



DEPARTMENT OF FINANCE  
Oscar Knott, CPP, CPPO, NIGP-CPP, VCO  
Purchasing Director

### **Addendum No. 1**

**Date:** December 5, 2025  
**Request for Proposal:** #24-2773-10EMF  
**Receipt Date/Time:** December 11, 2024; 2:00 p.m.  
**Subject:** Questions and Answers

Ladies/Gentlemen,  
Please make the following corrections, deletions and/or additions to the above referenced RFP:

All other specifications and General Terms and Conditions shall remain the same.

Offerors must take due notice and be governed accordingly. Acknowledgement of the receipt of this addendum shall be made in your proposal.

Failure to acknowledge this addendum may result in your bid being declared non-responsive.

Questions and Answers on the following pages.

Sincerely,  
Eileen M. Falcone  
Purchasing Manager  
Fal51@henrico.gov

### **ACKNOWLEDGEMENT:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**RFP #24-2773-10EMF**  
**Audit Services**  
**December 5, 2024**

1. The RFP noted that the audit has been performed virtually since 2020. Does the County have a preference between virtual, onsite, or a hybrid approach?

***Answer: The County prefers virtual. The physical space previously used by the auditors is no longer available. Arrangements could be made for on site visits or specific occasions. Several on site visits, including introductions at the beginning of each audit, would be welcome.***

2. What accounting software do the County and Schools use?

***Answer: Oracle E-Business Suite***

3. What software does the County and the Schools use for lease and SBITA accounting?

***Answer: DebtBook***

4. Does the audit firm provide any non-attest services?

***Answer: The audit firm assists with the completion of the Data Collection Form (FAC).***

5. How segregated are the financial reporting activities of the County and the Schools? Does the County handle any of the Schools' fiscal activities?

***Answer: Schools has a Chief Operating Officer, Director of Finance, and other Finance staff. The County Finance Department divisions such as Accounting, Budget, and Purchasing serve both County and Schools. In most cases, Schools manage their own operations working with County staff. Final approval of journal entries, accounts payable transactions, and others are limited to County staff.***

6. Has the previous audit firm used separate audit teams to serve the County and Schools with a primary partner and manager overseeing the entire engagement?

***Answer: No***

7. What do you see as the County and Schools greatest challenges in the next year?

***Answer: National Economy***

8. What do you see as the County and Schools greatest challenges in the next 5 years?

***Answer: ERP replacement***

9. How many audit adjustments were posted during the County and Schools audits, if any?

***Answer: The County can discuss with the Successful Offeror***

10. Are your end of audit internal control and governance letters available?

***Answer: They will be available to the Successful Offeror***

11. Does the County or Schools anticipate any significant operational or financing changes during the term of this contract (current and future potential contract years)? If so, please describe such changes.

***Answer: The Henrico Sports and Entertainment Authority separated from the County on July 1<sup>st</sup> 2024.***

***The County plans to continue issuing bonds approved in the 2022 bond referendum.***

***Data centers are being built in the County. The County does not plan to use revenue from the data centers for standard operating needs.***

12. Have either the County or Schools experienced any changes in key personnel, financing or funding during the current fiscal year (FY24)? If so, please describe such changes.

***Answer: No***

13. Are there any areas within the audit or the County's operations that impact the audit that is of special concern to management or County Supervisors?

***Answer: No***

14. Except for timely issuance of the Annual Comprehensive Financial Report, in what ways can your auditor provide value to the County?

***Answer: Provide 8 hours of annual CPE and 2 hours of Ethics CPE each year. Meet with County management periodically throughout the year (outside of the audit window) to discuss operations at the County.***

15. What were the most significant challenges faced during the FY2024 audit, if any?

***Answer: The County can discuss with the Successful Offeror***

16. Is the transition to a new auditor a concern of the County's? If so, what are those concerns?

***Answer: No***

17. What is the County's preferred audit timeline? What are your ideal dates for interim fieldwork, compliance fieldwork, and final fieldwork?

***Answer: The County typically begins interim fieldwork with a kickoff meeting and PBC requests such as narratives in May. Weekly status meetings begin in September. We prefer, to the extent possible, fieldwork and testing to occur as requests are submitted to minimize questions and testing near issuance. The County typically issues at the first or second Board of Supervisors meeting in November.***

***The County is interested in interim testing for fixed assets and other areas (TBD) in May or June that would be instrumental in reducing the workload during final fieldwork.***

***The Sheriff's Office prefers to finish as soon as possible. The County has the same preference for VRS attestation and the Compliance audit. The reports were complete, or the majority of fieldwork was complete, for these items in early October for FY24.***

18. May we obtain a copy of the most recent internal control letter (management letter), if available?

***Answer: It will be available to the Successful Offeror***

19. If an internal control letter is not available, were there any internal control or other matter observations communicated to management that were not material weaknesses or significant deficiencies in the most recent audit period (FY2024)?

***Answer: The County can discuss with the Successful Offeror***

20. What were the nature and magnitude of any audit adjustments for the 2023 and 2024 audit, if applicable?

***Answer: The County can discuss with the Successful Offeror***

21. What financial systems does the County use? Are sub-ledgers integrated into the financial system (automated vs. manual)? Does the County anticipate any significant changes to their systems during the term of this engagement?

***Answer: Oracle E-Business Suite. The County has many source systems that interface with Oracle modules such as general ledger and accounts payable. The majority of the sub-ledgers such as accounts payable are automated.***

***The County is currently working with a consultant on an ERP RFP.***

22. Do you anticipate the level of federal funding in 2024 to be consistent in 2025?

***Answer: Yes***

23. Do you prefer we use Attachment F, Sample Contract, to fill the Sec.VII.6 – Tab 5d, standard engagement letter or is there something else you require?

***Answer: The engagement letter shall be included as an exhibit of the contract. The sample contract is just to show what our contracts look like.***

24. In Sec.VII.B.6 - Tab 5e, what reports are you specifically looking for?

***Answer: Any additional reports the offeror may be providing as part of their proposal***

25. What were the prior year audit fees?

***Answer: See Sec.I. - Introduction***

26. What is the level of effort/hours that the incumbent has provided for the previous year's audits?

***Answer: See Sec. I - Introduction***

27. Is the incumbent allowed to bid?

***Answer: Yes.***

28. Are there any improvements you would like to see in the audit process?

***Answer: The County can discuss with the Successful Offeror***

29. Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures, personnel, or the reporting entity?

***Answer: The Sports and Entertainment Authority fully separated from the County.***

30. Please comment on and/or provide a listing of audit schedules provided by the County to the auditor?

***Answer: The County will work with the Successful Offeror on required schedules and timing.***

31. Please comment and/or provide journal entries proposed by the auditors in the prior year?

***Answer: The County can discuss with the Successful Offeror***

32. Please comment and/or provide a listing of findings or comments made by the auditor to the governing body. Are copies of all auditor-submitted documents from the prior year available for review? (i.e., management letter, governance communication)

***Answer: They will be available to the Successful Offeror***

33. Any items in management letters that have been subsequently addressed?

***Answer: They will be available to the Successful Offeror***

34. How many years have the current auditors being serving the County? How many years have the current engagement partner/principal served the County?

***Answer: 5 years for both questions***

35. Has there been any disagreement with the current auditor firm? If yes, please provide some background on the issue.

***Answer: No***

36. Has there been any untimely (not retirement related) resignations of management level employees?

***Answer: No.***

37. What are the two most significant issues facing the County in the next two years?

***Answer: New GASB pronouncements to implement. Changing dynamics on State funding priorities.***

38. Describe any relationships with third party service providers used by the entity that may have an impact on the accounting or financial reporting of the entity (i.e., ADP, Paychex, etc).

***Answer: Not applicable currently. The County may consider using services in the future.***

39. Are there any improvements you would like to see in the audit process?

***Answer: The County can discuss with the Successful Offeror***

40. Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures, personnel, or the reporting entity?

***Answer: The Sports and Entertainment Authority separated from the County on July 1 2024.***

41. In the previous three fiscal years, have there been any additional billings/change orders related to the audits more than the fixed base fees? If so, to what extent and for what reason(s)?

***Answer: No***

42. Will the County accept an electronic signature on the proposal forms and documents?

***Answer: Yes***

43. What is the general condition of the workpapers that are provided to the auditors?

***Answer: The Accounting Division maintains records provided to the auditors for the PBC list. The County cannot speak to the condition of workpapers maintained by the auditors.***