

Attachment A: Winrock International proposal WICEO-24-02 Q&A August 26, 2024
Excerpted Q&A that may apply to 2025 audit proposal:

Do you have shared service centers (or similar) globally?

Winrock has two regional offices, one in Nairobi, Kenya, and one in Manila, Philippines, which support country offices on finance and general operations.

Per your website, you operate in > 100 countries, are all those still active operations, or dependent on current project activity?

Not all 100 countries have active operations; it fluctuates as projects open and close. **We are currently operating in 15-20 countries after the federal award terminations in 2025.**

Do you report regionally or by country up to headquarters?

Projects report financials to the regional office by project, and the regional office reports it to headquarters.

Where is your principal accounting functions performed? Arkansas? Virtual? What is your preference from a "performance of the audit" perspective and performing work onsite versus virtually?

We have an accounting team in both locations: Little Rock, Arkansas, and Crystal City, Virginia. We are flexible about where the audit will be performed, as all our documents are maintained electronically. We are looking for efficiency and collaboration during fieldwork.

Is the ERP system rolled out globally or just in the United States?

United States currently.

Are there any plans to change systems in the next three-to-five years?

Always looking for system enhancements and improvements, but Winrock has no plans to change the ERP system in the next few years.

How does the financial information "roll-up" to the global organization? Process driven? From a selection basis for sampling, we would appreciate additional detail in that regard.

All transactions from project offices are uploaded into the home office accounting system. There are no summary transactions, full g/l account and transaction details from all projects are maintained in the home office ledger.

Does Winrock have a centralized procurement system? If so, do you have varying policies dependent on donor?

The policies are centralized. Some countries/projects have supplemental operational policies approved by the home office. WI uses Deltek Costpoint to record all costs. HO procurements are recorded upon execution of an order. The purchase order entry and receipting is done through the procurement modules in Costpoint. FO procurements are documented and processed locally and recorded in Costpoint through the general ledger upon payment.

Who controls the procurement?

Winrock program leaders are in charge of procurement for programs and core following an organizational SDA (Schedule Delegation of Authority). The SDA directs who should have concurrence and final authorization responsibility for each procurement. Personnel in charge of approving expenditures are aware of the grant's requirements.

Does Winrock have a centralized expense and oversight function? Is summarized data received from the field or actual workflow of supporting documentation supporting each transaction?

The policies are centralized. Some countries/projects have supplemental operational policies approved by the home office.

How does the Winrock executive team monitor financial activity globally or on a more regional basis? How often are global financial results prepared/circulated? Formalized reporting performed quarterly or just for year-end?

Monthly report on high-level project activities and full monthly/quarterly financial statements to ET and the board of directors.

How does Winrock monitor related parties? Conflicts of interest at the executive/board/global level?
Policies and continued annual training to enforce these policies related to the Code of Conduct, Conflicts of Interest, and others.

Has the current auditor relied on the local external audits conducted in the field?
No, local external audits are based on local statutory requirements.

Does Winrock have centralized policies and procedures or is it regionally dictated?
Modified centralized to accommodate local laws

Reviewing the Form 990, is there anything that you would wish to change presentation prospectively, or revisit past positions taken?
Not at this time, unless regulations change, and leadership has any other preferences.

Please confirm the two plans to be audited are as follows:
The Winrock Group, Inc. 401(k) Retirement Savings Plan and Trust
Winrock International Institute for Agricultural Development Defined Contribution Plan
Winrock currently has a 403b plan. The Plan to be audited is the Winrock International Institute for Agricultural Development Defined Contribution Plan.

Were there any significant changes made to, or expected to be made, to either plan during 2024? This includes plan amendments, partial plan terminations, change in recordkeeper/payroll provider, plan mergers in/out, change to investment mix towards alternative investments, DOL/IRS audits or desk reviews, etc.
Winrock has executed a plan amendment for the few changes to adhere to SECURE 2.0.

We noticed that the 403(b) Plan's financial statements did not include the disclaimer related to the Plan's records for any pre-2009 annuity contracts and custodial accounts and this plan began in 1985. Would you please confirm that you have available information since 1985 for all annuity contracts and custodial accounts sufficient to support the exclusion of the disclaimer in the audit report and related financial statement footnotes? Has the Plan been with TFLIC and TIAA and CREF since the Plan's inception? Or, would the Plan Sponsor consider adding the disclaimer into the audit report and financial statement footnotes?
TIAA stated that Winrock International has been a client since 1981. Custodial agreements apply to mutual funds only.

Can we please get a copy of all the filings with the IRS (the public inspection copy does not provide detail on the other forms).
If you prefer not to provide a copy, can you please let us know whether Winrock filed any foreign forms such as Form 5471, 8858, 5713, 926, 8865, 8621 in the prior year. If so, how many of each of these?
The 2024 990 can be emailed upon request to interested bidders.

Do you anticipate any new entities in 2024?
No new entities in 2024.

Is there a grant/contract department?
Yes

How does the Organization monitor compliance in regard to Federal Funds passed through to sub-recipients?
We have an awards management unit.

How does the Organization monitor compliance with federal funding where you have engaged a sub-contractor?
We have an awards management unit.

Can the auditor expect that there will be any material adjustments after the close?
No material adjustment is expected.

Are draft financial statements including footnotes prepared by your staff? If so, will they be available at the start of final fieldwork? If not, on what date can those be expected?

We are open to both options.

Does the Organization track actual indirect rates incurred versus indirect rates billed?

Yes, Winrock International uses Deltek CostPoint, which tracks both actual and provisional rates on expenses.

How does the Organization monitor and track the activity, including currency exchange, with the field offices?

Fund transfers to country offices are done in local currency at spot rates. Full ledger activity from country offices is reported to the home office monthly, the expenses are converted using monthly average rates obtained from Bank of America. Bank and petty cash balance revaluations are done monthly. Other asset and liability accounts revaluations are done annually, or as needed by project.

Are there any expected changes in your IT systems?

Enhancements are always in the works, but there are no major changes in IT systems.

Are there any significant changes planned relative to the scope and breadth of your organization and its operations that need to be considered in developing the scope of effort required for this audit?

Long-term strategic plan to diversify funding among multiple donors.

Do you have one centralized payroll and HR?

Centralized HRIS system US and Global. Payroll is not centralized.

Do you use a service provider for payroll, or is that done in-house with packaged software?

Service provider Dayforce (previously known as Ceridian)

Are there any changes in the recordkeepers/custodians, Transamerica, and TIAA-CREF?

No change

Describe in general your tax return preparation/review process such as timing, presentation to Board or Committee, number of drafts, etc. Are there any elements of the current process you would like to see change?

Winrock usually receives one draft of Form 990 and provides feedback before sharing it with the Audit and Compliance Committee and the Board of Directors.

Finance management and tax preparers present Form 990 to the audit and compliance committee. At the committee's recommendation, the full board is provided with draft form 990 for review and acceptance of the return.

Has Winrock ever been audited by the IRS the last 5 years? If so, when? Closing agreement?

There has been no audit by the IRS in the last five years.

Country offices: can you provide an organogram which shows the entity structure? We are interested in seeing which are actual Winrock branches vs. local subsidiaries/NGO's/related entities (to understand the basis for consolidation as well as the local audit effort). Also can you identify which "offices" were audited by other auditors in the past, if any; we are simply trying to gauge the local auditor coordination and timing of local office audit planning activities, etc.

All country offices belong to Winrock International. There are some locations with project specific registrations. The following offices have statutory annual audit and reporting requirements: El Salvador, Jamaica, Dominican Republic, Ghana, Nigeria, Kenya, Malawi, Nepal, Bangladesh, Thailand, Cambodia, China, Philippines.

Donor audits (of Winrock programs/grants): any donor/agency audits conducted in FY23 or FY24? Are there any donor audits required of the external auditing firm (i.e., Sida, Norad, FCDO, EC, etc.)

We have NORAD and SDC funding that requires project audits.

Accounting system: Will we be able to audit through it, including examining supporting records?

Yes

What are the Board's expectations of communicating with the auditing firm?

The Audit Committee will typically engage with the auditors at a meeting to review the annual audit report and any related issues raised by the auditors. The Audit Committee will remain available to

meet with the auditors at the request of Winrock's finance staff to address any problem related to our annual audit or in the rare case a direct request from the auditors to meet with the Audit Committee.

Wish list: What would Winrock want the top couple's wishes from its new auditor relationship (what would be the highest value added to the relationship in FY24 and after that)?

Raising issues as soon as they are spotted and with some focused attention to NICRA rates. We also place high importance on the auditor's knowledge and use of the latest technology in discovering and assessing any financial anomalies.