

**Hampton Roads Workforce Council
RFP # FCA-2**

ADDENDUM #1

**Answers to Questions Presented at the Preproposal Conference Held on
May 18, 2023, at 1:00 P.M.**

1. What accounting system do you currently utilize?

The HRWC currently utilizes Sage 300 for accounting and payroll and utilizes I-Solved for timekeeping. On February 1, 2023, the HRWC issued RFP #EBS-1 for an Accounting/HR/Payroll system.

2. When do you plan to go-live with the ERP system?

The HRWC plans to go-live with the ERP system during fiscal 2023-2024.

3. Who prepares the Financial Statements, including footnotes – Auditee or Auditor?

For the past audits, the CFO has prepared the financial statements and related footnotes for both The Workforce Council's and The Workforce Foundation's financial statements including the footnotes; however, with the upcoming audit, the expectation is that the Auditor will be responsible for the financial statements, including footnotes.

4. With the implementation of GASB 87, does the HRWC prepare and maintain the lease information required under GASB 87?

The HRWC has engaged CliftonLarsonAllen to maintain the lease information as well as to provide the necessary year-end adjusting entries and to update the related footnotes.

5. Should the preparation of the Financial Statements be factored in the cost that is submitted?

Yes, it should be factored into the cost.

6. What is the timing of the audit?

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The HRWC's year-end is June 30, 2023, and the audits for fiscal years 2021 and 2022 were behind. The expectation is that the audit process will begin with an official audit kick-off meeting during the 1st quarter after year-end.

- 7. If possible, please provide us with how many days (interim and final) auditors were on site for fieldwork during the fiscal year 2022 audit(s) and what level of audit personnel were on site or otherwise primarily devoted to The Workforce Council and The Workforce Foundation's audit (if work was performed remotely) for those periods?**

The Auditors were on site for about a week and some days. They also worked remotely. Both partners in the firm worked on the audits.

- 8. What are the Major Programs for the HRWC?**

The major program is the WIOA (Workforce Investment Opportunity Act) funding that HRWC receives through the VCCS (Virginia Community College System). It should be noted that during fiscal 2023 the HRWC received the following grants during fiscal 2023.

AMERICAN RESCUE PLAN GOOD JOBS CHALLENGE GRANT - \$11,006,941 – Federal Grant

The Council has been awarded a five-year grant effective October 1, 2022, from the Economic Development Authority for the Hampton Roads Workforce Training System for Good Jobs, to build a regional talent pipeline focused on the blue economy, clean energy, and related cybersecurity. This program brings together large employers and community-based organizations to create a training program to grow the in-demand blue economy and clean energy industries across counties in Virginia and North Carolina.

WANTO GRANT - \$714,619 – Federal Grant

The Council has been awarded a two-year grant effective September 30, 2022, from the Department of Labor to help recruit, train and retain more women in quality pre-apprenticeship and Registered Apprenticeship programs and nontraditional occupations.

NORFOLK HR STRONG GRANT - \$1,500,000 – Local Grant

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The Council was awarded a three-year grant from the City of Norfolk to help support the following: 1) Maritime trades training workforce program with education partners providing the training and corporate partners providing jobs at the end of the program. 2) Service assistance to remove barriers to program entry such as childcare stipends, transportation, and paid time-off for training. 3) Two hundred individuals over the three-year period.

UNITED WAY VIRGINIA BEACH THRIVE – \$2,835,470 – Local Grant

The United Way Virginia Beach Thrive (VBthrive) Grant is a 23-month grant to support low-income and ALICE households to reach self-sufficiency.

9. Did the HRWC receive any ARPA funds during fiscal 2023?

The HRWC did not receive ARPA funds during fiscal 2023.

10. Similar with GASB 87, does HRWC prepare the information related to OPEB and Pensions?

The HRWC engaged on firm to prepare the actuarial evaluation of OPEB (i.e., health/dental) costs and the HRWC participates with VRS (Virginia Retirement System) and VRS prepares the actuarial evaluations of pension costs and other OPEB costs (i.e., group life and disability costs).

11. With leasing, are there any new leases?

Yes, there will be one new rental lease and one new copier lease for the fiscal year 2023.

12. Does HRWC have any debt or loans?

The HRWC does not have any debt or loans.

13. What is the magnitude of audit adjustments?

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There were several audit adjustments made by HRWC related to accruals and clean-up of accounts. The number of adjustments were not tracked but will be tracked beginning with fiscal year 2023-2024.

14. As with the implementation of GASB 87, do you plan to engage your current firm to evaluate and maintain information related to the implementation of GASB 96 – Subscription Based Information Technology Arrangements and GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements?

The HRWC will review GASB 96 but do not believe that GASB 94 will have an impact on the organization.

15. What, in your opinion, is the most important service that your audit services provider can / should provide outside of the audit of the financial statements that would be value added?

The most important service that an audit service provider can/should provide outside of their audit of the financial statements that would be value added is transparency, openness, and willingness to address issues and to provide examples of best practices when applicable.

16. What are your top 3 issues related to the HRWC?

With the growth of the HRWC over the last couple of years (merger and receipt of awards (Federal and Non-Federal), is ensuring staff capacity to manage grants, ensuring policies and desk procedures are in place (update of current policies and implementation of new ones) as well as ensuring we have the appropriate technology in place to help streamline our processes.

17. What keeps you up at night regarding the audit process?

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I do not have any issues that keep me up at night.

18. From the Board perspective, what are their concerns regarding the audit process?

I am not aware of any specific concerns that our Board may have.