contained in this Contract or incorporated by reference into this Contract.

D. Counterparts

This Contract may be executed in multiple identical original counterparts, each of which is an original, but all of which, taken together, constitute one and the same agreement.

E. Entire Understanding

This Contract represents the complete integration of all understandings between the Parties related to the Work, Services, and Work Product and all prior representations and understandings related to the Work, Services, and Work Product, whether oral or written are merged into this Contract. Prior or contemporaneous additions, deletions, or other changes to this Contract do not have any force or affect whatsoever, unless embodied in this Contract.

F. Digital Signatures

If any signatory signs this agreement using a digital signature, any agreement or consent to use digital signatures within the electronic system through which that signatory signed is incorporated into this Contract by reference.

G. Modification

Except as otherwise provided in this Contract, any modification of this Contract is only effective if agreed to in a formal written amendment to this Contract that is properly executed and approved in accordance with applicable State law.

H. Statutes, Rules, Regulations, and Other Authority

Unless otherwise specifically provided, any reference in this Contract to a federal or state statute, rule, or regulation or to any other source of legal or policy authority refers to the current version of the statute, rule, regulation, or other authority including any amendments or changes to the authority made after the Effective Date.

I. Order of Precedence

If a conflict or inconsistency arises between any provision contained in the main body of this Contract and any Exhibit, the conflict or inconsistency must be resolved by reference to the documents in the following order of priority:

i. Colorado Legislative Branch Special Provisions;

ii. The remaining provisions of the main body of this Contract; and

iii. The Exhibits.

J. External Terms and Conditions

Notwithstanding anything to the contrary in this Contract, the State is not subject to any provision included in any terms, conditions, or agreements appearing on Contractor's or a Subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless this Contract specifically references that provision.

K. Severability

The invalidity or unenforceability of any provision of this Contract does not affect the validity of or enforceability of any other provision of this Contract, which remains in full force and effect, so long as the Parties can continue to perform their obligations under this Contract in accordance with the intent of the Parties.

L. Survival of Certain Contract Terms

Any provision of this Contract that imposes an obligation on a Party that begins after or continues after the termination or expiration of this Contract survives the termination or expiration of this Contract and is enforceable by the other Party.

M. Taxes

The State is exempt from federal excise taxes under I.R.C. Chapter 32 (26 U.S.C. Subtitle D, Ch. 32) (Federal Excise Tax Exemption Certificate Registry No. 84-730123K) and from State and local government sales and use taxes under §§39-26-704(1), and 29-2-105(1)(d)(I), C.R.S. (Colorado Sales Tax Exemption Identification Number 98-20565). The State is not liable for the payment of excise, sales, or use taxes, regardless of whether any political subdivision of the State imposes such taxes on Contractor. Contractor is solely responsible for any exemptions from the collection of excise, sales, or use taxes that Contractor may wish to have in place in connection with this Contract.

N. Third Party Beneficiaries

Except for a person who assumes Contractor's rights and obligations under this Contract as a successor or assign in accordance with **§§20.A.** and **20.B.** of this Contract, this Contract does not and is not intended to confer any rights, obligations, or remedies upon any person or entity other than the Parties. Enforcement of this Contract and all rights and obligations under this Contract are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this Contract are incidental to the Contract and do not create any rights for the third parties.

O. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Contract, whether explicitly or by lack of enforcement, does not operate as a waiver of the right, power, or privilege, and a single or partial exercise of any right, power, or privilege does not preclude any other or further exercise of the right, power, or privilege.

P. CORA Disclosure

This Contract is a public record that, to the extent not prohibited by federal law, is subject to public release through CORA.

Q. Standard and Manner of Performance

Contractor shall perform its obligations under this Contract in accordance with the highest standards of care, skill, and diligence in Contractor's industry, trade, or profession.

R. Indemnification

i. General Indemnification

Contractor shall indemnify, save, and hold harmless the State and the State's employees, agents, and assignees ("Indemnified Parties"), against any and all costs, expenses, claims, damages, liabilities, court awards, reasonable attorney's fees and costs, and other amounts claimed by third parties and incurred by any of the Indemnified Parties to the extent caused by any negligent act or omission or intentional, willful or deliberate misconduct by Contractor or Contractor's employees, agents, Subcontractors, or assignees in connection with this Contract.

ii. Confidential Information Indemnification

Disclosure or use of State Confidential Information by Contractor in violation of this Contract may be cause for legal action by third parties against Contractor, the State, or their respective agents. Contractor shall indemnify, save, and hold harmless the Indemnified Parties against any and all costs, expenses, claims, damages, liabilities, court awards, reasonable attorneys' fees, and other amounts, asserted by third parties and incurred by the State to the extent caused by any act or omission by Contractor or Contractor's employees, agents, assigns, or Subcontractors that violates this Contract.

iii. Intellectual Property Indemnification

Contractor shall indemnify, save, and hold harmless the Indemnified Parties against any and all costs, expenses, claims, damages, liabilities, court awards, reasonable attorneys' fees, and other amounts asserted by third parties and incurred by the Indemnified Parties to the extent caused by

any claim that any Work infringes a patent, copyright, trademark, trade secret, or any other intellectual property right.

S. Limitation of Contractor Liability

Any liability of Contractor and its personnel to the State for any breach of this contract or act or omission that directly damages the State is limited to the amount of the fee to be paid by the State to Contractor under this Contract. This limitation does not apply to any requirement of this Contract that Contractor indemnify the State for liabilities of the State to any third party that result from any negligent, intentional, or deliberate acts or omissions of Contractor.

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21. COLORADO LEGISLATIVE DEPARTMENT SPECIAL PROVISIONS

These Special Provisions apply to all legislative department contracts except where noted in italics.

A. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

B. GOVERNMENTAL IMMUNITY.

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions, committees, bureaus, offices, employees, and officials is controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171, and 28 U.S.C. §1346(b), and the State's risk management statutes, §24-30-1501, et seq., C.R.S. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions contained in these statutes.

C. INDEPENDENT CONTRACTOR.

Contractor shall perform its duties under this Contract as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability, or understanding, except as expressly set forth in this Contract. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State, and the State shall not pay for or otherwise provide such coverage for Contractor or any of its employees or agents. Contractor shall pay when due all applicable employment taxes, income taxes, and local head taxes incurred pursuant to this Contract. Contractor shall: **(i)** provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, **(ii)** provide proof thereof when requested by the State, and **(iii)** be solely responsible for its acts and the acts of its employees and agents.

D. COMPLIANCE WITH LAW.

Contractor shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

E. CHOICE OF LAW, JURISDICTION, AND VENUE.

Colorado law, and rules and regulations issued pursuant to Colorado law, apply to the interpretation, execution, and enforcement of this Contract. Any provision included in or incorporated into this Contract by reference that conflicts with said laws, rules, or regulations is void. All suits or actions related to this Contract must be filed and proceedings held in the State of Colorado, and exclusive venue is in the City and County of Denver.

F. PROHIBITED TERMS.

Any term included in this Contract that requires the State to indemnify or hold Contractor harmless; requires the State to agree to binding arbitration; limits Contractor's liability for damages resulting from death, bodily injury, or damage to tangible property; or conflicts with this provision in any way is void. Nothing in this Contract shall be construed as a waiver of any provision of §24-106-109, C.R.S.

G. SOFTWARE PIRACY PROHIBITION.

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of

this provision, the State may exercise any remedy available at law, in equity, or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

H. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services, and Contractor shall not employ any person having such known interests.

I. VENDOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.

[*Not applicable to intergovernmental agreements*] Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: **(i)** unpaid child support debts or child support arrearages; **(ii)** unpaid balances of tax, accrued interest, or other charges specified in §39-21-101, et seq., C.R.S.; **(iii)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(iv)** amounts required to be paid to the Unemployment Compensation Fund; and **(v)** other unpaid debts owing to the State as a result of final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments, improper payments, and any other unexpended or excess funds received by Contractor, by deduction from subsequent payments under this Contract, by deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

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22.SIGNATURE PAGE
Contract Routing Number 2023-XX

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

Each person signing this Contract represents and warrants that the signer is duly authorized to execute this Contract and to bind the Party authorizing such signature.

CONTRACTOR	**STATE OF COLORADO**
[INSERT NAME OF CONTRACTOR] By: Title: _____ Signature Date: _____ Contractor affirms that it has not performed any billable Work related to this Contract prior to the Contract Effective Date.	***Colorado Office of the State Auditor*** Kerri L. Hunter, State Auditor By:_____ Kerri L. Hunter, State Auditor Date: _____ By:_____ Senator Robert Rodriguez, Chair Legislative Audit Committee Date: _____
	LEGAL REVIEW ***Office of Legislative Legal Services*** Sharon L. Eubanks, Director By:_____ Jason A. Gelender, Assistant Director (designee of Sharon L. Eubanks, Director) Date: _____

23. EXHIBIT A – STATEMENT OF WORK

1. GENERAL DESCRIPTION

Contractor shall conduct a financial and compliance audit of the Audited Agency in a manner consistent with the terms and conditions of the Contract and in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants in *Statements on Auditing Standards*, the applicable revised standards for financial and compliance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act, the Provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (federal uniform grant guidance), the *AICPA Audits of State and Local Governmental Units* and *Government Auditing Standards and Single Audit* audit and accounting guides, and Fiscal Rules promulgated by the State Controller. Further, auditors of colleges and universities shall follow additional guidelines applicable to higher education, including the following:

a. Accounting principles promulgated by the National Association of College and University Business Officers (NACUBO) in its publication, *Financial Accounting and Reporting Manual*.

b. Higher Education Accounting Standards established by the Colorado Higher Education's Financial Advisory Committee (FAC), and issued by the State Controller.

c. The Colorado Department of Higher Education Audit Guide, *Colorado Funded Student Aid*.

d. The U.S. Department of Education Audit Guide, *Student Financial Assistance Programs.*

2. CONTRACTOR'S OBLIGATIONS

The Work to be performed by Contractor includes the following:

A. Scope of Work

1. Contractor's audit of the Audited Agency must include the following:

a) Audit of the basic financial statements of the Audited Agency for the year ended June 30, 20XX, including a review of the related internal control structure as required by generally accepted auditing standards and *Government Auditing Standards*. This includes the identification of the Audited Agency's key information technology systems, and determination of the extent of testing to be performed on those systems, in accordance with auditing standards.

b) Audit of the Audited Agency's federal grant programs (see Exhibit F) under the federal Single Audit Act for the year ended June 30, 20XX, as applicable. [OMIT PARAGRAPH IF NO FEDERAL PROGRAMS]

c) Financial and compliance audit of the Statement of Appropriations, Expenditures, Transfers and Reversions of the Audited Agency's State-Funded Student Financial Assistance Programs, including a review of the related internal control structure as required by generally accepted auditing standards and *Government Auditing Standards*. [OMIT PARAGRAPH IF NO SFSFA]

d) Review of the Audited Agency's compliance with state and federal laws and regulations, State Fiscal Rules, and bond covenants that could have a material effect on the Audited Agency's financial statements.

e) Performance of audit work to evaluate the Audited Agency's progress in implementing prior audit recommendations.

f) Review of exhibits required by the State Controller to be submitted to the State Controller in support of the statewide financial statements. Also, review of all of the Audited Agency's adjusting entries, posted or not, after the Colorado Operations Resource Engine's (CORE's) final year-end closing.

g) Submission of attestation memos to the OSA on the results of audit work performed. These memos will be used to support the audit of the statewide financial statements and statewide Single Audit.

h) Preparation of report comments and/or a management letter, as appropriate based on assessed severity level, containing audit findings and recommendations for improvements in the operations, internal controls, and accounting procedures of the Audited Agency, along with any opportunities for cost savings determined through the audit. This will include obtaining and reviewing responses to the recommendations from the Audited Agency's management and ensuring they meet the State's established parameters for responses. In accordance with *Government Auditing Standards*, for any "Partially Agree" or "Disagree" response, the contractor shall prepare an Auditor's Addendum as a rebuttal to the Audited Agency's response. All report comments, management letters, responses, and Auditor's Addenda must be reviewed and approved by the OSA. Note: Deficiencies in internal control will be written and included either as a finding or in a management letter and can not be communicated orally. Any deficiencies that Contractor plans to communicate orally must be approved by the OSA.

    i. Communicate in writing to the Audited Agency a summary of any exceptions identified during testing prior to the drafting of any findings or management letter comments.

i) Performance of appropriate NCAA agreed-upon procedures for the Audited Agency's (Division I/Division II) Intercollegiate Athletics Program for the year ended June 30, 20XX, in accordance with the NCAA by-laws and audit guide. [Only Division I schools have to do the NCAA procedures in FY2023. Omit paragraph if NOT a school.]

j) Issuance of an independent auditors' report on the financial statements of the Audited Agency as of and for the year ended June 30, 20XX.

k) Issuance of an independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements of the Audited Agency performed in accordance with *Government Auditing Standards* for the year ended June 30, 20XX.

l) Issuance of an independent auditors' report on the Statement of Appropriations, Expenditures, Transfers and Reversions of the Audited Agency's State-Funded Student Financial Assistance Programs. [OMIT PARAGRAPH IF NO SFSFA]

m) Issuance of an independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of the Statement of Appropriations, Expenditures, Transfers and Reversions of the Audited Agency's State-Funded Student Financial Assistance Programs performed in accordance with *Government Auditing Standards* for the year ended June 30, 20XX. [OMIT PARAGRAPH IF NO SFSFA]

n) Issuance of an independent auditors' report on the application of agreed-upon procedures to the Audited Agency's (Division I/Division II) Intercollegiate Athletic Program Statement of Appropriations, Expenditures, Transfers and Reversions for the year ended June 30, 20XX. [Only Division I schools have to do the NCAA procedures in FY2023. Omit paragraph if NOT a school or is on rotation.]

2. As it performs the Work, Contractor shall maintain an awareness of any areas beyond the scope of the Services in which the Audited Agency may not be carrying out the Audited Agency's programs in an effective and efficient manner. Contractor shall discuss any such areas with the State to determine whether the State desires Contractor to expand the scope of Services of this Contract. The cost of such additional Services are not included within the scope of this Contract, and any additional Services shall be subject to negotiation and set forth in a separate agreement among Contractor, the State Auditor, and the Legislative Audit Committee.

B. Review by State

During the performance of Services under this Contract and prior to completion of the Work by the date specified in **§6.A.** of this Contract, the State has access to and the right to review Contractor's Work and Work Product, whether in draft or final form, for acceptability and to provide guidance, direction, and feedback and suggest revisions. Contractor may not submit written management letters, findings, or the Audit Report, whether in draft or final form, to the Audited Agency until they are deemed acceptable and approved by the State. A draft Audit Report, including findings and management letters, will be submitted to the State for review by October 16, 2023.

C. Availability

Contractor, upon the request of the State, shall furnish copies of Contractor's work programs developed pursuant to this Contract and make all other workpapers available to the State for review or use in future audits at no additional charge to the State.

D. Reports

Contractor shall prepare and deliver the Audit Report to the State on the due dates set forth in **Exhibit H and I, as applicable.** All Work will be completed no later than October 27, 20XX, unless the State has approved an extension of time. If Contractor becomes aware that the due date for the Audit Report cannot be met, Contractor shall notify the State in writing of the reasons for the delay and identify a specific date when the Audit Report will be delivered. For a separately issued Audit Report, Contractor shall deliver to the State up to 50 copies of the bound report as determined by the State at the time of report finalization. Acceptable binding formats for the Audit Report are limited to spiral, comb, or glued bindings; 3-ring bindings are not acceptable. Contractor shall also deliver to the State an electronic copy of the Audit Report in unprotected Adobe PDF format or any other format prescribed by the State.

E. Oral Presentations

Upon the request of the State, Contractor shall make an oral presentation of the Audit Report to the Legislative Audit Committee and, if applicable and upon notification by the State, one other legislative committee.

F. Entrance and Exit Conferences

The State shall participate in all entrance and exit conferences between the Audited Agency and Contractor, as well as other critical meetings, such as those dealing with audit findings.

G. Fraud

If Contractor becomes aware of fraud or indications of fraud affecting the Audited Agency, Contractor shall notify the State immediately. Contractor shall follow guidance contained in the applicable revision of *Government Auditing Standards* issued by the Comptroller General of the United States regarding the reporting of such fraud or indications of fraud.

3. PERSONNEL

A. Contract Monitor

Contractor's performance under this Contract shall be monitored by NAME OF CONTRACT MONITORS, employees or agents of the State, who are hereby designated as the Contract Monitors. The Contract Monitors shall review Contractor's Work and Work Product, attend key meetings (*e.g.* entrance and exit conferences), and act as liaisons between the OSA, Contractor, and the Audited Agency. With the exception of contract monitoring activities, and unless otherwise noted in this Contract, the State is not required to provide any additional staff time in connection with the Services provided or Work performed.

B. Other Key Personnel

The key personnel identified by Contractor in the Contractor's Proposal are deemed to be essential to the Work being performed under the Contract.

C. Replacement

Contractor shall immediately notify the State if any key personnel cease to be employed by Contractor. Before diverting any key personnel to other programs, Contractor shall give the State fifteen (15) days advance notice and shall submit to the State justification, including proposed personnel substitutions, in sufficient detail to permit evaluation of the impact on the Contractor's performance of the Work. Contractor shall not divert any key personnel without the prior written consent of the State, which the State shall not unreasonably withhold. Contractor shall replace any key personnel with personnel of substantially equal or greater ability and qualifications to perform the Work.

4. ACCEPTANCE CRITERIA

If the State determines that the Work or Work Product is unacceptable (either before or after a draft or a final Audit Report is issued) due to Contractor's failure to comply with applicable auditing standards or satisfy any requirements included in this Contract, the State, at the State's direction, may require Contractor to re-perform the Work at its own expense and submit a revised Work Product. The State's right to reject Contractor's draft or final Audit Report because of the failure to comply and Contractor's obligation to re-perform or revise extend throughout the term of this Contract and continue for one (1) full year after the termination of this Contract.

5. PAYMENTS

Payments shall be made in accordance with **Exhibit F** and any other applicable provisions of this Contract.

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24. EXHIBIT B – REQUEST FOR PROPOSAL

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25. EXHIBIT C – MODIFICATIONS TO CONTRACTOR'S PROPOSAL

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26. EXHIBIT D –CONTRACTOR'S PROPOSAL

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27. EXHIBIT E - INFORMATION SECURITY POLICY FOR CONTRACTORS

Applicability

This policy applies to all OSA Contractors at all locations who are conducting audits or professional services on behalf of the OSA using State of Colorado information or any information, electronic or otherwise, obtained, utilized, or generated by an OSA Contractor while performing work on behalf of the OSA.

Definitions

Confidential information assets – are defined in paragraph 5. below.

OSA Contractor(s) or Contractor(s) – any business, company, corporation, partnership, or individual conducting business on behalf of or in cooperation with the OSA, whether via contract, purchase order, or other purchasing agreement. OSA Contractors include Subcontractors and their employees.

Protected information assets - are defined in paragraph 4. below.

State of Colorado information, information or audit information – any information, whether in electronic or hard copy form, obtained, utilized, or generated by an OSA Contractor while performing work on behalf of the OSA.

State Auditor Authority and Responsibility

The State Auditor's authority and responsibility for accessing and handling confidential information is set forth in the Colorado Revised Statutes. §2-3-107(2)(a), C.R.S., provides that the State Auditor or his or her designated representative "shall have access at all times... to all of the books, accounts, reports, vouchers, or other records or information in any department, institution, or agency, including records or information required to be kept confidential or exempt from public disclosure upon subpoena, search warrant, discovery proceedings, or otherwise." Additionally, §2-3-103(3), C.R.S., provides that "work papers of the office of the State Auditor shall be open to public inspection only upon approval of the majority of the members of the audit committee" and that "work papers that have not been specifically approved for disclosure by a majority vote of the committee shall remain confidential." Finally, §§2-3-103.7 and 2-3-107(2)(b), C.R.S., prescribe penalties for willful or unlawful release of confidential information and prohibit the release of information required to be kept confidential pursuant to any law. The volume and availability of confidential information in electronic and hardcopy format, along with the risk to the OSA should confidential information be inadvertently released or breached, heightens the need for rigorous procedures governing the receipt, storage, and destruction of confidential data.

Policy Compliance

1. All OSA Contractors and their personnel who are performing the Work are required to understand and abide by this policy.

2. By signing an OSA contract or purchase order, an OSA Contractor agrees to abide by this policy and require its personnel performing the Work, including Subcontractors and their employees, to understand and abide by this policy.

Data Classification

3. Any State information asset whether in hardcopy or electronic form (e.g., data, databases, reports, communications, manuals, documentation for systems, procedures, and plans) that is used in the course of an audit on behalf of the OSA is considered either "Protected" or "Confidential," unless expressly stated otherwise in writing by the State Auditor.

4. "Protected information assets" are defined as information that: (i) is required by federal, state, or local laws and statutes to be protected; or (ii) would, in the event of a breach of confidentiality, loss of integrity, or lack of availability, seriously and adversely impact the OSA or the State, up to and including physical harm to individuals, or cause significant hardship to the OSA, the State, or commercial entities that have entrusted the information to the OSA.

5. All OSA Contractor audit information not categorized as "Protected" are automatically classified as "Confidential."

Use and Protection of Information Assets

6. Contractors must take reasonable and prudent measures to protect all OSA audit information and the systems that process, store, and transmit such information from unauthorized disclosure and modification regardless of where the OSA audit information and the systems are located.

7. All State information systems (e.g., networks, intranets, internet connections, telephones, fax, etc.) are the property of the State and are for State business use only. Contractor shall not use State information systems to knowingly access, store, or distribute offensive material, such as pornography. Contractors may not use State of Colorado systems to knowingly compromise other systems, networks or safeguards unless the OSA specifically authorizes them to do so in order to test the security of such systems, networks, or safeguards for legitimate State purposes.

8. Any unauthorized attempt to access information that is outside Contractor's "need-to-know" for his/her operational purposes is prohibited.

9. Contractors must encrypt all "Protected" and "Confidential" information when stored on portable computers or removable media (e.g., laptops, external hard drives, CDs, USB drives.)

10. Contractors must, at all times, physically secure portable computers used in storing and processing audit information on behalf of the OSA through the use of cable locks or other security measures or, when physically securing a portable computer at a work site is not feasible, use encrypted devices or other security measures to ensure that theft of a portable computer does not result in the loss or disclosure of State Confidential Information or Work Product.

11. Contractors shall not leave any portable computers, removable media (e.g., laptops, external hard drives, CDs, USB drives), or hard copy information containing "Protected" and "Confidential" information unattended, such as in vehicles or in checked airport luggage.

Viruses and Malicious Code

12. Contractors must effectively deploy personal firewall security and up-to-date malicious code/virus protection software for all systems and devices used to access audit information or in carrying out official OSA business.

Telecommunications Security and Information Transmission

13. Contractors are responsible for being aware of and protecting against current and potential telecommunications (e.g., telephones, voice mail, mobile phones, conference calls, instant messaging, and facsimile machines) security risks in their given environment.

14. Contractors are prohibited from connecting to any state networks in connection with the Services hereunder without prior authorization from the OSA and the information security officer of the Audited Agency. In the case of executive branch agencies, Contractors should submit a request with their agency liaison to obtain permission through the Governor's Office of Information Technology access management team.

15. Contractors shall make every effort to ensure that all State of Colorado information is protected from inadvertent disclosure when being sent over the Internet or other non-State of Colorado networks.

16. Contractors shall not connect portable computers containing "Protected" or "Confidential" data to any public WiFi networks (e.g., internet cafes) without adequately protecting such information through the use of hard drive encryption and the use of an encrypted VPN tunnel.

17. Contractors must always consider information sensitivity and transmission security issues when selecting a transmission medium. "Protected" and "Confidential" data must only be transported or transmitted over a public network when protected by encryption.

18. When data is stored on electronic media or a mobile computing device, the data must be encrypted at all times during physical transport.

19. Transmission of Protected or Confidential data over a public network by unencrypted email is prohibited.

Information Storage and Disposal

20. Media or hard copy documents containing Protected or Confidential information are to be appropriately labeled as such and protected in accordance with this **Exhibit E**.

21. Contractors must maintain physical media security by using locking filing cabinets or drawers and locking them when left unattended. Media security may also be achieved by locking the door of a private office.

22. Personal computers, laptops, USB drives, mobile phones, personal digital assistants (PDAs), and other devices and media containing State of Colorado information must be secured by their users from loss, theft, and unauthorized use.

23. Contractors shall not leave unattended any device containing State of Colorado information unless a password-engaged screensaver is used. The screen saver must engage after no more than 2 minutes of inactivity unless Contractor has a policy that requires its employees and its Subcontractors' employees to manually lock the device when leaving it unattended.

24. Contractors must ensure that portable storage devices (e.g., external hard drives, CDs, USB drives) that will be leaving their effective control or are at the end of their useful lives, are cleaned and sanitized (i.e., cleared, purged, and destroyed) of all Protected or Confidential data in conformance with NIST

Special Publication 800-88 or other standard procedures and requirements set by the U.S. Department of Defense, such as DoD 5220.22-M.

25. Hard copy documents containing Protected or Confidential information must be shredded prior to disposal.

26. Data storage devices (CDs, DVDs, and floppy disks) containing Protected data must be physically destroyed at the end of the audit. For thumb drives and portable hard drives, Contractor must either use an electronic shredding program to destroy the data or destroy the device at the end of the audit. A record of disposal is to be maintained in the workpapers by the Contractors. A record of disposal must contain the name of the individual disposing of the data, the method used to dispose of the data, identifying qualities of the data (such as the serial number of the media on which it was stored, if applicable), and the date of disposal.

Incident Reporting

27. All suspected loss or compromise of OSA audit information as a result of the loss of a desktop, portable, or mobile computing device or removable storage device by any means (e.g., theft, loss) used to store State of Colorado data shall be reported to the OSA Contract Manager within 24 hours of discovery.

28. In the event of the suspected loss or compromise of OSA audit information under control of Contractor, Contractor is responsible for working with the State Auditor and the Audited Agency with respect to recovery and remediation. Contractor is also responsible for working with the OSA and the Audited Agency to notify all Colorado residents and other affected parties whose sensitive data may have been compromised as a result of the breach. Contractor will bear all reasonable associated costs.

Personnel Security

29. Contractor is responsible for performing background checks consistent with Contractor's standard employment practices for Contractor personnel completing work on behalf of the OSA.

Policy Enforcement

30. If Contractor is deemed to be in noncompliance of this policy by the State Auditor, the State Auditor may unilaterally terminate the Contract.

31. Upon request by the State Auditor, Contractor agrees that it shall make available qualified individuals and a member of senior management responsible for security and data protection, for the purpose of discussing information technology controls, including those policies, procedures, and controls relevant to the provision of services and security obligations under this Contract.

28. EXHIBIT F - COMPENSATION AND PROCEDURES FOR BILLING

1. Contractor shall submit all invoices for services to the State. Payment will be made from the State Auditor's appropriation. Contractor shall not request payment from the Audited Agency.

2. Contractor may render monthly interim bills to the State until completion of the Work, provided that the aggregate amount of all bills shall not exceed the maximum compensation set forth in **§3** of this **Exhibit F**. The interim bills shall be promptly paid by the State except that the State reserves the right to withhold 10 percent of the total Contract amount until delivery and acceptance of the Audit Report. Release of the Audit Report by the Legislative Audit Committee constitutes acceptance of the Audit Report.

3. Total maximum compensation for the Work shall be $XXX,XXX, with the estimated funding split between State Fiscal Years expected to be:

	Total	Paid From State's Budget Period	
		2022-2023	2023-2024
Name of Audited Agency			
Financial and compliance audit	$xxx,xxx	$xxx,xxx	$xxx,xxx
Other Itemized Costs			
Single Audit Programs:			
Name of Program	$ x,xxx	$ x,xxx	$ x,xxx
Total Fee	**$xxx,xxx**	**$xxx,xxx**	**$xxx,xxx**

29. EXHIBIT G - DEVELOPING AND PRESENTING AUDIT FINDINGS

Developing and Presenting Audit Findings

An audit finding is a written explanation of the information developed during the audit engagement concerning errors, omissions, weaknesses, or areas for improvement. It is the source from which all audit recommendations flow. Audit findings have certain common elements. The five elements of an audit finding are criteria, condition, cause, effect, and recommendation.

Title of Finding

Provide brief background information about the program in one or two paragraphs. Do not include criteria, condition, cause, or effect in this background section.

What was the purpose of our audit work and what work was performed?

Describe the purpose of the audit work in one sentence. (i.e., "The purpose of the audit work was to XXXX.")

Briefly describe the audit testwork that was performed using bullets and/or one to two paragraphs. (i.e., describe the data and documents reviewed, individuals interviewed, and the sample selected and sample methodology).

How were the results of the audit work measured? *(Criteria)*

The criteria are the standards against which the condition is measured. They are standards used to evaluate a particular event or process and describe "what should be." Some examples of criteria include:

- Colorado Constitution
- Colorado Revised Statutes
- Colorado state agency rules and regulations
- federal laws and regulations
- State Fiscal Rules and Fiscal Procedures Manual
- Generally Accepted Accounting Principles
- program-specific written policies and procedures
- program-specific written goals and objectives
- good business practices
- unwritten policies, procedures, goals, and objectives as explained by the Audited Agency's personnel

If the criteria are not already set forth in writing, it may be necessary to find information to serve as evidence of criteria. When common sense or expert opinion is used as criteria, the development of the finding must be logical and convincing to the reader, who may not possess the same level of expertise. This is also important because such criteria are less authoritative than other types of criteria.

This section should briefly describe the criteria of the finding. Strive to provide the essential information in one or two short paragraphs, bullets, or in a table.

What problem(s) did the audit work identify? *(Condition)*

The first step in developing a finding is to identify the statement of condition. This occurs during the "fact-finding" process when the auditor compares "what is" with "what should be." When there is a difference between "what is happening" with "what should be happening," the first element (condition) of an audit finding is identified. The condition should be a factual statement of what was found and be free of value judgments.

This section should describe the overall problem (the condition of the finding) in one or two sentences. Then provide specific examples that support the condition (e.g., exceptions identified during the audit test work). Use bullets and tables to describe the types of exceptions identified.

Why did this/these problem(s) occur? *(Cause)*

The cause is the element of the audit finding which explains why the "condition" exists. The cause represents what must be corrected to prevent the recurrence of the existing condition. As such, auditors must correctly identify the cause before a proper course of action can be devised. Developing the cause frequently requires a fairly extensive analysis of the problem. Often, there are multiple factors causing the problem. The human behavior aspect, which increases the difficulty in identifying the proper cause, is always present. Nevertheless, auditors should make a reasonable effort to determine as closely as possible the real cause of the problem. Examples of cause include:

- negligence
- inadequate resources
- inadequate training
- poor communication
- inadequate guidelines or standards
- absence of good management techniques
- failure to follow established policies and procedures

This section should describe the cause of the finding in one or two paragraphs or in bullets that correspond to the bullets used in the condition section above.

Why does/do this/these problem(s) matter? *(Effect)*

The effect represents the end result of the activity being measured. It is the impact of the difference between the statement of condition and the criteria. The attention given to an audit finding depends largely upon its significance, and significance is judged by effect. What is the result if nothing is done about the problem identified? Auditors frequently use materiality to measure the potential significance of findings. The effect of an adverse audit finding is what motivates management to take needed action to correct the condition. When the effect is insignificant, the auditor should consider eliminating the finding from the report or grouping it with other minor findings. Some examples of effect include:

- violation of law or regulation
- noncompliance with legislative intent
- loss of potential income
- program goals and objectives not being met
- increased costs
- poor service quality

- inefficient service delivery
- increased risk of fraud and abuse
- reduced effectiveness

When determining the effect of an audit finding, auditors should look at outcomes such as impacts on citizens, services, or public safety. In addition, the fiscal impact of the finding (e.g., increase or decrease in revenue or costs) should be quantified where possible. The estimated fiscal impact should be discussed with the Audited Agency and reported as an estimate (e.g., we estimate this change will eliminate one administrative support position with an estimated annual cost of $26,000).

This section should describe the effect of the finding in one or two paragraphs or bullets. Quantify the effect to the extent possible.

Recommendation No. X:

The recommendation is the action believed necessary to correct the adverse situation. Generally, each finding will result in one or more recommendations. The following are guidelines for developing recommendations:

- Write recommendations that address or solve the "cause" of the problem.
- Write recommendations as realistically and specifically as possible so they are more likely to be understood by and prove useful to the Audited Agency.
- Present recommendations in a constructive tone and emphasize improvement rather than criticism of past activities. Auditors should keep in mind that their objective is to motivate the Audited Agency to take action. This can best be done by avoiding language that unnecessarily generates defensiveness and opposition.
- Write your recommendation so that it can be understood by itself (e.g., the reader will not have to refer to the finding to understand the recommendation).
- Avoid introducing new information in the recommendation that was not presented in the body of the finding. The recommendation should follow logically from what was presented in the finding.
- Avoid extreme language such as "immediately," "without delay," or "as soon as possible." These phrases do not add to the substance of the recommendation. In situations where there is an urgency to correct a problem, include in the recommendation the consequence of delay (e.g., continued loss or waste of money).

The Department of XXXX should XXXX by:

a.

b.

The written Audit Report, which contains all audit findings and recommendations, is issued to legislators and other state and federal officials who have limited time to read reports. Therefore, the Contractor should present findings as concisely as possible, but with enough clarity to be understood by the reader. In addition to being clear and concise, audit findings should be logical, convincing, and constructive. The findings should be presented in a way that will convince the reader of their significance and motivate the Audited Agency to take action. This is accomplished by clearly presenting the five elements of an audit finding—condition, criteria, effect, cause, and recommendation.

For additional guidance regarding developing audit findings, please consult *Government Auditing Standards* issued by the U.S. Comptroller General, which is available online at http://www.gao.gov/.

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30. EXHIBIT H - REPORTING REQUIREMENTS AND FORMAT FOR SEPARATELY ISSUED REPORTS

The final Audit Report contains findings, conclusions, and recommendations resulting from the Work. It also provides recommendations for changes or modifications to improve the efficiency and effectiveness of the Audited Agency.

Contractor shall prepare the final Audit Report in the format delineated below.

REQUIRED REPORTING FORMAT

1. Addressee of Report

   Audit Report should be addressed to "Members of the Legislative Audit Committee."

2. Report Format

   The Audit Report will include all of the following sections bound together as a single report and shall be prepared using the OSA format to the extent possible. Acceptable binding formats are limited to spiral, comb, or glued bindings; 3-ring bindings are not acceptable. Contractor may consult the OSA's website for examples of recently issued financial audit reports.

   Major sections of the Audit Report and their required order within the report are:

   Report Cover
   LAC, Staff, and Distribution Page
   Report Transmittal Letter
   Table of Contents
   Report Summary
   Recommendation Locator
   Description of the Audited Agency
   Schedule of Findings and Questioned Costs, Including the Audited Agency's Responses
   Disposition of Prior Audit Recommendations
   Auditors' Report on Financial Statements and
   Financial Statements
   Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of basic financial statements performed in accordance with *"Government Auditing Standards"*
   Additional Information (if applicable)

   a. Report Cover

      The report cover should contain the title and date of the Audit Report, including the name of the Contractor conducting the audit.

   b. LAC, Staff, and Distribution Page

      The reverse side of the report cover should contain a listing of the current members of the Legislative Audit Committee, OSA staff, and Contractor staff conducting the audit. This page also contains information on how to obtain both electronic and bound versions of the report. The

distribution information should include the Audit Report number. A template will be provided by the OSA.

c. Report Transmittal Letter

A letter to the Legislative Audit Committee signifying transmission of the Audit Report and signed by the Contractor.

d. Table of Contents

This page is an index to the report denoting the major report sections and corresponding page numbers.

e. Report Summary

The summary is a 3 to 5 page overview of the important comments in the report. The following should be contained in the report summary:

Authority and Purpose/Scope of Audit
Summary of Major Audit Findings and Recommendations (including type of audit opinion)
Summary of the Audited Agency‘s responses to recommendations contained in the summary
Summary of Progress in Implementing Prior Audit Recommendations

f. Recommendation Locator

A table should be presented that provides the following:

Recommendation number
Page number (of recommendation)
Recommendation Summary
Audited Agency’s Response (agree, disagree, etc.)
Implementation Date

g. Description of the Audited Agency

The enabling legislation should be cited and the purpose and function of the Audited Agency clearly set forth.

h. Schedule of Findings and Questioned Costs, Including the Audited Agency’s Responses

The Audit Report must contain this section reporting the Contractor’s findings and recommendations relative to operating weaknesses, violations of law, compliance with applicable statutes and regulations, and adherence to generally accepted accounting principles and sound business practices.

The findings and recommendations included in the report must contain sufficient background to inform a lay reader of the facts and circumstances surrounding the finding. In addition, the findings should identify and emphasize the business effects resulting from the deficiency or instance of non-compliance. Audit recommendations, which focus on workable solutions that the Audited Agency can effectively implement, are presented after each finding.

The Recommendations are consecutively numbered and may contain one or more subparts (i.e., 1, 2, 3a, 3b, 3c, 4a, 4b, etc).

The Audited Agency's formal written response to any audit recommendations are incuded in the body of the Audit Report following each recommendation. The OSA will provide Contractor with the standard form for obtaining the Audited Agency's responses. The Contractor is responsible for working with the OSA to review the Audited Agency's responses for accuracy, responsiveness to the recommendation, and adherence to the OSA's established parameters. The Audited Agency's responses must be reviewed and approved by the OSA prior to their inclusion in the Audit Report. Any "Partially Agree" or "Disagree" responses must include an Auditor's Addendum, which is a rebuttal to the Audited Agency's response. The language for all Auditor's Addenda must be reviewed and approved by the OSA prior to their inclusion in the Audit Report.

For findings related to federal expenditures, the finding must be written in accordance with federal Uniform Grant Guidance, which will include identification of applicable federal compliance requirements by finding, contact name, and federal agencies to which each finding relates.

i. Disposition of Prior Audit Recommendations

The Audited Agency's progress in implementing prior audit recommendations is reported in this section. The disposition of prior period recommendations is classified in this section as either: implemented, partially implemented, not implemented, deferred, or no longer applicable. This should include a narrative and implementation date for partially implemented, not implemented, deferred, and no longer applicable. All prior audit recommendation dispositions must be reviewed and approved by the OSA prior to their inclusion in the Audit Report.

j. Auditor's Report on Financial Statements and Financial Statements

The Independent Auditor's Report indicating the auditor's opinion on the Audited Agency's financial statements and the Audited Agency's financial statements will be included in this section of the Audit Report. Financial statements should follow reporting requirements applicable for the audit entity as required by the State Controller, audit guides of appropriate federal agencies, Financial Accounting Standards Board, or the Governmental Accounting Standards Board.

k. Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of basic financial statements performed in accordance with "*Government Auditing Standards"*

This section will include the auditor's report in accordance with the applicable revison of Government Auditing Standards issued by the Comptroller General of the United States.

l. Additional Information

If there is additional reporting based on the scope of the audit, such as reporting on State-funded student financial aid, it should be added at the end of the report.

3. Single Report

Contractor's Audit Report will include all of the aforementioned sections bound together as a single report. Contractor may issue separate reports for financial statements and management letter comments.

Contractor will not issue separate reports for federal and state financial assistance programs. These reports will be included, in separate sections as appropriate, in one Audit Report for the Audited Agency. A Separate Report will be issued for NCAA Agreed-Upon Procedures.

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31. EXHIBIT I - REPORTING FOR STATEWIDE FINANCIAL STATEMENTS AND SINGLE AUDIT

REPORTING THE RESULTS OF AUDIT WORK

Contractor will provide items 1a, 1b, and 2 by August 22, 2023, items 3a and 3b by September 5, 2023, item 14a by September 13, 2023, items 4a and 5 by October 9, 2023, items 4b, 6 through 13 by October 27, 2023, and items 14b and 14c by October 31, 2023.

Attestation information that will be required to be submitted to the State but is not reflected in the above dates will include:

- Audit risks identified, including information technology related risks, and the related planned audit procedures – due June 5, 2023.
- 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 – due June 30, 2023.
- Report on procedures performed for risk factors identified related to internal controls, including any associated audit findings and recommendations – due June 30, 2023.
- Report on results from the Statewide statistical samples – due date to be determined.
- Other required additional matters that are relevant to the planning and conduct of work of the audit – due date to be determined.

Fourth and fifth bullet items above will have approximate due dates between June and October.

Items Needed for TABOR Reporting Purposes

1a. A schedule of audit differences affecting revenue that shows financial misstatements noted during the audit and the adjusting entries needed to correct the errors.

1b. A written statement that the Audited Agency has properly classified and reported current year exempt and nonexempt revenue for TABOR purposes on CORE and that no audit differences were noted except as provided as part of (1a) above.

2. A written statement that any changes in enterprise designations and any prior years adjustments to the TABOR spending limit have been properly reported by the Audited Agency on the Office of the State Controller's Exhibit A. If the Exhibit A is incorrect, a copy of the revised Exhibit A will be submitted.

Items Needed for Cash Funds Uncommitted Reserves Reporting Purposes (§24-75-402, C.R.S.)

3a. A schedule of audit differences for cash funds showing financial misstatements noted during the audit and the adjusting entries needed to correct the errors.

3b. A written statement that no financial misstatements were noted that would impact the "Cash Funds Uncommitted Reserves Report" as required by §24-75-402, C.R.S., no additions or deletions were noted that should be made to the report, and no exemptions of funds that should have been included on the report were found except as provided as part of (3a) above.

Items Needed for Federal Award Reporting Purposes

4a. If the Audited Agency is subject to the Cash Management Improvement Act, a written conclusion on whether the Audited Agency is in compliance with the Act for applicable programs shown on the U.S. Treasury-State Agreement.

4b. A written conclusion on whether the Schedule of Expenditures of Federal Awards is fairly stated in accordance with the Single Audit Act and the Office of the State Controller's instructions for preparation of the schedule.

All current year questioned costs are to be included in the auditor's findings and recommendations.

Items Needed for Financial Statement and Financial Reporting Purposes

5. A summary schedule of all audit differences (including passed audit adjustments) showing the correcting adjustments needed, including CORE fund and account coding.

6. A written conclusion on whether account balances of the Audited Agency that are material to the financial statements of the State of Colorado or to the Audited Agency's financial statements as appropriate are fairly stated.

7. A written statement regarding whether any material weaknesses in the internal control structure were identified.

8. A written statement identifying any instances of material noncompliance with laws, rules, regulations, and bond covenants, including TABOR and quarterly reporting requirements.

9. A written conclusion on the accuracy of information in the exhibits provided to the Office of the State Controller along with copies of any revised exhibits that differ from those submitted to the Office of the State Controller. The conclusion will include a determination of: (1) the accuracy of the Audited Agency's reconciliation of its financial balances to CORE; (2) the reasonableness of adjustments made after final year-end close, including any entries entered into CORE after Period 14, and whether those adjustments have been approved by the Office of the State Controller; and (3) the reasonableness of the presentation of financial information for Statewide reporting purposes.

10. A written statement identifying any material subsequent events or changes to component units at the Audited Agency.

11. A written statement identifying any instances of fraud or the indications thereof.

If Contractor becomes aware of fraud or indications of fraud affecting the Audited Agency, Contractor must notify the State Auditor immediately. Also, Contractor must follow the guidance contained in the applicable revision of *Government Auditing Standards*, issued by the Comptroller General of the United States, regarding the reporting of such fraud.

12. A written conclusion on the adequacy of information used for footnote disclosures.

13. Additional financial information that may be deemed necessary in forming the opinion for the State's financial statements.

14. Contractor is required to provide the following, prepared in the State Auditor's format:

a. A schedule showing the implementation status of all prior year audit recommendations in the State Auditor's format electronically through e-mail in Microsoft Office Word or Excel format.

If applicable, the status of questioned costs should be reported as part of the disposition of prior year audit recommendations.

If applicable, according to the Single Audit Act Amendments, the resolution of questioned costs is the responsibility of the recipient and the related federal agency. The Amendments also state that resolution shall be made within six months after receipt of the Audit Report by the federal agency. Contractor should evaluate the accuracy and completeness of these resolutions.

The disposition of each prior year audit recommendation is to be classified as either implemented, partially implemented, not implemented, deferred, or no longer applicable. If the disposition is other than implemented, please include a short explanation of the implementation status.

b. Audit findings and recommendations along with written responses electronically through e-mail in Microsoft Office Word or Excel format.

Contractor will prepare written audit comments and recommendations for operating weaknesses, questioned costs, violations of law, noncompliance with rules and regulations, non-adherence to generally accepted accounting principles or sound business practices, and opportunities for improved efficiency or effectiveness.

The Contractor's findings and recommendations should include sufficient background to inform a lay reader of the facts and circumstances surrounding the finding. In addition, each finding should identify and emphasize the business effects resulting from the deficiency or instance of non-compliance. Finally, recommendations should focus on workable solutions which the Audited Agency can effectively implement.

For findings related to federal expenditures, the finding must be written in accordance with federal uniform grant guidance, which will include identification of applicable federal compliance requirements by finding, contact name, and federal agencies to which each finding relates.

c. Listing of: (1) each of the current year recommendations; (2) one- to two-word Audited Agency response as stated in writing by the Audited Agency (i.e., "Agree," "Partially Agree," or "Disagree"); (3) the date to be implemented; and (4) the contact person, as applicable for comments relating to federal funds as required by federal uniform grant guidance. Note: The contractor shall prepare an Auditor's Addendum, which is a rebuttal to the Audited Agency's response for any "Partially Agree" or "Disagree" response. The language for all Auditor's Addenda must be reviewed and approved by the State.

32. EXHIBIT J - SAFEGUARDING REQUIREMENTS FOR FEDERAL TAX INFORMATION

This Addendum regarding Safeguarding Requirements for Federal Tax Information ("Addendum")[1] is an essential part of the agreement between the State and Contractor as described in the Contract to which this Addendum is attached. Unless the context clearly requires a distinction between the Contract and this Addendum, all references to "Contract" shall include this Addendum.

1. PERFORMANCE

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by Contractor's employees with the following requirements:

1.1 All work will be done under the supervision of the Contractor or the Contractor's employees.

1.2 The Contractor and the Contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075 and Colorado Revised Statutes 24-50-1002.

1.3 Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.

1.4 All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

1.5 The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of Contractor's computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any FTI remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

1.6 Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to the State or the State's designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or the State's designee with a statement containing the date of destruction, description of material destroyed, and the method used.

1.7 All computer systems receiving, processing, storing or transmitting FTI must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.

[1] The language of this Addendum is derived from IRS Publication 1075, *Tax Information Security Guidelines For Federal, State and Local Agencies,* Exhibit 7 – Safeguarding Contract Language, "Contract Language for Technology Services." This Addendum is not exhaustive of all requirements contained in Publication 1075. By agreeing to this Addendum, Contractor agrees to comply with all applicable requirements in Publication 1075 or described on the website of the IRS Safeguards Program, located at www.irs.gov/privacy-disclosure/safeguards-program.

1.8 No work involving FTI furnished under this Contract will be subcontracted without prior written approval of the State, by and through the contracting agency and the Office of Information Technology, and the IRS.[2]

1.9 The Contractor will maintain a list of employees' authorized access. Such list will be provided to the State and, upon request, to the IRS reviewing office.

1.10 The Contractor will not use live FTI in a test environment or utilize a cloud computing model that receives processes, stores, or transmits FTI without express written authorization from the State.[3]

1.11 The Contractor will maintain the confidentiality of all taxpayer information provided by the State or learned in the course of Contractor's duties under this Contract in accordance with safeguards set forth under Colorado Revised Statutes § 39-21-113(4), as amended.

1.12 The Contractor agrees to comply with the following additional requirements in performance of this Contract:

None

1.13 The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

2. CRIMINAL/CIVIL SANCTIONS

2.1 Each officer or employee of any person[4] to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

2.2 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor

[2] *see* IRS Publication 1075, Exhibit 6 – Contractor 45-Day Notification Procedures.
[3] *see* IRS Publication 1075, Section 9 and www.irs.gov/privacy-disclosure/additional-requirements-for-publication-1075.
[4] The term "person" is used in this Section 2 as it is used in Title 26 of the United States Code and related regulations. The term "person" means a person or entity, including "an individual, a trust, estate, partnership, association, company or corporation." 26 U.S.C. § 7701(a)(1).

punishable upon conviction by a fine of as much as $1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of $1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

2.3 Additionally, Contractor shall inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to Contractor by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to State records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

2.4 Granting a Contractor access to FTI must be preceded by certifying that each individual understands the State's security policy and procedures for safeguarding FTI. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the State's files for review. As part of the certification and at least annually afterwards, Contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see *Exhibit 4, Sanctions for Unauthorized Disclosure*, and *Exhibit 5, Civil Damages for Unauthorized Disclosure*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches.[5] For both the initial certification and the annual certification, the Contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

3. INSPECTION

The IRS and the State, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS's right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process, or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

[5] *see* IRS Publication 1075, Section 10 or www.irs.gov/privacy-disclosure/reporting-improper-inspections-or-disclosures.

We Set the Standard for Good Government

ATTEST A1 – IDENTIFIED RISK AREAS AND PLANNED AUDIT APPROACHES

DUE DATE: July 5, 2022

DATE: (Enter the date the memo is submitted)

TO: Office of the State Auditor, Statewide Audit Team
(osa.financial@state.co.us)

FROM: (Enter name of person submitting memo)
EMAIL: (Enter email address of person submitting memo)
PHONE: (Enter phone number of person submitting memo)

RE: (Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo will be submitted later than the Attest Memo due date, then please contact your Contract Monitor and provide an expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations or additional information in the Explanation(s) column, on a new tab, or as a separate attachment.

Specific Attest A1 Instructions.

C. This attest memo can be submitted as FINAL even if the following attachments will be submitted at a later date: Brainstorming/risk assessment workpapers (question 2b) and overall audit strategy (question 4). If this applies to your Attest A1, please respond "Yes" to question 2b and question 4 on your submitted Attest A1 and provide your Contract Monitor an expected date of submission for these attachments.

D. If, during the course of your audit, any of the following items are revised, DO NOT submit a revised Attest A1. Revised risk assessments, audit approaches, and audit plans should be communicated to your contract monitor as soon as practical and be submitted with future Attest Memos.

	RESPONSE Please select from the drop down box	EXPLANATION(S) If applicable
1. Have you performed planning procedures in accordance with AU-C Sections 300-499, *Risk Assessment and Response to Assessed Risks* ?		
2. Based on your planning procedures, have you identified, documented, and assessed risk areas for your audit?		
2a. Have you attached a listing and/or brief discussion of risk areas identified for testing at the department/institution?		
2b. Have you prepared and attached the brainstorming/risk assessment meeting work papers for the audited department/institution?		
3. Have you attached a brief summary of your planned audit approaches to address each of the identified risk areas from questions #2, #2a, and #2b above?		
4. Have you prepared and attached the overall audit strategy for the department/institution being audited?		
5. As of the date of this attest memo, have you identified, or do you suspect, financial noncompliance* that could have possible material effects to the State's financial statements? If "Yes," then please provide an explanation. *Financial noncompliance refers to compliance with statutes impacting the department/institution, regulations, contracts, grants, etc. For example, there is a statute requiring all departments/institutions to submit quarterly financial reporting to the Office of the State Controller.		
6. Have you received, reviewed, and do you understand, the Letter of Instruction provided by the Office of the State Auditor (OSA)? If "No", please provide a thorough explanation.		
7. Have you received the preliminary major programs assessment, or have been told there are no preliminary major programs, for this department/institution from the OSA?		
7a. Based on your review and analysis of the preliminary major program assessment provided by the OSA for this department/institution, do you agree with the risk assessment and the preliminary major program selection provided by the OSA? If "No," then please provide an explanation of the differences.		

7b. Have you attached documentation of your review, analysis, and conclusion on the preliminary major program assessment provided by the OSA? If "No", then please provide an explanation. **Please Note: Reliance on the OSA determination is not a sufficient response.**		
7c. Are there additional major programs that were not identified in the preliminary major programs assessment provided by the OSA? If "Yes," please provide an explanation. For example, were there any federal programs not included on the preliminary analysis that will exceed the Fiscal Year 2022 Type A ($39 million) or Type B ($9 million) major program threshold by June 30, 2022?		
7d. Did the department/institution receive any stimulus money directly from the Federal Government by June 30, 2022 that wasn't listed on the preliminary major program assessment provided by the OSA? If "Yes," then please provide an explanation that includes the following information: -Amount of federal money received by the department/institution, and how much of that amount will be expended by June 30, 2022. - Assistance Listing Number (ALN) number and name of program. -Indicate whether the ALN number was previously/already used by the department/institution, or not (I.e., Is it a new program or additional funding for an existing program?).		
7e. Did the department/institution receive any State and Local Fiscal Recovery Funds (SLFRF)? If "Yes," then please provide an explanation that includes the following information: -Amount of federal money received by the department/institution, and how much of that amount will be expended by June 30, 2022.		
7f~~-e~~. If you were told there were no prelminary major programs at the department/institution, do you agree with that communication provided by the OSA? If "No," then please provide an explanation that includes the following information: -Amount of federal money received by the department/institution, and how much of that amount will be, or was, expended by June 30, 2022. - Assistance Listing Number (ALN) and name of program. -Indicate whether the ALN was previously/already used by the department/institution, or not (I.e., Is it a new program or additional funding for an existing program?).		
8. In accordance with 2 CFR 200.518, we need to ensure that our evaluation of Low Risk Type A programs is accurate. Therefore, we need audit teams to provide the following information in relation to the Type A major program determinations in the preliminary major program assessment provided by the OSA. Note: These questions should cover all of the department/institution low-risk Type A programs. Therefore, if a response for one program is Yes and one is No, then discuss in the explanation both programs and explain the "No" for the second program.		
8a. Have there been any changes in personnel (either program or financial) affecting the Type A program(s)? If Yes, please provide a description of the changes.		
8b. Have there been any changes in systems affecting the Type A program(s)? (Note: “Systems” includes changes in IT systems, internal control systems, etc.) If Yes, please provide a description of the changes.		
8c. If either 8a or 8b is Yes, do these changes indicate significantly increased risk and preclude the program(s) from being low risk? If Yes, please provide the Major Program name and ALN . If no, please provide an explanation.		
9. Based on planning, will you be able to test all auditable, direct, and material compliance requirements for the identified major program(s)? If no, please attach an explanation. Note: The major program opinion covers the State. Therefore, a compliance requirement cannot be determined not direct and material if the requirement is performed at another State Department/Institution.		
10. Have you identified any federal requests or review for an audit, or any requirements for a program audit, in any of the department's/institution's program grant agreements? If "Yes", please provide an explanation.		

Note: Please add additional tabs or attachments, as necessary, to support explanations noted in responses above.

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ATTEST A2 – RESULTS OF INTERNAL CONTROL AND COMPLIANCE TESTING

DUE DATE: July 29, 2022

DATE: (Enter the date the memo is submitted)

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM: (Enter name of person submitting memo)
EMAIL: (Enter email address of person submitting memo)
PHONE: (Enter phone number of person submitting memo)

RE: (Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:
A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo will be submitted later than the Attest Memo due date, then please contact your Contract Monitor and provide an expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, except for the table portions of this attest memo, DO NOT add additional rows to the attest memo. Please include explanations or additional information in Explanation(s) column, on a new tab, or as a separate attachment.

Specific Attest A2 Instructions.
C. Column B indicates the applicability of the Attest Memo question to the type of department/institution being audited. ALL means Feeders, In-house and Stand-Alone departments/institutions.

D. The example rows in the table in question 5 and the example rows in the table in question 6 MUST BE DELETED prior to submission.

		Response Please select from the drop down box	Explanation(s) If Applicable
ALL	1. Have you performed planning and risk assessment procedures to obtain an understanding of the design and implementation of relevant internal controls in compliance with AU-C Section 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* ?		
ALL	2. Based on the results of procedures referred to in Step 1, did you determine a High or Moderate control risk in any audit area? If "Yes," please provide an explanation of the audit area(s) that will have a High or Moderate control risk and additional substantive procedures to be performed.		
ALL	3. Have you performed tests of controls in compliance with AU-C Section 330, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained* ?		
ALL	4. Based on the results of procedures referred to in Step 3, did you determine a High or Moderate control risk in any audit area? If "Yes," please provide an explanation of the audit areas that will have a High or Moderate control risk and additional substantive procedures to be performed.		

ALL — 5. We have performed the audit procedures indicated in the following table for risk factors identified related to financial statement internal controls for all activity related to financial statement reporting: (NOTE: Auditor judgment is required to assess risks for the audited department/institution. If the audited department/institution has been identified as a significant component, component materiality is required to be used to assess quantitative risk. Low risk and immaterial areas are not required to be tested unless otherwise deemed necessary by the department/institution auditor. These areas may include, but are not limited to, expenditures/expenses, revenue, payroll, appropriations, capital assets, and/or any type of transaction type within any of these categories. *Report all testing performed even if no exceptions have been identified. Indicate those risks that are significant to the department/institution.*)

a. Internal control area tested (Identify by broad area or specific control as deemed necessary)	b. Indicate what types of procedures were performed to determine whether the control is operating effectively. *(e.g. inquiries, inspection, observation, and reperformance)*	c. Based on the procedures performed, is the control operating effectively? *(yes or no)*	d. If the control is not operating effectively, are there compensating controls to reduce the control risk to a reasonably low level? If "yes", please indicate the compensating controls. *(yes, no, n/a)**
Example: Expenditures	*Inquiries, inspection, and observation*	*No*	*No*

*If you responded "no" to steps 5c and 5d above, for any control process tested, please complete question 6 below. *(Note: If you responded "yes" to either 5c or 5d , then continue to question 7 to complete the form.)*

ALL

6. For areas where you indicated "no" to steps 5c and 5d, please provide the following information, if able; otherwise, provide as much information as possible. *(Note: this will help us to identify samples and lead accounts for further financial statement testing at the statewide level.)*

a. Department Code	b. Fund and Fund name	c. Account and Account Name	d. Closing Classification (e.g. 1, 2, 10, 11, 14, 15)	e. Dollar Value of Errors (if applicable)	f. Classification of deficiency (e.g. Deficiency in Internal Control, Significant Deficiency, or Material Weakness) AND Planned communication to management and/or governance (i.e., management letter or finding)	g. Brief description of the issues/errors identified
Example: ABCA	*1000 – General Fund, Unrestricted*	*3121 – Office Supplies*	*10*	*$1,000,000*	*Significant Deficiency to be communicated to management and governance with a finding.*	*We noted that there was no segregation of duties over the office supplies purchasing function. Therefore, the purchasing employee was making disbursements under the office supplies account to fake companies and keeping the disbursements.*

		Response Please select from the dropdown box	Explanation(s) As applicable
Feeders and In-House	7. Did you test the required objectives included as part of the internal control/compliance audit programs distributed by the OSA? If "No," please provide an explanation of the objectives not tested.		
Feeders and In-House	8. Were you able to conclude on the audit objective(s) as noted in the internal control/compliance audit programs distributed by the OSA? If "No," a detailed description of this inability to conclude must be provided.		
Feeders and In-House	9. Have you reviewed and attached the preliminary analytics provided by the OSA for the audited department? If "No," please indicate why you did not review and/or attach the preliminary analytics. Note: The attachment should include the department's preliminary analytic explanations and the auditor's analysis of those explanations. Areas should be highlighted that would possibly indicate a Statewide issue (as applicable).		
ALL	10. Based on a preliminary request for subsequent events related to the audited department/institution, have subsequent events been identified that should be considered for disclosure in the State's financial statements? If "Yes," attach a listing of those subsequent events.		
ALL	11. Based on a preliminary request, does the audited department/institution have any component units and/or related parties? If "Yes," attach a listing of component units and/or related parties*. *A preliminary listing of the State's related parties and a listing of component units for Fiscal Year 2022 were distributed as attachments to the Letter of Instruction. For a "Yes" response here, those listings should be attached to this memo along with the auditor's analysis noting one or more of the following: Confirmation that there were no changes to the listings for the audited department/institution; any additions, deletions, or other changes that need to be made to the listings for the audited department/institution.		
ALL	12. We have submitted/attached the materiality used for our audit testing. Note: The OSA materiality is for the State overall. Therefore, individual department/institution materiality amounts should be less than the OSA materiality.		
ALL	13. Has the auditor identified a significant risk of material misstatement of the group financial statements, due to fraud or error during preliminary or interim test work? If "Yes," please attach a detailed description of the risk(s) identified.		

Attest A3 - TESTWORK OF STATISTICALY SAMPLED TRANSACTIONS

DUE DATE:
June 30, 2022* - Revenue Period 10 statistical sample
September 23, 2022* - Expenditures Period 13 statistical sample
**Please submit a separate Attest A3 for each due date above, even if no statistical samples were distributed for the department/institution you are auditing. If you receive additional samples due to misstatements identified at a statwide level, please submit an additional Attest A3 by the due date that will be communicated.*

SUBMISSION DATE:	(Enter the actual date the memo is submitted)
TO:	Office of the State Auditor (osa.financial@state.co.us)
FROM:	(Enter name of person submitting memo)
EMAIL:	(Enter email address of person submitting memo)
PHONE:	(Enter phone number of person submitting memo)
RE:	(Department/Institution name)
SAMPLE TYPE:	

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

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B. Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations or additional information in the explanation box at the bottom of the memo, on a new tab, or as a separate attachment.

Specific Attest A3 Instructions.

C. Report all misstatements regardless of amount, even if immaterial or trivial.

	Response Please select from the drop down box
1. Have you performed testwork for the applicable sample transactions as shown in the attached sample summaries for this department? (If you did not receive applicable sample transactions, please answer this and all subsequent questions with "N/A - No Samples Selected.")	
2. For the Statewide Team-provided statistical samples, please attach the sampling spreadsheet listing the samples tested. For each individual transaction in the sample, address the items below, include the workpaper reference within the attached spreadsheet, and indicate whether any misstatements were noted. (NOTE: This is for the portion of the transaction identified in the sample ONLY (ex., the credit to revenue portion is included in the sample whereas the other portion, the debit to cash, is not). For the offsetting portion, see item 3 below.)	
a. Is 100% dollar value of the transaction as identified on the sample summary tested?	
b. Was each sample tested to address the audit objectives noted in the audit program?	
c. For the audit objectives tested, were any misstatements noted? If so, please provide a summary of the misstatement(s) and indicate the associated audit objective impacted. (Note: Please include in the explanation if the Department detected and corrected the issue prior to the auditor's testing and detection of the exception. Also indicate the Document ID for the correcting entry.)	

d. If misstatements were noted, is the amount of the misstatement(s) identified on the sample summary?	
e. If misstatements were noted, is the correct dollar value of each transaction for which there was a misstatement identified on the sample summary?	
f. If misstatements were noted, is the correction in "e." above included on the post-closing audit adjustment spreadsheet (to be included with subsequent attest memos, not the A3)?	

3. For the offsetting portion of the transaction in the Statewide Team-provided statistical samples (e.g., debit portion of the credit transaction), please address the items below and attach details if any misstatements were noted.

a. Was the offsetting portion of each sample tested to address the audit objectives noted in the audit program?	
b. Were any misstatements noted? If "Yes", please provide a summary of the misstatement(s) including details of the impacted audit objective(s).	
c. If misstatements were noted, is the correction included on the post-closing audit adjustment spreadsheet (to be included with subsequent attest memos, not the A3)?	
4. Based on the current year's testing, were there any accounts that should not be subjected to statistical sampling in subsequent audits? (If so, provide details of the account coding and justification for the potential exclusion in an attachment or below.)	

If necessary, please use a separate tab, attachment, or additional space below to provide additional information regarding the answers above.

ATTEST B - AUDIT DIFFERENCES FOR TABOR REVENUE

DUE DATE: August 22, 2022

DATE: (Enter the date the memo is submitted)

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM: (Enter person submitting memo)

EMAIL: (Enter the phone number of person submitting memo)

PHONE: (Enter the phone number of person submitting memo)

RE: (department/institution)

The Attest B is associated with meeting deadlines for the Audit Differences for TABOR Revenue. Given the short timeframe for the audit work by the Office of the State Auditor, the Attest B is required to be file on August 22, 2022 and NO LATER. The deadline for this Attest Memo is critical to our TABOR and statewide audit timeline, so please let us know if you have any questions or anticipate any issues meeting this deadline.

General Attest Memo Instructions - Attest Memos will not be accepted if they don't adhere to the following:

A. Please only submit FINAL versions of Attest Memos. Draft versions will not be accepted. If you anticipate your Attest Memo is going to be late, please immediately contact your Team Lead/Contract Monitor and provide an expected date of submission.

B. Please submit the Attest Memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the Attest Memo. Please include explanations or additional information on a new tab or as a separate attachment.

Specific Attest B Instructions:

The purpose of this attest memo is to support the OSA's statutorily required audit of TABOR revenue for Fiscal Year 2022. Responses on this Attest Memo are specific to revenue testing.

	Response	Explanation (if applicable)
1. Have you completed revenue substantive financial statement testing? If NO or N/A, provide an explanation. ****Note: Any NO or N/A response must be communicated in advance to your contract monitor.**		
2. Did the department/institution properly classify revenue as exempt versus non-exempt revenue in CORE as of the end of the fiscal year (which is as of the end of Period 14 in CORE)? If there were audit differences related to TABOR revenue classifications, please indicate "NO".		
3. If "NO" to Question 2, is the "Schedule of Post Closing TABOR Adjustments" attached, identifying all of the adjusting entries needed to correct known/likely identified TABOR **classification** errors. ****Note: There is no consideration of materiality in the classification and/or valuation of TABOR revenue. All incorrectly classified TABOR revenue errors, regardless of dollar amount, should be included on the Schedule.** ****Note: All adjustments included in this Attest B should also be included in the Attest D2 - Post Closing Adjustments**		
4. If the "Schedule of Post Closing TABOR Adjustments" is submitted, does each adjustment show the department code and name, the CORE fund, account number and account name for all accounts affected, and an explanation of the error? If NO or N/A please provide an explanation.		
5. Have prior year corrections of TABOR revenue errors been properly reported on the Exhibit A1 and submitted to the OSC? *(If the Exhibit A1 is incorrect, a revised copy of the Exhibit A1 has been attached to this memo).* ****Note: If the Department submitted an Exhibit A1 to the OSC, it should also submit a PPA Exhibit at year end.**		
6. Have changes in enterprise designations been properly reported on the Exhibit A2 and submitted to the OSC? *(If the Exhibit A2 is incorrect, a revised copy of the Exhibit A2 has been attached to this memo.)*		
7. Have changes in nonexempt revenue due to the implementation of GASB statement 84 been properly reported on the Exhibit A3 and submitted to the OSC? *(If the Exhibit A3 is incorrect, a revised copy of the Exhibit A3 has been attached to this memo.)* ****Note: The Exhibit A3 does not have a materiality threshold, all changes in revenue must be reported on the Exhibit.**		
8. Is the Department/Institution a TABOR exempt enterprise? If YES, complete a and b, below.		

a. Have you attached the Department/Institution-prepared calculation, which you reviewed, that demonstrates the Department/Institution received less than 10 percent of its revenues in total from State and local governmental support? **Note: Inquire of the Department/Institution of any existing local government grants. If the department/agency received local government grants during Fiscal Year 2022, please provide a brief description of the grantor, the purpose, and the dollar amount.		
b. Have you reviewed prior year expenses and expenditures to/from non-TABOR enterprises have been reviewed and ensured they are properly reported in Section B of the Exhibit A2?		

9. The OSC will provide each Department/Institution with an OSC-004 TABOR Nonexempt Revenue Variance Report by August 12, 2022. Each department/institution is required to review the report variances and submit the results to the Office of the State Controller by August 19, 2022.

a. Have you evaluated the department/institution's TABOR Variance Analysis and performed testing where deemed necessary? This step is crucial to our audit. For more information, please see the memo that accompanied the attest. If NO please provide an explanation below. ****Note: There is no consideration of materiality for TABOR revenue at the department/agency level. All TABOR variances meeting OSC guidelines, regardless of dollar amount, should be analyzed.**		
b. Have you attached a copy of the TABOR variance analysis, along with department/institution explanations, and auditor conclusions? Include the cover page that describes the parameters used to run the report in info-advantage. If NO or N/A, please provide explanation.		

If necessary, please use additional space below to provide additional information regarding the answers above.

ATTEST C1 - UNCOMMITTED RESERVES FOR CASH FUNDS AND ADDITIONAL RISKS

DUE DATE: September 2, 2022

DATE: (Enter the date the memo is submitted)

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM: (Enter Person submitting Memo)

PHONE: (Enter the phone number of person submitting memo)

RE: (Department name)

***Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations in boxes provided, or additional information on a new tab or as a separate attachment. ***

Note: There are two sections to this attest. The first 13 questions only apply to the Cash Funds Uncommitted Reserves Report that was sent by the OSA to the Contractor/Auditor (*Note: Be sure to review the legislation for applicable changes).* Question 14 deals with additional risks identified after the Attest A1 and Attest A2 submission.

	Response
Cash Funds Uncommitted Reserves Report	
1. Does the Department have cash funds subject to the Cash Funds Uncommitted Reserves Report requirements (Section 24-75-402, C.R.S.)? If response is "No" or "N/A", also answer "N/A" to Questions 2 through 13 and move to Question 14 on Additional Identified Risks. Please note that all institutions of higher education are N/A in accordance with Section 24-75-402(2)(b), C.R.S.	
2. Have you examined the enabling (and related) statute for each cash fund to ensure any changes are incorporated into the Final Cash Funds Uncommitted Reserves Report?	
3. Has the Department requested, or does it intend to request, a waiver of Cash Funds Uncommitted Reserves Report requirements for any fund from the JBC *(Section 24-75-402 (8), C.R.S.)?* If yes, please list those funds and details of each waiver.	
4. Have all of the Department's cash funds been properly included or excluded in the Final Cash Funds Uncommitted Reserves Report by the Office of the State Controller in accordance with applicable statutory requirements (Section 24-75-402 C.R.S. et seq., and each funds enabling statute)? The auditor is responsible for determining whether a fund is subject to Cash Funds reporting statutes. It is important to note that all cash funds are subject to the cash funds reporting statutes unless specifically exempted in statute.	
5. Were there any significant variations noted based on analytical procedures performed on *Total Revenue or Total Expenditures* **that resulted in an audit adjustment**? If yes, please attach the adjustment. For any variance that is deemed reasonable it is not necessary to provide any additional information.	
6. Did the Department have Cash Funds that appeared on the Final Cash Funds Uncommitted Reserves Report, or any funds selected for testing as part of the distributed sample? If no, answer questions 7 through 13 as "N/A" and skip to Question 14 on Additional Identified Risks.	
7. Were there any significant variations noted based on analytical procedures performed on *Fee Revenue or Uncommitted Reserves* **that resulted in an audit adjustment**? If yes, please attach the adjustment. It is not necessary to provide any additional information for any variance that is deemed reasonable .	
8. Is the Capital Reserve amount for each of the Department's cash funds (Section 24-75-403, et seq., C.R.S.) reported appropriately in the Cash Funds report? If no, please provide an explanation and attach documentation of any adjustments.	
9. Has the Department requested the Office of the State Controller to average the uncommitted reserves for a multi-year collection cycle in accordance with Section 24-75-402 (7.5), C.R.S., and is the amount in the Final Cash Funds Uncommitted Reserves Report correct? If applicable identify specific cash funds for which this averaging was requested and ensure the amount is reported correctly in the Final Cash Funds Uncommitted Reserves Report.	
10. Is the amount of Previously Appropriated Fund Balance for each fund correct in the Final Cash Funds Uncommitted Reserves Report?	

11. Is each Alternative Maximum Reserve reported correctly in the Final Cash Funds Uncommitted Reserves Report correct? Please provide statutory documentation for each Alternative Maximum reserve identified.

12. Are there any other adjustments to the Final Cash Funds Uncommitted Reserves Report based on the Cash Funds testing performed? If yes, please ensure the adjustments are included with this attest and you have communicated the adjustment to the Department and the OSC. Do not include adjustments identified by your department but ensure that they have been communicated to the OSC.

13. Have you attached a description for each of the Department's funds that were shown, or should be shown, on the Final Cash Funds Uncommitted Reserves Report (this means any fund with an Uncommitted Reserve greater than $200,000)? Each description **must** include the purpose of the fund, the source of the fee revenue including a listing of fees and related amounts, if applicable (supported by statute or rule), and the use of the fees collected.
Please note that descriptions are not required for cash funds shown on the report that have an uncommitted reserve under $200,000.

Additional Risks (does not apply to the Cash Funds Uncommitted Reserves Report)

14. Have additional risks that were not initially identified as part of your Attest A1 and Attest A2 been subsequently identified through the audit process? If yes, attach the audit approach(s) for addressing those additional risk(s).

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ATTEST C2 - CASH MANAGEMENT IMPROVEMENT ACT

DUE DATE: October 7, 2022

DATE:	(Enter the date the memo is submitted)
TO:	Office of the State Auditor (osa.financial@state.co.us)
FROM:	(Enter name of person submitting Memo)
EMAIL:	(Enter email address of person submitting memo)
PHONE:	(Enter phone number of person submitting memo)
RE:	(Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo will be submitted later than the Attest Memo due date, then please contact your Contract Monitor and provide an expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations or additional information on a new tab, or as a separate attachment.

Specific Attest C2 Instructions.

C. This attest memo should be submitted after test work over Cash Management Improvement Act (CMIA) compliance has been completed.

	Response Please select from the drop down box
Cash Management Improvement Act	
1. Does the Department have any major programs selected for testing in Fiscal Year 2022? If "No," then the remaining questions are not applicable, and you may stop here.	
a. If "Yes," are the Fiscal Year 2022 major programs listed on the Treasury-State agreement for the Department? *(Note: Higher Education institutions are not included in the Act.)* If "No" then the remaining questions are not applicable.	
b. If yes, have you performed test work to determine compliance with the Cash Management Improvement Act for the applicable programs listed in the Treasury-State Agreement for the Department?	

Explanation:

c. Were there any exceptions noted in the test work of the programs included in the Cash Management Improvement Act agreement?	
d. Are explanations of all exceptions attached?	

ATTEST D1 – DISPOSITION OF PRIOR YEAR AUDIT RECOMMENDATION(S) (PYAR)

DUE DATES: August 31, 2022: Submit to contract monitor or Manager for the Financial Deputy State Auditor's, and when applicable IT Deputy State Auditor's, review and approval
September 13, 2022: After the Deputy(ies) approve this attest, send it to the Statewide Audit Team - osa.financial@state.co.us

DATE:	(Enter the date this memo is submitted)
TO:	Office of the State Auditor, Statewide Audit Team (osa.financial@state.co.us)
FROM:	(Enter name of person submitting memo)
EMAIL	(Enter email address of person submitting memo)
PHONE:	(Enter phone number of person submitting memo)
RE:	(Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If you anticipate that an Attest Memo will need to be submitted later than the Attest Memo due date of September 13, 2022, please contact your Contract Monitor to request preapproval for an extension.

B. Submit the Attest Memo as an unprotected Excel file.

C. Except for the table portion of this Memo (below), DO NOT add additional rows to the Attest Memo.

D. When explanations or additional information is needed, please include explanations or additional information in a new tab, or as a separate attachment.

Specific Attest D1 Instructions. Attest D1s will not be accepted if they don't adhere to the following:

E. If you answer "Yes" to question "1." below, then you MUST have PYAR statuses approved by the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor, PRIOR to submitting this Attest Memo to the Statewide team on September 13, 2022. Send this attest to the contract monitor or Manager for approval by the Financial Deputy State Auditor, and when applicable the IT Deputy State Auditor, no later than August 31, 2022 so that the PYAR statuses can be approved before the Attest Memo due date of September 13, 2022. Provide all information requested in the table below (i.e., responses to questions 4 - 12) to the Financial Deputy State Auditor, and when applicable the IT Deputy State Auditor, for review and approval. See Question 3 below for additional information regarding this approval.

F. The Attest D1 is used for different purposes than the Attest F1. The information included with the Attest D1 will be used to create the OSA's "Annual Report: Audit Recommendations Not Fully Implemented, as of June 30, 2022", which will be provided to all state legislators in Colorado in December 2022, so timely submission is crucial.

Also, the use of the status "Deferred" is different for Attest D1 and Attest F1. For the Attest D1:

1. Only use the "Deferred" status on the Attest D1 if the original implementation date provided by the department/institution is after June 30, 2022.
2. If a department/institution changed its planned implementation date since the original recommendation was written, then "Deferred" is *not* a valid status on the Attest D1 (but may be a valid response on the Attest F1). For example, if PYAR 2021-03 has an implementation date of January 1, 2023, but was originally written as a recommendation in FY 2019 as rec 2019-01 with an implementation date of June 30, 2019, then "Deferred" CANNOT be used as a status on the Attest D1 (for the Attest F1, "Deferred" could be an acceptable status in this example).
3. Additional examples on the use of "Deferred" are provided in the table below.

G. Please delete the information in the EXAMPLE rows in the table below (i.e., example responses to questions 4 - 12) prior to submission.

	RESPONSE Please select from the drop down box
1. Does your department/institution have any Prior Year Audit Recommendations (PYARs)? -PYARs are the department/institution recommendations that were included in the prior year Statewide report or a stand-alone financial audit report, or outstanding PYARs in either report. -If your response to this question is "No," you are done with this attest memo and you may leave remaining questions, and the table below, blank.	
2. Have you completed testing on all PYARs? -If your response to this question is "No," please indicate which PYARs still have testing in progress in the auditor's disposition column (i.e., question 8) in the table below. Additionally, include the following information in question 9 in the table below: (1) A detailed explanation as to why the testing is not completed, what partial testing has already been done, or reason for deferral of testing; (2) support/explanation for the preliminary auditor's dispostion; (3) the expected completion date of the testing. -If **significant** issues have delayed PYAR testing, then PYAR testing must be completed no later than the Attest F1 due date of November 1, 2022.	
3. Have all of the PYAR dispostions been included in the table below, and been submitted to, reviewed, and approved by the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor? -For contractors, please submit the dispositions to your contract monitor by August 31, 2022, and the contract monitor will let you know once the dispositions are approved by the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor. -Contract monitors and in-house teams, please send the below table to the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor. If the below table is not sent please ensure all information in the table below is included in the document sent to the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor. All information included in the table below should be included in the document used to obtain approval from the Financial Deputy State Auditor, and when applicable, the IT Deputy State Auditor. -See Instruction E above for additional details on this item.	

4. FY2021 Report Year-Rec. No., & Subpart. (Note: Each subpart should have its own line.)[1]	5. If this recommendation was a PYAR prior to FY2021, then list all PYARs. (Note: Indicate the pre-FY2021 audit year, the rec number, and the subpart) If this recommendation was NOT a PYAR prior to FY2021, then indicate N/A	6. Recommendation Narrative (Note: This must be included. Pull narrative from prior year Statewide Financial/Single Audit Reports)	6a. Department's Original Implementation Date for PYAR (Month and Year)	7. Department's/ Institution's Disposition from Exhibit K3[2]	8. PYAR Testing Status & Auditor's Disposition[2] (See Question 2 above)	9. If PYAR Testing is not complete, or it's deferred, then provide the following in this column: (1) Explanation why testing is not done, what partial testing has already been done, or reason for deferral of testing; (2) Support/explanation for Auditor's Disposition in Question 8; (3) Expected completion date of PYAR testing. (See Question 2 above)	10. Auditor's Assessment of Level of Deficiency[3] from the Prior Year	11. Auditor's Assessment of Level of Deficiency[3] for Current Year	12. Department's Revised Implementation Date[4] (Month and Year)
The cells in grey are examples for the auditor to follow when completing this form. These example rows should be removed prior to submitting this form.									
2020-099 Part A	2019-098 Part A 2018-098 Part B	The department should implement a second level review over its monthly payroll authorization process.	December 2018	Implemented	PYAR Testing NOT Complete - Implemented	(1) Testing not complete because… (2) At this time, we expect this PYAR to be implemented because… (3) PYAR testing is expected to be completed by…	Significant Deficiency	N/A - Implemented	N/A - Implemented
2020-099 Part B	2018-097 Part C	The department should require all pay increases entered into CORE to be approved in writing by a division supervisor, division manager, and an HR employee.	June 2019	Not Implemented	PYAR Testing COMPLETE - Not Implemented	(1) Testing not completed because the PYAR is deferred for the FY2022 Statewide report and testing will not be performed. (2) However, because the original version of this rec from FY2018 had an original implementation date of June 2019, our disposition is Not Implemented for purposes of the PYAR Annual Rec Report. (3) N/A - deferred until FY2023.	Material Weakness	Material Weakness	December 2022
2021-038	N/A - FY2021 recommendation was not a PYAR before FY2021.	The department should require all pay decreases entered into CPPS to be approved in writing by the Executive Director.	December 2022	Not Implemented	Deferred - FY2021 was first year of this PYAR	N/A - FY2021 was first year of this recommendation, and it's implementation date is not until December 2022 (i.e., FY2023). Per K3, department is not early implementing. Thus, no testing will be performed over this rec in FY2022.	Material Weakness	Material Weakness	N/A - Deferred
2021-157	N/A - FY2021 recommendation was not a PYAR before FY2021.	The department should implement a second level review over its monthly P-Card expense authorization process.	May 2022	Implemented	PYAR Testing COMPLETE - Partially Implemented	N/A - PYAR testing complete.	Material Weakness	Significant Deficiency	January 2023

[1] *Please enter the most recent rec number as reported in the FY2021 report.*

[2] *Dispositions can be any **one** of the following:*
-"Implemented" (If the Auditor's Disposition is "Implemented" no new implementation date needed),
-"Not Implemented" (new implemenation date needed),
-"Partially Implemented"(new implementation date needed),
-"Deferred" (new implementation date needed if Deferred was not the original response provided by the department/institutionwhen the PYAR was first written) - see Instructions Part F. at the top of this Attest Memo, and more examples in table above, for guidance in determining when "Deferred" should or should not be used. Also, Exhibit K3 does not have a "Deferred" option, so department/institution should respond "Not Implemented" when PYARs are deferred.
-"No Longer Applicable" (no new implementation date needed).
**WE CANNOT ACCEPT "Implemented and Ongoing" as a disposition.*

[3] *Level of Deficiency can be any **one** of the following: "Deficiency in Internal Control" (DIC), "Significant Deficiency" (SD), "Material Weakness" (MW), or "Not Classified - Not An Internal Control Issue".*
Examples of reasons why the Level of Deficiency may change since last year are:
1) Recommendation was implemented so the level of deficiency is no longer applicable;
2) Recommendation was partially implemented, and after the auditor's reassessment, it dropped from SD to DIC;
3) Recommendation was not implemented, and after the auditor's reassessment, additional factors have caused the level of deficiency to rise from a SD to a MW.

[4] *The new implementation date must be a specific **month and year** and must be outside of the fiscal year tested (after June 30, 2022). The new implementation date cannot be on or prior to June 30, 2022.*

ATTEST D2 - POST-CLOSING and OTHER ADJUSTMENTS

DUE DATE: October 7, 2022

DATE:

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM:
EMAIL (Enter email address of person submitting memo)
PHONE: (Enter phone number of person submitting memo)

RE: (Enter the Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:
A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo is expected to be submitted later than the Attest Memo due date, then please contact your Team Lead/Contract Monitor and provide the expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations or additional information in Explanation(s) column, on a new tab, or as a separate attachment.

Specific Attest D2 Instructions
C. Please review the Attest D2 Memo prior to completing the Attest.
Please include all applicable adjustments (other than those that the auditor believes are clearly trivial) in the Schedule of Adjustments spreadsheet provided. The schedule should include all passed adjustments NOT posted in CORE identified by the department, auditor, or OSC; auditor-identified posted adjustments; post-closing entries; and prior period adjustments. Please reference the Attest D2 Memo for additional information on what adjustments should and should not be included in the Schedule.
- Please exclude 999A (OSC) entries from the Schedule of Adjustments.
- Please do not exclude adjustments based on assumptions about statewide triviality.
- If you are in doubt about whether to include an entry, the entry should probably be included.

The OSC has defined post-closing adjustments as any adjustments entered into CORE in Period 14 or later. Auditors should assess all entries made in Period 14 or later for the department/institution. This can be accomplished by pulling a GA-999 report from InfoAdvantage (or similar report) for all activity in Period 14 or later at the department/institution. Auditors must attest to examining these entries in this Attest Memo and material entries should be included in the attached Schedule.

	Response	Explanation
1. Are you aware of **known** differences that we and/or the department/institution identified during our audit? The adjustments related to these differences may be recommended for posting or be passed upon. These adjustments may be derived from our audit testwork or suggested by the department/institution. In proposing any adjustment, we duly considered relevant factors to assess whether the misstatements were material.		
a. If yes, we have included these in the attached *Schedule of Adjustments* spreadsheet.		
2. Did you identify **likely** misstatements during your audit?		
a. If yes, have you included these in the attached *Schedule of Adjustments* spreadsheet?		
b. For any likely misstatement that have been identified as material, did you request management to examine the entire account balance in order to identify and propose correcting adjusting entries for misstatements? (If yes, please attach an explanation and indicate which adjustments these are related to; If no, please attach an explanation on why examining the entire account balance was deemed unnecessary)		
3. Have you identified the amount used to define "clearly trivial" below, by fund? Please provide amount below. Note that "clearly trivial" is NOT synonymous with "not material." Matters that are clearly trivial will be of a wholly different (smaller) order of magnitude than materiality as determined under AU-C Section 320. These items should be clearly inconsequential for the Department/Institution, both individually and in the aggregate, whether judged by their amount, nature, or the circumstance under which they occur. When there is any uncertainty about whether one or more items are clearly trivial, the matter should most likely *not* be considered trivial.		
a. If clearly trivial items are identified, and are not already included on the Schedule of Adjustments spreadsheet, a description of the items, the fund, and dollar amounts for each is required. Both posted and passed clearly trivial items must be included. Have you identified these items in the explanation box, on another sheet, or on the Schedule of Adjustments? (Please attach another sheet if more space is needed)		
4. Have you assessed all post-closing adjustments, defined as any adjustments entered into CORE in Period 14 or later, in order to determine if they should be included on the *Schedule of Adjustments* spreadsheet?		
5. Is the *Schedule of Adjustments* attached, including all adjusting entries needed to correct the known and/or likely identified errors (other than those that the auditor believes are clearly trivial)? Note: Clearly trivial items not included in the attached spreadsheet must be listed at question 3a.		
6. Have you completed all columns on the *Schedule of Adjustments* spreadsheet? (If a column on the Schedule is not applicable, please note N/A in cell.)		
7. Have you communicated all known adjustments and likely misstatements to the appropriate level of management on a timely basis?		
8. Have you ensured that the department/institution's cumulative passed adjustments are below the Statewide performance materiality/component performance materiality threshold?		
9. Based on your qualitative review, have you found known or likely differences which are indicative of possible fraud or management bias? If yes, please attach a detailed explanation.		
a. If yes, has the auditor evaluated the implications of the misstatements with regard to other aspects of the audit, particularly the auditor's evaluation of materiality, management and employee integrity, and the reliability of management representations, recognizing that an instance of fraud is unlikely to be an isolated occurrence? Please include documentation of this evaluation in the detailed explanation referenced above.		

10. Has the auditor identified potential significant risks of material misstatement to the group financial statements? If yes, please attach a detailed explanation, including the account and amount of misstatement and/or a brief description of the non-compliance area, and an explanation of the further audit procedures that have been or will be performed for this area.

11. Did the department/institution early implement any GASBs in Fiscal Year 2022 (ex. GASB Statement Nos. 91, 94, or 96)?

a. If yes, is there an adjustment needed to back out the early implementation on the State's financials? Please include this entry on the *Schedule of Adjustments* .

Note: All adjustments related to early implementation of GASBs will be included on the OSC's adjustment spreadsheet in the Statewide Single Audit Report. These entries will not appear on the department/institution spreadsheet.

PLEASE READ - The following items are noted for your information. Please contact your Team Leader/Contract Monitor if you have any questions.

• The information reported on this Attest Memo and the Schedule of Adjustments will be used to populate the adjustment spreadsheets included in the Statewide Single Audit Report, as well as the department/institution Management Representation Letter attachments, as applicable.

• Submission of a post-closing adjustment within CORE to the Office of the State Controller may not guarantee that the proposed adjustment will be posted to the State's financial statements.

• Adjustments to correct identified known misstatements that are "passed upon" at the department/institution level may still be posted to the State's financial statements when aggregated and evaluated with other adjustments across the State.

• The Office of the State Auditor evaluates each adjustment separately. The final determination of what will be posted to the State's financial statements will be made in late 2022. This evaluation may require additional adjustments to be posted.

This tab must include all department/institution identified entries posted in CORE after the statutory close. Please see the Attest D2 Memo and instructions below for additional information.

Schedule of Post-Closing Entries for the Attest D2

Note: Please complete **ALL** columns of this spreadsheet for all adjustments (other than those adjustments that the auditor believes are clearly trivial and which are listed separately on Question #3a of the Attest D2). This includes adjustments suggested by department/institution and/or auditors' recommended adjustments.
See grey cells for additional instructions.

														FOR ALL AUDITS		FOR STANDALONES ONLY						
Type of Misstatement (Must check one)		**Department Code**	**Department Name**	**Fund No.**	**FCAT**	**Closing Classification**	**Balance Sheet Account Code**	**Revenue Source Code**	**Object Code**	**Account Name**	**CORE Transaction Number**	**Debit**	**Credit** (Please enter credits as positives)	**If the adjustment has been/will be posted, indicate "POST;" if the adjustment is passed, indicate "PASS"**	**If Column O is PASS, add justification**	**If the adjustment has been/will be posted to separately issued F/S, indicate "POST;" if the adjustment is passed, indicate "PASS"**	**If Column Q is PASS, add justification**	**Was the adjustment detected by the department/institution, Auditor, or OSC?**	**Is this adjustment related to a Prior Period Adjustment? (Yes or No)**	**Description - What is the purpose of the adjustment?**	**Is the PASS adjustment material, either individually or in the aggregate, for the department/institution?** **If YES, indicate "Material (Individual Or Aggregate)" and respond to next column.** **If NO, indicate "N/A" in the next column.**	**If material in the aggregate, please identify those adjustments that were combined. (AU-C 450.11)**	**Auditor Comments**
Known Adjustments	**Likely Misstatements**																					
Mark either known or likely		**This information can be found in the Chart of Accounts**																				
				Fund number should be the fund number for the State, not the individual department/institution.	FCAT code should be the fund category for the State, not the individual department/institution.	If the entry was posted in CORE, this will be included in transaction information from CORE. If the entry was passed or you need to identify the closing classification, please reference the Posting Code tab of the Central Chart of Accounts. Identify the account type (i.e. cash, revenue, expenditure) and select the closing classification number that most closely corresponds to the account.					If the entry has been posted to CORE, enter the CORE transaction number. If the entry has not been posted to CORE yet, enter "Pending." If the entry will not be posted to CORE, enter "N/A" and provide an explanation for passing on the adjustment.		(Please enter credits as positives)	If the entry has been posted to CORE or will be posted to CORE, enter "POST." If the entry will not be posted, enter "PASS."		If the entry has been/will be posted to the standalone F/S, enter "POST." If the entry will not be posted to the standalone F/S, enter "PASS."		If the adjustment was identified by the (1) auditor in the course of performing audit work or (2) communicated to the audit team by the OSA, enter "Auditor." If the adjustment was identified by the department/institution, enter "Department." If the adjustment was identified by the OSC and communicated to the agency, enter "OSC."	If "Yes" this entry should also be included on the Department's Exhibit PPA.		Please note that we're asking if the entry is material, individually or in the aggregate, for the specific department/institution under audit, not for the State as a whole.		

ATTEST E - FINANCIAL & SINGLE AUDIT OPINION AND REPORTS

DUE DATE: October 28, 2022

SUBMIT DATE:

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM:

EMAIL:

PHONE:

RE: (Department/Institution name)

INSTRUCTIONS:

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo will be submitted later than the Attest Memo due date, then please contact your Contract Monitor and provide an expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, **DO NOT add additional rows or columns** to the attest memo. Please include explanations or additional information in Explanation(s) boxes, on a new tab, or as a separate attachment. Please **DO NOT copy & paste cells** in the Response column.

Specific Attest E Instructions:

C. Please provide responses to ALL questions.

D. Select responses from drop down menus. If the response selected requires explanation, please add one to the Explanation column and include any additional documentation with your submission.

E. "N/A" should only be used when the question does not apply (e.g., if a question concerns federal funds, which the Department does not receive).

Number	Question	Instructions for Response	Response	Explanation (if necessary)	Attachment Submitted for This Question?
1	For those auditors not issuing audit opinions on the department/institution being audited, in your professional judgment, did you obtain sufficient and appropriate audit evidence that the account balances material to the State's financial statements, based on the Statewide calculation of materiality, are presented fairly as of and for the year ended **June 30, 2022**? This determination is based on considerations of both quantitative and qualitative materiality factors.	If, in your professional judgment, the opinion would be other than unmodified or would contain an emphasis of matter and/or other matter paragraph, please select "No" and provide an explanation to the right. For standalone audits that issued an audit opinion, please select "N/A."			
2	For those auditors that received lead balances from the Statewide audit team, have you attached the lead schedules provided to you with a summary of how each lead schedule balance was tested (e.g., substantive analytic, internal control compliance testing, other sample testing)?	Only answer "N/A" if you did not receive lead balances for this department or agency. If you answer "No," please provide an explanation to the right.			
3	For those auditors issuing an audit opinion on the department's/institution's financial statements: Is your opinion on the department's/institution's financial statements unmodified?	Only answer "N/A" for feeder audits not issuing an opinion. If the opinion is modified, please select "No" and provide an explanation to the right.			
4	For those auditors issuing an audit opinion on the department's/institution's financial statements: Does your opinion include an "Emphasis of Matter" paragraph?	Only answer "N/A" for feeder audits not issuing an opinion. If the opinion does include an "Emphasis of Matter" paragraph, please select "Yes" and provide an explanation to the right.			
5	For those auditors issuing an audit opinion on the department's/institution's financial statements: Does your opinion include an "Other Matter" paragraph?	Only answer "N/A" for feeder audits not issuing an opinion. If the opinion does include an "Other Matter" paragraph, please select "Yes" and provide an explanation to the right.			
6	Did you have departures from GAAP, scope limitations, or other matters that would affect the audit opinion?	If "Yes," please provide an explanation to the right. If there was an other basis of accounting used by the audited department/institution, please indicate that basis, such as cash, tax, regulatory, contractual, or other basis of accounting.			
7	Did you have any departures from Generally Accepted Government Auditing Standards (GAGAS) that had an effect on the audit opinion?	If "Yes," please provide an explanation to the right.			
8	Did you find and report significant deficiencies and/or material weaknesses in the internal controls over the State's financial reporting?	If "Yes," please provide a description of the significant deficiency and/or material weaknesses indicating that a report comment (i.e., finding) was written and whether or not the deficiency was identified due to fraud, abuse, and/or illegal acts. A report comment should also be prepared and submitted along with Attest F1 for those significant deficiencies and/or material weaknesses found. This report comment should also address whether the material instance was identified due to fraud, abuse and/or illegal acts, if applicable.			
9	Did the department/institution comply with state statutes and the Office of the State Controller's requirements regarding quarterly financial reporting? (Refer to the Office of the State Controller's Fiscal Procedures Manual; Chapter 5, Section 4.)	If "No," please provide an explanation to the right.			

10(a)	Did the department/institution record any post-closing entries (after Period 13) that should have been recorded per the Fiscal Procedures Manual during the fiscal year? (Note: State statute (Section 24-30-204(3), C.R.S.) requires the State's books to close by August 4th. Therefore this includes all adjustments made in Periods 14, 15, and 16.)	If "Yes," please provide an explanation to the right.			
10(b)	If you answered "Yes" to the question above, were the post-closing entries only entries recorded by the department/institution AND not audit adjustments?	If "Yes," please provide an explanation to the right as to why the Department/Institution made entries after Period 13 close. Please asses include how this non-compliance was communicated to the department/institution. Only answer "N/A" if you answered "No" to the question above.			
10(c)	If you answered "Yes to both questions above (i.e., if the Department/Institution recorded entries after Period 13 close that were not audit adjustments), did you determine that the entries resulted in non-compliance with the statutory deadline (plus any applicable extensions)?	If "Yes," please provide a brief explanation of the transactions and how this non-compliance was communicated to the department/institution. If "No," please explain why the entries are in compliance. Only answer "N/A" if you answered "No" to the question above.			
11	Did the department/institution submit its Exhibit J (Financial Statement Reconciliation) and stand-alone financial statements to the State Controller by the due date in accordance with state statute (Section 24-30-204(1), C.R.S) and the State Controller's extension?	If "No," please provide an explanation to the right and include the date when the statements were submitted. Only answer "N/A" for agencies that do not issue stand-alone financial statements.			
12	Did the department/institution comply with the restrictive covenants of bond fund indentures?	If "No," please provide an explanation to the right. Only answer "N/A" if there were no bond fund indentures.			
13(a)	Did you audit all of the applicable State Controller's Closing Exhibits of the Department/Institution? Please attach all the exhibits submitted by the Department through Gravity and outside of Gravity. These should include any revised exhibits. **This is a new requirement.**	If "No" or "N/A," please provide an explanation to the right. Also, please send all exhibits to us along with this Attest E. Be sure to select "Attachment provided" in the final column.			
13(b)	During Exhibits testing, did you find any exceptions?	If any exceptions were noted, please provide an explanation of the specific exception(s) to the right and please attach a copy of the revised exhibit, marked as revised.			
13(c)	Did you test any revised versions of exhibits that were previously submitted to the OSC?	If "Yes," please list the revised exhibits in the Explanation column. Also, please send all revised exhibits to us along with this Attest E, with each revision in a separate file. Be sure to select "Attachment provided" in the final column. If "No" or "N/A," please provide an explanation to the right.			
14	Did you identify problems in the final analytical review that would possibly indicate a Statewide problem or that would change the planned audit approach?	If "Yes," please provide an explanation to the right.			
15(a)	Have you audited the Exhibit K1 (Schedule of Expenditures of Federal Awards) and determined, in your professional judgment, the Exhibit K1 is presented fairly as of and for the year ended June 30, 2022, in accordance with the Single Audit Act, as amended, Uniform Guidance, and the Yellow Book and any required note disclosures are also included on the Exhibit and fairly stated?	If "No" or "N/A," please provide an explanation to the right.			
15(b)	Have you attached the final version of the Exhibit K1?	If "No" or "N/A," please provide an explanation to the right.			
16	Did the department/institution properly report the Coronavirus Relief Funds (CRF, Assistance Listing No. 21.019) and Coronavirus State and Local Fiscal Recovery Funds (SLFRF, Assistance Listing No. 21.027) provided by the State's Governor's Office on their Exhibit K1 in accordance with the Office of the State Controller's guidance and instructions?	If "No" please provide an explanation to the right. Only answer "N/A" if the department/institution did not receive either of these funds.			
17	For all other federal funds, except the Coronavirus Relief Funds (CRF) and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) noted in the question above, did the department/institution properly exclude any grants received as a subrecipient from another State department/institution on its Exhibit K1 and did the department/institution also properly exclude, to the extent it was determinable, any grants received by the State, then passed-through to subrecipients outside of the State, and then received again by the State?	If "No" please provide an explanation to the right. Only answer "N/A" if the department/institution did not receive any other federal funds besides CRF and SLFRF.			
	Did the Exhibit K1 properly:	If "No" or "N/A," please provide an explanation to the right.			
18(a)	--List the individual federal programs by federal agency and provide total federal awards expended for each individual federal program and Assistance Listing number or other identifying number?				
18(b)	--Identify the names of the pass-through entities and identifying numbers for each grant?	If "No" or "N/A," please provide an explanation to the right.			
18(c)	--Identify the value of the federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end?	If "No" or "N/A," please provide an explanation to the right.			
18(d)	--Include the correct ending balances for loan and loan guarantee programs?	If "No" or "N/A," please provide an explanation to the right.			

18(e)	--Contain other required disclosures in accordance with the Fiscal Procedures Manual, as applicable?	If "No" or "N/A," please provide an explanation to the right.			
18(f)	--Identify COVID-19 stimulus funds as required on separate lines on the Exhibit K1?	If "No" or "N/A," please provide an explanation to the right.			
18(g)	--Report the subprogram for which expenditures are reported, including the alpha character (e.g., 84.425F)? (This applies to Assistance Listing No. 84.425 and programs for the US Department of Education.)	If "No" or "N/A," please provide an explanation to the right.			
18(h)	--Report intrastate pass-through awards for Coronavirus State and Local Fiscal Recovery Funds (SLFRF, Assistance Listing No. 21.027)? (The department expending these funds should report the awards as direct awards, similar to Assistance Listing 21.019, Coronavirus Relief Fund.)	If "No" or "N/A," please provide an explanation to the right.			
19	Have you been able to reconcile the total expenditure amounts presented on the Exhibit K1 to the related amounts in CORE/Financial Statements without exception?	If "Yes," please provide your reconciliation to the Exhibit K1 to the financial data. If "No" or "N/A," please provide explanation for any discrepancies and consider whether this constitutes an instance of noncompliance that should be reported.			
20	Based on your audit of the Exhibit K1/SEFA, did you identify any other major federal programs that were not previously identified for audit? (Note: Because the preliminary major program determination is made based on prior year data, it is possible that a program needing to be tested was not initially identified and federal expenditures exceeded the major program threshold in Fiscal Year 2022.)	If "Yes" or "N/A," please provide an explanation to the right.			
21	Have you obtained and followed the Compliance Supplement relative to the COVID-19 stimulus funds that are subject to the single audit requirements?	If "No," please provide an explanation to the right.			
22(a)	Do you have concerns about the competence, integrity, ethical values, or diligence of management about management's commitment to, or enforcement of policies relating to these areas?	If "Yes," answer the next question below.			
22(b)	If concerns were noted in the question above, then did you analyze the effects of these concerns and do these concerns impact the reliability of representations and audit evidence in general, including determining the possible effect on the opinion in the auditor's report?	Please attach a summary of your concern(s) and the effect to representations, and/or audit evidence, and/or the audit opinion even if there is no opinion being issued for the department/institution being audited.			
23	Are you aware of subsequent events that should be considered for disclosure in the State's financial statements?	If "Yes," please provide an explanation of subsequent events to the right .			
24	Are you aware of any changes to component units and/or related parties for the department/institution being audited?	If "Yes," please provide an explanation of changes in component units and/or related parties to the right. Please include any notes or changes on the related party listing that went out with the Letter of Instruction.			
25	Have you performed testwork to ensure activities are recorded in proper fund categories per GASB 34?	If the auditee is an Institution of Higher Education, select "N/A - Institution of Higher Ed." Otherwise, if "No" or "N/A," please provide an explanation to the right.			
26	Have you performed adequate testwork to ensure special revenue funds are appropriately categorized in accordance with GASB 54 and the Office of the State Controller's Fiscal Procedures Manual?	If "No" or "N/A," please provide an explanation to the right.			
27	Have you attached any department/institution-unique information that is required to be disclosed in the financial statements?	If "Yes," please provide an explanation to the right of the department/institution-unique information.			
28	Have you attached a list and explanation of any nonprofits created by or on behalf of this department/institution during the fiscal year?	If "Yes," please provide a description to the right and attach a listing of the nonprofits and Exhibit U2.			
29	Have you tested the Exhibit E1 (Schedule of Revenue Bond Coverage), Exhibit L1 (Summary of Material Contingent Liabilities in Excess of $5,000,000), Exhibit L2 (Nonexchange Financial Guarantees), Exhibit O2 (Service Concession Arrangements), and Exhibit U2 (Other Disclosures) to ensure all significant commitments and contingencies have been reported to the Office of the State Controller?	If "No" or "N/A," please provide an explanation to the right.			
30(a)	Have you identified any indications of possible management bias regarding accounting estimates and the application of accounting principles?	If "Yes," please provide an explanation to the right and answer the next question below.			
30(b)	If you responded "Yes" above, then did the indications of possible management bias regarding accounting estimates and the application of accounting principles result in an audit recommendation?	If "Yes," please provide an explanation of the weakness to the right and submit audit recommendations to your contract monitor or audit manager as part of the Attest F1.			
31	Have you attached other matters that may be relevant to the group audit or that the component auditor wishes to draw to the attention of the group engagement team, including exceptions noted in the written representations that the component auditor requested from component management?	If "Yes," please include attachment with your submission.			

32(a)	Have you considered professional guidance regarding your responsibility for the assessment of risks for and detection of fraud, errors, illegal acts, and violations of contract provisions or grant agreements in accordance with the Codification of the Statements of Accounting Standards - Clarified and the GAO Yellow Book?	If "No," please provide an explanation to the right.			
32(b)	Have you evaluated the sufficiency and appropriateness of audit evidence to be obtained when assessing risk and designing further audit procedures? In addition, for those risk(s) assessed as unacceptably high, have you either performed additional procedures or are you satisfied that the entity adjusted the State's financial statements to reduce audit risk to an appropriately low level? Please provide a listing of such risks and the work performed on those risks. If these were noted in other Attest memos provided to the OSA, then please indicate that in an explanation to the right.	Please provide and explanation for your answer to the right.			
32(c)	Did you give appropriate consideration to the possibility of fraud, errors, illegal acts, and violations of contract provisions or grant agreements and assessed the risk of material misstatement of the financial statements?	If "No," please provide an explanation to the right.			
32(d)	Did you also give appropriate consideration to the possibility that fraud or illegal acts may have occurred that had a direct and material effect or material but indirect effect on the financial statements?	If "No," please provide an explanation to the right.			
32(e)	Did you report any errors, violations of contract provisions, grant agreements, or irregularities resulting from your audit work?	If reported as part of another question above, please add in the explanation field the questions where this was included.			
32(f)	Did you report all instances of fraud and illegal acts that are not inconsequential? (This question does not apply to fraud and illegal acts involving federal awards that are subject to Uniform Guidance reporting and that are not material to financial statement amounts.)	If reported as part of another question above, please add in the explanation field the questions where this was included.			
32(g)	Did you report all material instances of abuse?	If reported as part of another question above, please add in the explanation field the questions where this was included.			
33	If not already reported as part of the questions above, if fraud or illegal acts were detected, did you attach an explanation?	The explanation should discuss whether there is a material impact to the financial audit. The report comment should be submitted as part of the Attest F1.			
34	Did you find instances that would indicate a potential significant risk of material misstatement of the group financial statements, due to fraud or error, identified by the auditor's response to such risks?	If "Yes," attach an explanation of the risk of material misstatement. If necessary, a report comment should be written for the department/institution/component and submitted with the Attest F1.			
35	If applicable, is the auditor's report properly dated (or will be dated) on or prior to the Statewide opinion date (anticipated in **December 2022**) (i.e., not dated earlier than the date on which the auditor obtained sufficient appropriate audit evidence to support the opinion)?	Please attach a copy of the final/signed opinion with this attest or provide when available. All reports must be dated before the Statewide opinion date.			
36	Did you audit the GASB 68 pension and GASB 75 OPEB allocations for your department/institution?	If "No," please provide an explanation to the right. Only answer "N/A" for feeder audits. If "No" or "N/A," please proceed to question 40, leaving questions 37 to 39 blank.			
37	Did you identify any exceptions during the review of the PERA GASB 68 pension allocation for the audited department/institution?	If "Yes," please provide an explanation to the right.			
38	Did you identify any exceptions during the review of the PERA GASB 75 OPEB allocation for the audited department/institution?	If "Yes," please provide an explanation to the right.			
39	Did the department/institution follow the OSC's guidance in recording the PERA SB 18-200 direct distribution allocation, and was it reported in the department/institution's separate stand-alone statements?	If "No," please provide an explanation to the right.			
	FOR SINGLE AUDITS (Questions 40-45):				
40	Have you obtained and followed the Compliance Supplement relative to the COVID-19 stimulus funds that are subject to the single audit requirements?	If "No," please provide an explanation to the right.			
41	Did you find and report material instances of noncompliance with laws, regulations, and the provisions of contract or grant agreements that may have a direct and material effect on any of the department's/institution's major federal programs?	If "Yes," please explain instances of noncompliance and submit audit recommendations to your contract monitors or audit manager and as part of the Attest F1. The report comment should also address whether the material instance was identified due to fraud, abuse and/or illegal acts, if applicable.			
42	Did you find and report significant deficiencies and/or material weaknesses in the internal controls over compliance with requirements of laws, regulations, contract, or grants that could have a direct and material effect on any of the department's/institution's major federal programs?	If "Yes," please explain any weaknesses and submit audit recommendations to your contract monitors or audit manager and as part of the Attest F1. The report comment should also address whether this was due to fraud, abuse and/or illegal acts, if applicable.			

43	If the department/institution received ANY federal funding on, or prior to, the Statewide opinion date, then will you obtain and provide the applicable written representations from the department/institution's management regarding its compliance with the Single Audit Act Amendments of 1996 and Uniform Guidance to the Statewide Audit team? *(As necessary, substitute the words "Exhibit K1" for "Schedule of Expenditures of Federal Awards" in the representation letter.) (Note: Contact your contract monitor to coordinate the department's/institution's dating of the management representation letter.*)	Answer "N/A" if the department/institution did not receive federal funds. All other "No" or "N/A" responses should be explained to the right.			
44	If the department/institution was a subrecipient of any federal awards, has the department/institution complied with the submission requirements by subrecipients as stated in AICPA Statement of Position 98-3, paragraph 10.76? (The Office of the State Controller is overseeing the distribution of the Single Audit report to the federal government and state departments/institutions. Instead of providing paper copies of the reporting package to all required parties, the Office of the State Controller will have the reporting package available on its website).	If the department/institution was not a subrecipient, answer "N/A" and provide an explanation to the right.			
45	Did you report all instances of fraud and illegal acts that are not inconsequential? (This question applies to fraud and illegal acts involving federal awards that are subject to Uniform Guidance reporting, including those that are not material to financial statement amounts.)	If "Yes," please provide an explanation to the right.			
	For Higher Education Institutions only, please respond to question 46, parts a-e, regarding testing on PERA GASB 68 and GASB 75 OPEB:				
46(a)	Did the institution use the OSC methodology (i.e.. GASB 68/75 workbooks) or their own methodology for the PERA GASB 68 pension allocation and/or the PERA GASB 75 OPEB allocation?	If they used their own methodology, please attach a description of that methodology.			
46(b)	The OSC obtains pension/OPEB contribution information from employers that administer their own payroll (outside CPPS) via the Exhibit U2 that is included in the OSC exhibit workbook. Did the contribution amounts used in the OSC workbooks for pensions and OPEB agree to the institution's records and are the amounts on the Exhibit U2 accurate?	If "No," please provide an explanation to the right.			
46(c)	Did the institution record their PERA GASB 68 Pension and GASB 75 OPEB entries into CORE using the same account coding used in the OSC workbooks?	If "No," please provide an explanation to the right.			
46(d)	If "No" in any of parts b.-c., did you attach a detail of the differences noted with an explanation on the cause of the difference (for example: are the differences due to the methodology/calculations used by the institution compared to the OSC's methodology/calculations. Or, are the differences due to the change in the account coding or contribution amounts)? Please use the CORE account coding when providing the differences noted.	If "No," please provide an explanation to the right.			
46(e)	Did you attach a copy of the institution's PERA GASB 68 Pension and GASB 75 OPEB journal entries?	If "No," please provide an explanation to the right.			
	FOR ALL AUDITS:				
47	Has the audit team complied with ethical requirements relevant to the group audit, including independence and professional competence?	If "No," please provide an explanation to the right.			
48	Did the department/institution track and report all **Fiscal Year 2022** prior period adjustments on the Exhibit PPA? Note: this should included any auditor identified prior period adjustments that are reported on the Attest D2.	If "No," please provide the date the department/institution started tracking their prior period adjustments in the explanation column to the right. Only enter "N/A" if there were no prior period adjustments but the department/institution did track.			
49(a)	Are there department/institution accounts or entries in CORE that are required to be eliminated for financial reporting?	If "No," please provide an explanation to the right. Only answer "N/A" if no eliminations are necessary.			
49(b)	If you answered "Yes" above, did the department/institution properly record the elimination?	If "No," please provide an explanation to the right. Only answer "N/A" if no eliminations are necessary.			
49(c)	Is the Office of the State Controller (OSC) responsible for recording the elimination?	If "Yes," provide the account codes or entry numbers that need to be eliminated in the explanation column to the right. Only answer "N/A" if no eliminations are necessary.			
50	Have you tested the Exhibits C1/ C2 (C1/C2 – (Schedule of Changes in Long-Term Liabilities – Governmental and Internal Service Funds / Business Type Activities – Enterprise Funds), Exhibit F1 /F2 - (Principal & Interest Requirements to Maturity, Leases and SBITAs, Governmental and Internal Service Funds / Business-Type Activities – Enterprise Funds), Exhibit F3 / F4 - (other disclosures for leases and SBITAs – State of Colorado as Lessee / Lessor), Exhibit W3/ W4 - (changes in RTU assets for Governmental and Internal Service Funds/ Business Type Activities – Enterprise Funds) to ensure all GASB 87- Leases have been reported to the Office of the State Controller?	If "No" or "N/A," please provide an explanation to the right.			

We Set the Standard for Good Government

ATTEST F1 - STATEWIDE SINGLE AUDIT REPORT – In-House, Feeders and Stand-Alones

DUE DATE: November 1, 2022

DATE: (Enter the date the memo is submitted)

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM: (Enter name of person submitting memo)
EMAIL: (Enter email address of person submitting memo)
PHONE: (Enter phone number of person submitting memo)

RE: (Department/Institution name)

General Attest Memo Instructions. Attest Memos will not be accepted if they don't adhere to the following:

A. Only submit FINAL versions of Attest Memos. DRAFT versions will not be accepted. If an Attest Memo will be submitted later than the Attest Memo due date, then please contact your Contract Monitor and provide an expected date of submission.

B. Please submit the attestation memo as an unprotected Excel file. Additionally, DO NOT add additional rows to the attest memo. Please include explanations or additional information in Explanation(s) column, on a new tab, or as a separate attachment.

Specific Attest F1 Instructions.

C. Submit this attest memo as FINAL even if attachments will be submitted at a later date. When you are submitting a final attest memo without attachments, please answer the attachment questions with a "Yes" response. Indicate the ETA of attachments in your email sent to OSA Financial rather than as notes in this attest memo.

	RESPONSE Please select from the drop down box	EXPLANATION(S) If applicable
Section 1 - Questions For the Required Communication to the Legislative Audit Committee		
1. Did you encounter any significant difficulties in dealing with management during the audit? *(If yes, please attach an explanation.)*		
2. Did you encounter any matters that are difficult or contentious for which the auditor consulted outside the engagement team and that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process? (If yes, please attach an explanation.)		
3. Did you have any disagreements with management over a financial accounting, reporting, or auditing matter, whether or not resolved to your satisfaction, that could be significant to the financial statements or the auditor's report? Also any circumstances that affect the form and content of the auditor's report, if any. *(If yes, please attach an explanation.)*		
4. Are you aware of any management consultations with other accountants about auditing and accounting matters? *(If yes, please attach an explanation.)*		
5. Did you report all instances fraud, or suspected fraud, involving management, employees who have significant roles in internal control, or others; which resulted in, or may result in, a material misstatement of the statewide financial statements?		
5a. If yes to step 5 above, did you attach an explanation for how this was communicated to management and/or those charged with governance (or how it will be communicated to those charged with governance)?		
6. Were significant accounting estimates tested as part of the audit? If yes, please add an explanation indicating which significant accounting estimates were tested (Ex., taxes receivable, allowance for doubtful accounts, depreciation of capital assets, self-insurance liabilities, net pension liabilities, etc.). Please also include the following: (1) process used by management for estimate (2) was the estimate acceptable and how did you conclude this was reasonable. (NOTE - The auditor's views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures. If applicable, the auditor should provide a brief explanation in response to question 6 using the following: i. explaining why the auditor considers a significant accounting practice that is acceptable under the applicable financial reporting framework not to be most appropriate to the particular circumstances of the entity. ii. about the process used by management in formulating particularly sensitive accounting estimates, including fair value estimates, and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.)		
7. Were there any limitations or restrictions on the audit (for example, when the engagement team's access to information may have been restricted during the fiscal year)? If yes, please provide an explanation.		
8. Are you aware of any fraud or suspected fraud involving management, component management, employees who have significant roles in Statewide controls, or others in which a material mistatement of the State's financial statements has or may have resulted from fraud? If yes, please provide an explanation.		
9. Are you aware of any significant unusual transactions, the policies and procedures management uses to account for such transactions, and the auditor's understanding of their business purpose (or lack thereof)? If yes, please provide an explanation.		
10. Are there any uncorrected misstatements or matters underlying those uncorrected misstatements that could potentially cause future-period financial statements to be materially misstated, even if the auditor has concluded that the uncorrected misstatements are immaterial to the financial statements under audit? If yes, please provide an explanation.		

Section 2 - Questions for Current Year Audit Recommendations, Management Letter Comments, Prior Year Audit Recommendations, and Statewide Opinions

11. Do you have current year audit recommendation(s(? If no, proceed to step 13.

11a. If yes to step 11 above, have the introduction section and current year recommendation(s) undergone a quality control review of numbers, calculations, dates, statutory, regulatory, and/or other citations?

11b. **For Standalones Only**: Should the finding(s) from the standalone report be included in the Statewide Report? If not, please provide detailed explanation for each finding to be excluded.

12. If yes to step 11 above, have you attached the following information **combined in one file**:

12a. Introduction section approved by the Deputy State Auditor and the State Auditor?

12b. Current year recommendations in order of importance, approved by the Deputy State Auditor and State Auditor?

12c. Completed department responses, approved by the Deputy State Auditor and State Auditor?

12d. For all department "Disagree" or "Partially Disagree" responses, the auditor evaluated the department's response and included appropriate wording as an auditor's addendum stating this fact, approved by the Deputy State Auditor and State Auditor?

13. Do you have a management letter? If no, proceed to step 15 below.

14. If yes to step 13 above, have you attached a copy of the final, signed, management letter?

15. Do you have any prior year audit recommendations (PYAR)? If no, proceed to step 16 below.

15a. If yes to question 15 above, complete the following table for each Prior Year Audit Recommendation (PYAR). Please make sure to also include the PYAR that the Department disagreed with AND any deferred PYAR, if applicable.

15a(1). Report Year, PYAR Number, and Sub-Parts Note, Each Sub-Part Should Have Its Own Row. PYAR Number should be pulled from the Prior Year Statewide Single Audit Report.	15a(2). PYAR Narrative Pull Narrative from Prior Year Statewide Single Audit Report - wording here should match the report exactly.	15a(3). Department's PYAR Disposition from Exhibit K3	15a(4). Auditor's PYAR Disposition Please make sure to include both a disposition AND narrative for not implemented, partially implemented, and deferred recommendations. (For example, "Not Implemented - See Current Year Recommendation No. 01")	15a(5) Is the PYAR deferred, and a SD or MW? If so, please add to the CYAR table in question 21, and provide information requested in that table	15a(6). Auditor's Assessment of Level of Deficiency (Current Year) Note: Deficiency level only required if the PYAR is Not Implemented, Partially Implemented, or Deferred.	15a(7). Department's Revised Implementation Date (Month and Year) Note: Only for current year PYAR classification(s) of Deficiency in Internal Control.	15a(8). Current Year Rec. Number Any PYAR with an Auditor's Disposition of Partially Implemented or Not Implemented AND a current year Level of Deficiency of Significant Deficiency or Material Weakness Must Have a Current Year Audit Recommendation.

15b. Have all of the PYAR dispositions included in the table above been reviewed and approved by the Deputy State Auditor? The **only** exception is PYAR dispositions of "Implemented" that were previously approved during the review of the Attest D1 because a narrative is not required for auditor dispositions of "Implemented."

15c. Has the tested Exhibit K3 been attached?

15d. Is the Exhibit K3 complete? (I.e., Did you perform procedures to verify that the Exhibit K3 was complete?)

15e. Did the audit identify instances, through follow up procedures on PYARs (including testing of Exhibit K3), in which the auditee materially misstated the status of any PYARs? If yes, please indicate whether this was taken to a management letter or recommendation. If a recommendation, indicate that it is included in the table in step 24 below.

16. Did you test a major program? If no, proceed to step 14.

16a. Are there any compliance requirements for the major program(s) tested that are performed at another department/institution? If "Yes," please list the other department/institution and provide a detailed explanation on whether you performed testing at the other department/institution for that compliance requirement to support the major program(s) opinion.

Note: For question 16a on Major Program testing and opinions, please refer to the OSA's major program determinations and instructions, and other communications on Major Programs. Please note that this department's/institution's audit team is reporting on, and responsible for, the State's compliance for the Major Program that is listed on this Attest Memo.

16b. If yes to step 16 above, complete the following table for each major program tested.

16b(1). Major Program Tested - List the Assistance Listing Number (ALN) and Federal Program Name (Do NOT just list cluster, list each individual ALN number).[1, and ***]	16b(2). Major Program Compliance Opinion[2]	16b(3). Compliance Requirements[3]	16b(4). If the opinion is Qualified, Adverse, or a Disclaimer of Opinion, then provide the Recommendation Number(s) that ties to the compliance requirement noted in the previous column (i.e., 16b(3)) NOTE: If a determination of the major program compliance under item 24g is "Material Non-compliance", the opinion for that compliance requirement(s) for than major program MUST be qualified. Also a Material Weakness or Significant Deficiency in internal controls over a compliance requirement does not necessarily qualify the opinion for that compliance requirement.

[1] Please list all major programs tested, even if there are no federal recommendations for the major program. Also, if more than one major program was tested, then complete a separate row for each major program tested.

*** If the major program relates to COVID-19 stimulus funding expenditures, please list a separate line with the prefix "COVID-19" before the ALN Number.

[2] Based on the results of major program testing performed, department auditors must determine a compliance opinion for each major program tested (Unmodified, Qualified, Adverse, Disclaimer, N/A).

[3] If the major program compliance opinion is Qualified, Adverse, or a Disclaimer of Opinion, then list each direct and material compliance requirement impacted by the modified opinion on a separate row (i.e., one compliance requirement per row). If additional space is needed, please attach a separate sheet. Note: Compliance requirements listed here should agree, in aggregate, to the compliance requirements noted in 24s below.

[4] For each compliance requirement, list all recommendation number(s) impacted (i.e., the same recommendation number(s) may be on several different rows). Note: Recommendation(s) listed here should only be material non-compliance rec(s) noted in 24g below. Also, if more than one major program was tested, then complete a separate row for each major program tested.

17. Were federal recommendations written that identified questioned costs?		
17a. If yes to step 17 above, does the written recommendation identify the questioned costs and describes how the costs were computed?		
18. Did you use statistical sampling for any testwork that resulted in a recommendation?		
18a. If yes to step 18 above, does the written recommendation identify that statistical sampling was used, and describe the methodology used?		
19. Were any questioned costs identified from a federal program that was not audited as a major program?		
19a. If yes to step 16 above, please indicate the recommendation number from the table in step 24 below.		
20. Did the audit identify abuse that was quantitatively or qualitatively material to a major program?		
20a. If yes to step 20 above, please indicate the recommendation number from the table in step 24 below.		
21. Did the audit identify known fraud affecting a federal award?		
21a. If yes to step 21 above, please indicate the recommendation number from the table in step 24 below. *Note: If there was no recommendation written for fraud affecting a federal award, please provide an explanation for how it was communicated under the direct reporting requirements of GAGAS.*		
22. Did the audit identify fraud, abuse, and/or illegal acts that are material to the financial statements?		
22a. If yes to step 22 above, please indicate the recommendation number from the table in step 24 below.		
23. Did you test the Student Financial Aid Cluster as a major federal program at the Department/Institution during the current fiscal year? If yes, please fill out the tab 'Required Pell-DL Reporting' (Note: See 'PELL reporting guidance' TAB for additional reporting information).		

24. CURRENT Year Recommendations: Provide the following information for ALL current year recommendations (including deferred recommendations from question 15).
-For federal recommendations, make sure to complete all parts of the table, which has been split in two (24a through 24v).
-For financial recommendations, only parts 24a through 24f need to be completed.
-**For standalones**, please include all federal and financial recommendations that impact the State's financial reporting, including non-compliance.

					Yellow Book Opinion Attestations These questions, and the information provided by department auditors, attest to information we will provide in the Statewide Single Audit Report's *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* .		**Single Audit Major Program Opinion Attestations** These questions, and the information provided by department auditors, attest to information we will provide in the Statewide Single Audit Report's *Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance; And Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance* .						
										24j(1). Amount of Questioned Costs (Mark as N/A if not applicable to recommendation)					**24j2).** Amount of LIKELY Questioned Costs (Mark as N/A if not applicable to recommendation)
24a. Rec. No.[1]	**24b.** Recommendation Title[1]	**24c.** Prior Year Rec. Number, if Applicable	**24d.** Is this a financial recommendation, federal recommendation, or both?	24e. Is this a confidential recommendation? (NOTE - Only include the public version with th attest to be included in the SW report -)	**24f.** Internal Controls Over State's Financial Reporting [2]	**24g.** Non-Compliance with Provisions of Laws, Regulations, Contracts, or Grant Agreements That Impacts State's Financial Reporting[2]	**24h.** Major Program Compliance[3]	**24i.** Internal Controls Over Major Programs [4]	**a. Federal Portion Amount**	**b. Federal Portion Amount associated with COVID-19 stimulus funding expenditures**	**c. ALN and Applicable Federal Award Number[5]**	**d. State Portion Amount**	**e. Total Amount of Questioned Costs (a. Federal Portion Amount + d. State Portion amount**	**f. Total Amount of Likely Questioned Costs**

[1] This should correspond to the recommendation number and recommendation title on the report draft submitted with this Attest memo. If this relates to a deferred PYAR please provide the PYAR number.

[2] Refer to the Yellow Book's Standards for Financial Audits for additional details regarding the reporting requirements of *Government Auditing Standards* .

[3] Refer to Uniform Grant Guidance, Title 2 C.F.R. Part 200.516 for the reporting requirements for audit recommendations. Summarized information for your reference is provided below, but should not be used in in lieu of the referenced Uniform Grant Guidance:
Material Non-Compliance: For the recommendations noted, is the Program materially non compliant with federal program requirements?
Instance of Non-Compliance: For the recommendations noted, when the instance(s) of non-compliance noted do not rise to the level of material non-compliance.

[4] According to Uniform Grant Guidance, the definitions for "significant deficiencies" and "material weaknesses" are defined in generally accepted auditing standards issued by the AICPA and Government Auditing Standards issued by the Government Accountability Office.

[5] If all or some of the questioned costs are applicable to COVID-19 new or existing programs, then please list the additional COVID-19 ALN Number with "COVID-19" before the ALN Number.

For the second-half of the table, list the following information for each federal award recommendation. **"Various" IS NOT an acceptable response for ANY of the following because the federal government requires specific identification.** ***Please attach additional sheets as necessary.***

24k. Rec. No.[1]	**24l.** Recommendation Title[1]	**24m.** ALN Title	**24n(1).** ALN Number or Other Identifying Number[2]	**24n(2)** Did the program you tested receive and expend COVID-19 funds? (yes/no)	**24n(3).** If you answered yes to 24n(2), does this finding relate to the COVID-19 funds you test? (yes/no)	**24n(4).** If yes to 24n(3), COVID-19 ALN Number or Other Identifying Number[2]	**24o.** Federal Program Name	**24p.** Federal Awarding Entity	**24q.** Federal Award Number	**24r.** Federal Award Year	**24s.** Name of Pass-Through Entity Providing Funds To State, if applicable[3]	**24t.** Compliance Requirement(s) (A-N)	**24u.** Major Program Affected? (Y or N)	**24v.** Pass through Entities	**24w.** Department Contact Name and Telephone Number[4]

[1] This should correspond to the recommendation number and recommendation title on the report draft submitted with this Attest memo.

[2] If this finding is applicable to a COVID-19 new or existing program(s), then please add "COVID-19" to the ALN in this column to the existing ALN from 24(m), or list the additional COVID-19 ALN Number with "COVID-19" before the - ALN Number.

[3] Response required if funds are not received directly from the federal government, who is passing through the funds to the State. List pass-through entity/entities other than the federal government here. Otherwise N/A.
[4] Please use the Fiscal Officer listed on the Office of the State Controller's website as the department contact unless that contact person is no longer with the department.

IT Attest Memo – Results of IT Audit Work

DUE DATE: July 29, 2022

DATE:

TO: Office of the State Auditor
(osa.financial@state.co.us)

FROM:

PHONE:

RE:

TESTING OF FINANCIALLY SIGNIFICANT SYSTEMS AND/OR SYSTEMS SIGNIFICANT TO A MAJOR FEDERAL PROGRAM COMPLIANCE REQUIREMENT-
FEEDER AND STANDALONE TEAMS

	Response	Additional Explanation, in general, or for any N/A Responses
1. Were there any significant systems communicated by the OSA and/or identified by the audit team during walk throughs? If so, were the identified systems confirmed with the OSA Financial Audit Team? If so, list the specific systems that were identified as significant.		
2. The audit team has **submitted** documentation for the following: a. Risk assessment and process/control narrative documentation detailing the significant IT process areas and key IT general controls (ITGC) and any compensating or mitigating factors that have been identified for testing. Process/control narrative documentation should be related to the control objectives being audited. b. The completed Applications and Information Systems spreadsheet or other equivalent information gathered by the audit team.		
3. The audit team has **completed** and **attached** its IT audit program and results of ITGC testing (both tests of design and operating effectiveness of key ITGCs, where applicable) on those system(s) communicated by the OSA and any systems identified in step 1 as being financially significant and/or significant to a major federal program compliance requirement, through a risk-based audit program developed by the audit team. Be sure to clearly state the results of test work performed for each audit test procedures and/or control tested.		
4. For any controls that were deemed to be ineffective, the audit team has **completed** an analysis of the impact of the ineffective controls on the control objectives and the overall audit objectives, i.e., whether the IT control objective(s) are able to be met, including any compensating controls or mitigating factors, what, if any, reliance can be placed on the ITGCs, and how this impacts the overall audit.		
5. The audit team has **drafted** and **attached** any formal audit findings and/or management letter comments (MLCs) identified as a result of testing financially significant systems and/or systems significant to a major federal program compliance requirement. In general, findings should be written for any ITGC exception that does not allow for reliance on the IT control objective(s), factoring in any mitigating controls. In contrast, MLCs should generally be written when ITGC exceptions do not result in non-reliance of ITGC9s) or a conclusion that the related IT control cannot be met. Please refer to the findings exhibit within your contract for guidance on drafting formal findings. Please ensure the following is communicated in the Additional Explanation box: a. The method by which finding(s) and/or MLCs will be communicated to management. The contractor **may not** submit written findings or MLCs whether in draft or final form to management until they are deemed acceptable and approved by the State. b. The determination and justification of any formal findings considered confidential.		
6. List the respective systems and IT process areas for which the audit team's attached findings are related, e.g., Information Security, Change Management, etc.		