

Audit Process

School Auditing Office (July 2019)



COLORADO
Department of Education

Overview

In order to ensure compliance with both the Public School Finance Act of 1994 (PSFA of 1994) and the Public School Transportation Fund (PSTF), each school district receiving funds under either of these is subject to an audit by the School Auditing Office.

Each compliance audit conducted by the School Auditing Office includes a review of district provided documentation to support the data submitted by the district in both the Student October Count data submission (PSFA of 1994) and the CDE-40 transportation claim form data submission (PSTF). Districts are audited approximately every 1-2 years with the goal of providing “real time” feedback, especially in cases where a district is out of compliance resulting in audit adjustments and/or exceptions.

Process

1. **Audit Engagement:** The district Superintendent is notified, by the School Auditing Office, via email, that the district is being engaged for audit.
 - a. This email will indicate the programs and fiscal years to be included in the audit review, and the district audit contacts the School Auditing Office has on file.
 - b. If necessary, the Superintendent (or authorized district representative) should notify the School Auditing Office if audit contacts need to be updated. The “[Audit District Contact Form](#)” should be completed and emailed to the School Auditing Office at audit@cde.state.co.us.
 - i. Once received, the School Auditing Office will share the district’s audit Syncplicity folder (used for secure document transfer) with each identified district audit contact.
2. **Audit Scheduling:** The district audit contact(s) for all programs included in the audit review will receive an email from the School Auditing Office notifying them of the upcoming audit and corresponding instructions including, information regarding the following:
 - a. **Audit Questionnaires:** Each district audit contact will need to complete the corresponding program questionnaire.
 - b. **Document Upload:** Each district audit contact will have a date by which to upload all audit documentation to the district’s audit Syncplicity folder.
 - i. **The naming convention for these folders is as follows:**
 1. District Number_District Name_Audit_FAST
(e.g. 0010_Mapleton 1_Audit_FAST)

Recommendations:

District audit contacts are encouraged to complete their corresponding audit questionnaires at the time of the applicable data submission, rather than waiting until the district is engaged for audit. This will ensure the most accurate response to the requested information in the event of district staff turnover or process changes between the time the data is submitted and subsequently audited.

Audit program questionnaires are available year round on the School Auditing Office’s website.

District audit contacts are also encouraged to upload audit documentation at the time of the corresponding data submission.

3. **Document Review:** Once all documentation has been uploaded, the assigned auditor will conduct the initial pass through review of the uploaded documentation.
4. **Request for Additional Documentation:** After completing the initial pass through, the auditor will upload corresponding exception lists (for the pupil count and at-risk count reviews) and audit work papers (for transportation) for review by the district audit contact who will then upload any additional documentation needed to address the noted exceptions and/or adjustments.
5. **Draft Audit Report:** After all additional documentation has been reviewed, and the remaining exceptions and adjustments have been discussed with the district contact(s), the auditor will draft the audit report. The draft audit report and file is then subject to an internal School Auditing Office review prior to it being issued to the district's Superintendent.
 - a. **Issued:** Once the draft audit report is issued, the district will have approximately 30 days in which to submit additional documentation to the School Auditing Office for consideration prior to the audit being finalized.
6. **Final Audit Report:** After all district questions and/or concerns related to the draft audit report have been addressed (as indicated by written or verbal confirmation by an authorized district official), the School Auditing Office will finalize the district's audit report.
 - a. A copy of the final audit report (along with an invoice or notice of payment, if applicable) will be mailed to the district's Superintendent.
 - i. Payment instructions, if applicable, will be included with the invoice or notice of payment.