



FY2024 COMPLIANCE REPORT

For the Year Ended June 30, 2024

COUNTY OF PRINCE WILLIAM, VIRGINIA
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Report of Independent Auditor 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

To the Board of County Supervisors
County of Prince William, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”), issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince William, Virginia (the “County”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated December 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of finding and response as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the finding identified in our audit and described in the accompanying *Schedule of Finding and Response*. The County’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 16, 2024

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Supervisors
Prince William County, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Prince William, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 16, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekasert LLP

Tysons Corner, Virginia
March 25, 2025

**Report of Independent Auditor on Compliance with
Commonwealth of Virginia’s Laws, Regulations, Contracts, and Grants**

To the Board of Supervisors
County of Prince William, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”) issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince William, Virginia (the “County”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 16, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of the County’s compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions, and accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia’s laws, regulations, contracts, and grants for which we performed tests of compliance:

<u>Code of Virginia</u>	<u>State Agency Requirements</u>	
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Children’s Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Intergovernmental Revenues	Debt Provisions	Opioid Abatement Funds
Fire Programs Aid to Localities	Stormwater Utilities	

The results of our tests disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Specifications, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-005 and 2024-006.

County’s Responses to Findings

The County’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants and the results of that testing, and not to provide an opinion on the County’s compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
March 25, 2025

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024
 (amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
OFFICE OF NATIONAL DRUG CONTROL POLICY:				
* Pass-Through Payments from Mercyhurst University:				
High Intensity Drug Trafficking Area (HIDTA) Project	7.999	not available	\$ 75	-
Total Office of National Drug Control Policy			75	-
DEPARTMENT OF AGRICULTURE:				
* Direct Payments:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not applicable	16	-
Urban Agriculture and Innovative Production (UAIP) Competitive Grants Program	10.935	not applicable	3	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Aging:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.576	457002-122981	2	-
* Department of Health:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not available	133	-
* Department of Social Services:				
* SNAP Cluster ²				
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	45213-90303 46010-90212 46010-90666 46010-91103 46010-91104 46010-91403 46010-91404 46010-92103 46010-92104 46010-94103 46010-94104	7,258	-

¹ ALN 10.558 Total \$149

² SNAP Cluster (ALN 10.561) Total \$7,258

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF AGRICULTURE (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Child Nutrition Cluster ³				
* Department of Agriculture & Consumer Services:				
National School Lunch Program (NSLP) - Commodities	10.555 ⁵	not available	4,482	-
* Department of Education:				
School Breakfast Program (SBP)	10.553 ⁴	179001-40591	8,182	-
National School Lunch Program (NSLP)	10.555 ⁵	179001-40623	28,271	-
Fresh Fruit and Vegetable Program	10.582	179001-40599	206	-
Summer Food Service Program for Children (SFSPC)	10.559	APE601750000	532	-
* Department of Juvenile Justice:				
School Breakfast Program (SBP)	10.553 ⁴	360001-40591 360003-40591	40	-
National School Lunch Program (NSLP)	10.555 ⁵	360001-40611 360001-40622 360003-40611	73	-
Total Department of Agriculture			<u>49,198</u>	<u>-</u>
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION:				
* Direct Payments:				
Chesapeake Bay Studies	11.457	not applicable	119	-
Total Department of National Oceanic And Atmospheric Administration			<u>119</u>	<u>-</u>
DEPARTMENT OF DEFENSE:				
* Direct Payments:				
Junior ROTC Program	12.000	not applicable	764	-
Student Achievement at Military-Connected Schools	12.556	not applicable	335	-
DoD Impact Aid Program	12.556	not applicable	724	-
Language Grant Program	12.900	not applicable	91	-
Total Department of Defense			<u>1,914</u>	<u>-</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
* Direct Payments:				
Emergency Housing Vouchers	14.EHV	not applicable	1,082	-
* CDBG - Entitlement Grants Cluster ⁶				
Community Development Block Grants / Entitlement Grants	14.218	not applicable	6,039	-
Community Development Block Grants / Entitlement Grants – COVID-19	14.218	not applicable	2,494	-

³ Child Nutrition Cluster (ALN 10.553/10.555/10.559/10.582) Total \$41,786

⁴ ALN 10.553 Total \$8,222

⁵ ALN 10.555 Total \$32,826

⁶ CDBG - Entitlement Grants Cluster (ALN 14.218) Total \$8,533

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Cont'd):				
* Direct Payments (Cont'd):				
* CDBG - Entitlement Grants Cluster ⁶ (Cont'd)				
Emergency Solutions Grant Program	14.231 ⁷	not applicable	245	-
Emergency Solutions Grant Program – COVID-19	14.231 ⁷	not applicable	192	-
HOME Investment Partnerships Program	14.239	not applicable	979	-
Continuum of Care Program	14.267	not applicable	108	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870	not applicable	113	-
* Housing Vouchers Cluster ⁸				
Section 8 Housing Choice Vouchers	14.871	not applicable	31,160	-
Mainstream Vouchers	14.879	not applicable	1,050	-
* Pass-Through Payments from Northern Virginia Planning District Commission:				
Housing Opportunities for Persons with AIDS	14.241	not available	268	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Housing and Community Development:				
Emergency Solutions Grant Program	14.231 ⁷	458005-HCD45551	81	-
Emergency Solutions Grant Program – COVID-19	14.231 ⁷	458004-117617	26	-
* Pass-Through Payments from Virginia Housing Development Authority:				
Housing Counseling Assistance Program	14.169	182100-65100	40	-
Total Department of Housing and Urban Development			<u>43,877</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR:				
* Direct Payments:				
Payments in Lieu of Taxes (PILT) - Public Law # 97-258	15.226	not applicable	86	-
Total Department of the Interior			<u>86</u>	<u>-</u>
DEPARTMENT OF JUSTICE:				
* Direct Payments:				
Missing and Exploited Children (MEC) Program	16.543	not applicable	45	-
State Criminal Alien Assistance Program	16.606	not applicable	1,265	-
Equitable Sharing Program	16.922	not applicable	194	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Criminal Justice Services:				
Juvenile Justice and Delinquency Prevention	16.540	390002-120551	18	-

⁷ ALN 14.231 Total \$544

⁸ Housing Voucher Cluster (ALN 14.871/14.879) Total \$32,210

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF JUSTICE (Cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (Cont'd):				
* Department of Criminal Justice Services (Cont'd):				
Crime Victim Assistance	16.575	390002-118457 390002-120577 390002-122648	417	-
STOP Violence Against Women Formula Grants	16.588	390002-120580 390002-122609	31	-
* Pass-Through Payments from George Mason University: Congressionally Recommended Awards	16.753	not applicable	373	-
Total Department of Justice			<u>2,343</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION:				
* Direct Payments:				
Safe Streets and Roads for All	20.939	not applicable	29	-
* Pass-Through Payments from Commonwealth of Virginia:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	not available	39,482	-
* Highway Safety Cluster ⁹ State and Community Highway Safety	20.600	605007-53011 605007-53081 605007-53085 605007-54007 605007-54027	171	-
* Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	605007-53084 605007-54005	93	-
Total Department of Transportation			<u>39,775</u>	<u>-</u>
DEPARTMENT OF THE TREASURY:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Treasury:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	Not Available	15,835	390
* Department of Environmental Quality:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	Not Available	196	-
* Department of Criminal Justice Services:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	390002-122373	1,040	-
* Department of Department of Social Services:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	46010-95050	524	-
* Department of Behavioral Health & Developmental Services:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	445006-56200 445006-59002	695	-

⁹ Highway Safety Cluster (ALN 20.600) Total \$171

¹⁰ Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19 (ALN 21.027 Total) \$18,518

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF THE TREASURY (Cont'd):				
* Pass-Through Payments from Virginia Tourism Corporation:				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ¹⁰	Not Available	228	-
Total Department of the Treasury			18,518	390
DEPARTMENT OF VETERANS AFFAIRS:				
* Direct Payments:				
Veterans Medical Care Benefits	64.009	not applicable	82	-
Total Department of Veterans Affairs			82	-
DEPARTMENT OF EDUCATION:				
* Direct Payments:				
Impact Aid (Title VII of ESEA)	84.041	not applicable	677	-
Student Support and Academic Enrichment Program	84.424	not applicable	284	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Education:				
Adult Education - Basic Grants to States	84.002 ¹¹	179001-61380	184	-
Title I Grants to Local Educational Agencies (Title I, Part A of The ESEA)	84.010	179001-42901 179001-42935	14,512	-
Title I Program for Neglected & Delinquent Children	84.013	179001-42948	9	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	179001-61095	940	-
Twenty-First Century Community Learning Centers	84.287	179001-60565	720	-
English Language Acquisition State Grants	84.365	179001-60512	2,396	-
Supporting Effective Instruction State Grants	84.367	179001-61480	2,148	-
Safe & Drug-Free Schools & Communities - State Grants	84.186	179001-60511	1,090	-
Education Stabilization Fund (ESF) – COVID-19	84.425	179001-APE70037	12	-
Education Stabilization Fund (ESF) – COVID-19	84.425D	179001-APE50193 179001-APE50195	22,595	-
* Special Education Cluster (IDEA) ¹²				
Special Education - Grants to States (IDEA, Part B)	84.027	179001-43071	19,207	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	179001-62521	347	-
* Department of Behavioral Health & Developmental Services:				
Special Education - Grants for Infants & Families	84.181	445007-43086 445007-43087	837	-
* Department of Aging:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	not available	326	-

¹¹ ALN 84.002 Total \$736

¹² Special Education Cluster (IDEA) (ALN 84.027/84.173) Total \$19,554

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF EDUCATION (cont'd):				
* Pass-Through Payments from Prince William County Adult Education - Basic Grants to States	84.002 ¹¹	not available	451	-
* Pass-Through Payments from Manassas City: Adult Education - Basic Grants to States	84.002 ¹¹	not available	73	-
* Pass-Through Payments from Manassas Park: Adult Education - Basic Grants to States	84.002 ¹¹	not available	28	-
* Pass-Through Payments from College of William and Mary Education for Homeless Children and Youth – COVID-19	84.196	not available	247	-
Total Department of Education			<u>67,083</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
* Direct Payments: * Head Start Cluster ¹³ Head Start	93.600	not applicable	4,321	-
* Pass-Through Payments from Commonwealth of Virginia: * Department of Aging:				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	455006-120295 455006-122554	3	-
Special Programs for the Aging - Title VII, Chapter 2-Long-Term Care Ombudsman Services for Older Individuals (State Grants for Long-Term Care Ombudsman Services)	93.042 ¹⁴	455006-122540 455006-124478	21	-
(State Grants for Long-Term Care Ombudsman Services) – COVID-19	93.042 ¹⁴	455006-117229	1	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043 ¹⁵	455004-124474	2	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services – COVID-19	93.043 ¹⁵	455004-119120	2	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	not available	17	-
National Family Caregiver Support, Title III, Part E	93.052 ¹⁶	455004-122561 455004-124475	107	-
National Family Caregiver Support, Title III, Part E – COVID-19	93.052 ¹⁶	455004-119121	56	-
Medicare Enrollment Assistance Program	93.071	455004-122548	25	-
State Health Insurance Assistance Program (SHIP)	93.324	455004-117058	35	-
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761 ¹⁷	455004-119122	1	-
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF) – COVID-19	93.761 ¹⁷	455004-122090	7	-

¹³ Head Start Cluster (ALN 93.600) Total \$4,321

¹⁴ ALN 93.042 Total \$22

¹⁵ ALN 93.043 Total \$4

¹⁶ ALN 93.052 Total \$163

¹⁷ ALN 93.761 Total \$8

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (Cont'd):				
* Department of Aging (Cont'd):				
Assistance Programs for Chronic Disease Prevention and Control	93.945 ¹⁸	455004-119122	28	-
* Aging Cluster ¹⁹				
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044 ²⁰	455004-122543 455004-124465 455006-119117	290	-
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers – COVID-19	93.044 ²⁰	455004-118847 455004-119118 455004-119122	228	-
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045 ²¹	455004-119120 457001-122546 457001-124466 457003-124467 457003-122560	456	-
Nutrition Services – COVID-19	93.045 ²¹	457001-119138 457003-119119 455004-119121	214	-
Nutrition Services Incentive Program	93.053	457001-122547 457001-124476	33	-
* Department of Health:				
Assistance Programs for Chronic Disease Prevention and Control	93.945 ¹⁸	not available	51	-
* Department of Behavioral Health & Developmental Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	445006-51102 445006-51103	54	-
Opioid State Targeted Response (STR)	93.788	445001-53026 445001-53006	189	-
Block Grants for Community Mental Health Services	93.958 ²²	445006-52203	577	-
Block Grants for Community Mental Health Services – COVID-19	93.958 ²²	445006-59002	7	-
Block Grants for the Prevention & Treatment of Substance Abuse	93.959 ²³	445001-50272 445001-50253 445001-50273	1,082	-
Block Grants for the Prevention & Treatment of Substance Abuse – COVID-19	93.959 ²³	445001-59110 445001-59112 445001-59910	122	-

¹⁸ ALN 93.945 Total \$79

¹⁹ Aging Cluster (ALN 93.044/93.045/93.053) Total \$1,221

²⁰ ALN 93.044 Total \$518

²¹ ALN 93.045 Total \$670

²² ALN 93.958 Total \$584

²³ ALN 93.959 Total \$1,204

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024
 (amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services:				
Guardianship Assistance	93.090	46010-91128 46010-91428 46010-92128 46010-94128	5	-
Title IV-E Prevention Program	93.472	46010-91151 46010-91451 46010-92151 46010-94151	75	-
Promoting Safe & Stable Families	93.556	46010-91129 46010-92129 46010-94129 46902-90359 46902-90360 46902-90361	200	-
* 477 Cluster ²⁴				
Temporary Assistance for Needy Families (TANF)	93.558	45201-90603 45212-90366 45212-90377 46010-90665 46010-91109 46010-91110 46010-91111 46010-91112 46010-91127 46010-92109 46010-92110 46010-92111 46010-92112 46010-92127 46010-94109 46010-94110 46010-94111 46010-94112 46010-94127	1,436	-
Refugee & Entrant Assistance - State - Administered Programs	93.566	46010-91113 46010-92113 46010-94113 49102-90623	484	-
Low-Income Home Energy Assistance	93.568	46010-91114 46010-92114 46010-94114	196	-
* Child Care Development Fund (CCDF) Cluster ²⁵				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	45215-90566 46010-91116 46010-91117 46010-91118 46010-92116 46010-92117 46010-92118 46010-94116 46010-94117	356	-

²⁴ 477 Cluster (ALN 93.558) Total \$1,436

²⁵ Child Care and Development Fund (CCDF) Cluster (ALN 93.596) Total \$356

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024
 (amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services (cont'd):				
Chafee Education and Training Vouchers Program (ETV)	93.599	46902-90353	5	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	46010-91131 46010-92131 46010-94131	2	-
Foster Care - Title IV-E	93.658	46010-90209 46010-91105 46010-91106 46010-91107 46010-91133 46010-91138 46010-91147 46010-91405 46010-91406 46010-91407 46010-91433 46010-91438 46010-91447 46010-92105 46010-92106 46010-92107 46010-92133 46010-92138 46010-92147 46010-94105 46010-94106 46010-94107 46010-94133 46010-94138 46010-94147 46901-90635 46901-90637 46901-90639 46901-90640 46901-90656 46901-90657 46901-90658 46902-90047	2,129	-
Adoption Assistance - Title IV-E	93.659	46010-90214 46010-91108 46010-91408 46010-92108 46010-94108 46903-90606 46903-90607 46903-90627	1,230	-

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024
 (amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services (cont'd):				
Social Services Block Grant	93.667	46010-91120	1,581	-
		46010-91122		
		46010-91123		
		46010-91124		
		46010-91125		
		46010-91126		
		46010-91142		
		46010-91157		
		46010-92120		
		46010-92122		
		46010-92123		
		46010-92124		
		46010-92125		
		46010-92126		
		46010-92142		
		46010-92157		
		46010-94120		
		46010-94122		
		46010-94123		
		46010-94124		
		46010-94125		
		46010-94126		
		46010-94142		
		46010-94157		
		46802-90340		
		46802-90379		
		46802-90308		
		46902-90351		
		46902-90357		
		46902-90358		
		46903-90648		
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	46010-91134	32	-
		46010-92134		
		46010-94134		
		46902-90356		
Elder Abuse Prevention Interventions Program – COVID-19	93.747	46802-90384	50	-
		46802-90387		
Children's Health Insurance Program (CHIP)	93.767	46010-90161	69	-
		46010-90668		
		46010-91102		
		46010-91402		
		46010-92102		
		46010-94102		

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Medicaid Cluster ²⁶				
* Department of Social Services (cont'd):				
Medical Assistance Program (Medicaid; Title XIX)	93.778	46010-90160 46010-90213 46010-90667 46010-91101 46010-91146 46010-91150 46010-91401 46010-91446 46010-91450 46010-92101 46010-92146 46010-92150 46010-94101 46010-94146 46010-94150	5,771	-
* Medicaid Cluster ²⁶				
* Department of Aging:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	455006-46200	5	-
* Medicaid Cluster ²⁶				
* Department of Medicaid Services:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	not available	485	-
Total Department of Health and Human Services			<u>22,040</u>	<u>-</u>
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION:				
* Direct Payments:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	not applicable	242	-
Total Substance Abuse and Mental Health Services Administration			<u>242</u>	<u>-</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY:				
* Direct Payments:				
Emergency Food and Shelter National Board Program – COVID-19	97.024	not applicable	2	-
Total Emergency Management Agency			<u>2</u>	<u>-</u>

²⁶ Medicaid Cluster (ALN 93.778) Total \$6,261

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024
 (amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HOMELAND SECURITY:				
* Direct Payments:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) – COVID-19	97.042 ²⁷	775001-120355 775001-122463 775001-124379	104	-
Emergency Management Performance Grants (EMPG) – COVID-19	97.042 ²⁷	not applicable	408	-
* Pass-Through Payments from Northern Virginia Emergency Response System:				
Homeland Security Grant Program (HSGP)	97.067 ²⁸	not available	94	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Emergency Management:				
BRIC: Building Resilient Infrastructure and Communities	97.047	776002-116437	206	-
Homeland Security Grant Program (HSGP)	97.067 ²⁸	not available	455	-
Total Department of Homeland Security			<u>1,267</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 246,621</u>	<u>\$ 390</u>

²⁷ ALN 97.042 Total \$512

²⁸ ALN 97.067 Total \$549

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024
(amounts expressed in thousands)

NOTE (1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes all federal grant activity of the County during fiscal year 2024. This schedule has been prepared on the modified accrual basis of accounting, as defined in Note 1C, of the County’s Annual Comprehensive Financial Report (ACFR).

The County did use the 10% de minimus indirect cost rate for some grants.

The County operates on a contractual basis with its grant partners, except for some subrecipients, who were awarded funding from the County’s allotment of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF – COVID-19 (ALN 21.027).

NOTE (2) – SCOPE OF AUDIT PURSUANT TO TITLE 2 US CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Illustration 1-1 presents the reconciliation of the ACFR Exhibit 5 and 8 and Schedule 40 and the School Board’s separately issued ACFR Exhibit 5 to the SEFA. A copy of the County’s ACFR may be obtained through the County’s website at www.pwcgov.org. A copy of the School Board’s ACFR may be obtained through the School’s website at www.pwcs.edu.

Illustration 1-1	
Reconciliation of Annual Comprehensive Financial Statements to the Schedule of Expenditures of Federal Awards (SEFA)	
County’s Total Federal Revenue per Exhibit 5 and 8 and Schedule 40 per County’s ACFR	\$ 124,945
School’s Total Federal Revenue per School’s ACFR	123,576
	<u>248,521</u>
Items expended from Restricted Fund Balance:	
Revenue Adjustments to SEFA	(818)
Items not subject to Single Audit:	
U. S. Marshals/I.N.S. purchase of service agreement	(59)
Payments from BABS and QSCBS receipts received by the County	(1,023)
	<u>(1,899)</u>
Total Expenditures of Federal Awards per SEFA	<u>\$ 246,621</u>

NOTE (3) – COGNIZANT AGENCY

The U. S. Department of Housing and Urban Development is the County’s cognizant audit agency for the Single Audit.

NOTE (4) – NONCASH FEDERAL AWARDS EXPENDED

The value of food distribution - commodities received by the County during fiscal year 2024 was \$3 (ALN 10.555) and the value of equipment received by the County during fiscal year 2024 was \$86 (ALN 97.067). These amounts have been included in the SEFA and in the County's ACFR.

During fiscal year 2024, the County received and expended \$4,439 in surplus food commodities from the federal government. At year end, \$102 of food commodities received from the federal government have been included in inventories and recorded as unavailable revenue.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

A. Summary of Auditor’s Results:

- a. The type of auditor’s report issued on the basic financial statements: **Unmodified opinion**
- b. Significant deficiencies in internal control disclosed by the audit of the financial statements: **Yes**
- c. Material weaknesses in internal control disclosed by the audit of financial statements: **No**
- d. Noncompliance, which is material to the financial statements: **No**
- e. Significant deficiencies in internal control over major programs: **Yes**
- f. Material weaknesses in internal control over major programs: **None reported**
- h. Any audit findings which are required to be reported in accordance with §200.516(a) of the Uniform Guidance: **Yes**
- i. The programs tested as major programs and type of audit report issued on compliance were:

Assistance Listing Number	Name of Federal Program or Cluster	Audit Report Issued
10.553/10.555/10.582/ 10.599	Child Nutrition Cluster	Unmodified
14.218	Community Development Block Grants/Entitlement Grants	Unmodified
14.871/14.879	Section 8 - Housing Choice Voucher Cluster	Unmodified
20.205	Highway Planning and Construction	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Unmodified
93.600	Head Start Cluster	Unmodified
97.778	Medical Assistance Program (Medicaid Cluster)	Unmodified

- j. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
- k. Prince William County qualified as a low-risk auditee in accordance with §200.520(a) of the Uniform Guidance: **No**

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

A. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

a. Finding 2024-001: Significant Deficiency – Internal Control over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Criteria: An effective system of internal control contemplates that management prepare financial statements that are accurate and in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Part of achieving that objective requires maintaining accurate and complete general and subsidiary ledgers, along with records supporting the existence, completeness, and valuation of all assets, deferred flows of resources, liabilities, revenues, and expenses/expenditures.

Condition: Annually, the County’s Department of Finance oversees the preparation, processing, and recordation of thousands of financial transactions that ultimately will be reflected in the Annual Comprehensive Financial Report produced within the County’s Department of Finance. During the external financial statement audit, an instance was identified where prepaid taxes were not properly allocated to the funds to which they applied.

Cause: The County’s Department of Finance lacks sufficient technical resources, both personnel and technology, to complete an accurate annual financial period close and produce compliant financial statements while adhering to externally imposed financial reporting deadlines.

Effect: Although the County’s financial system is able to accurately capture the collection of taxes paid prior to the funding period, the manual allocation of those prepayments to certain special revenue funds was not performed accurately. This resulted in an overstatement of pooled cash and prepaid taxes (a liability) in the nonmajor governmental funds and corresponding understatements in the general fund of approximately \$20.1 million.

Repeat Finding: Yes, see prior year finding 2023-001.

Recommendation: We recommend the County design and incorporate a more formal ACFR compilation and review process.

Views of Responsible Officials: Management concurs with the finding and recommendation.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

b. Finding 2024-002: Significant Deficiency – Vendor Management

Criteria: Management is responsible for designing and implementing internal controls with the primary objective of safeguarding assets, ensuring the accuracy and reliability of accounting data, promoting operational efficiency, and encouraging adherence to prescribed managerial policies.

Condition: In fiscal year 2025, the County experienced an incursion on into its vendor management system.

Cause: An internal control within the financial management system did not operate effectively.

Effect: The County is exposed to potential losses without internal controls that are both properly designed and effectively implemented to prevent, or detect and correct, unauthorized changes to certain information in a timely manner.

Repeat Finding: No.

Recommendation: We recommend that management modify the current process to eliminate any potential for unauthorized changes to information or access.

Views of Responsible Officials: Management concurs with the finding and recommendations.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

B. Findings and Questioned Costs Relating to Federal Awards:

a. **Finding 2024-003: Significant Deficiency and Non-Material Noncompliance – Housing Voucher Cluster Special Test 8 – Bank Accounts**

Criteria: The County is required to enter into general depository agreements (“GDA”) with financial institutions in the form required by the United States Department of Housing and Urban Development (“HUD”). The agreements serve as safeguards for federal funds and provide third party rights to HUD. Among the terms in many agreements are requirements for funds to be placed in an interest-bearing account (24 CFR 982.156).

Condition: As a result of a HUD audit in FY 2024, the County was informed of the requirement to have separate bank accounts and depository agreements for these federal funds.

Cause: The County had the related funds in an interest-bearing account as required but did not have a separate depository agreement.

Effect: The County was not in compliance with Special Test 8 requirements per the Compliance Supplement (24 CFR 982.156).

Questioned Costs: None

Repeat Finding: No

Recommendation: The County should separate Housing Voucher Cluster funds into its own separate interest-bearing account with the required depository agreement.

Views of Responsible Officials: Management concurs with the finding and recommendations.

b. **Finding 2024-004: Significant Deficiency and Non-Material Noncompliance – Housing Voucher Cluster REAC Report**

Criteria: Per 2 CFR Section 200.303, non-Federal entities receiving federal awards must establish and maintain internal controls designed to reasonably ensure compliance with federal statutes, regulations, and terms and conditions of the federal award. In accordance with the requirements of this program, grant recipients are to maintain complete and accurate accounts which requires that (1) account balances are properly maintained, (2) records and accounting transactions support a proper roll-forward of equity, and (3) errors are corrected and detected.

Condition: During our testing, we noted that the County’s Real Estate Assessment Center (“REAC”) submission from 2022 and 2023 were rejected by the US Department of Housing and Urban Development (“HUD”) because amounts did not properly roll forward from previous periods. The REAC submission did not meet the requirement of being completed timely and accurately.

Cause: The County’s internal control to ensure the accuracy of the REAC submissions was not operating effectively.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

Effect: Inaccurate record keeping results in unreliable information on which to base decision making. This also resulted in rejected REAC submissions.

Questioned Costs: None

Repeat Finding: No

Recommendation: The County utilizes contractors to assist in HUD REAC submissions. However, a contractor with accounting expertise lacks context related to the activities and administration of the program at the County. We recommend that the individuals overseeing the process of completing HUD REAC submissions conduct thorough reviews of the accounting records that support the REAC submission inputs and that the amounts are reported on the proper Financial Data Schedule Lines within the REAC submission.

Views of Responsible Officials: The Office of Housing and Community Development concurs with the finding and recommendations.

C. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants:

a. Finding 2024-005: Non-Material Noncompliance – Conflict of Interests

Criteria: Section 2.2-3115 of the *Code of Virginia* requires that certain local government officials and employees file a Statement of Economic Interest (“SOEI”), Financial Disclosure Statement (“FDS”), and/or Real Estate Disclosure (“RE”) form with the Clerk of the local governing body by February 1st or prior to assuming office or taking employment.

Condition: Out of a total of three hundred and six (306) officials and employees required to file a SOEI, FDS and/or a RE form, we noted fifteen (15) instances in which the official or employee did not complete their SOEI disclosure requirements due to no submission of an SOEI form.

Cause: The County lacks the legal mechanism to enforce compliance with Section 2.2-3115 of the *Code of Virginia*. However, the Prince William County Clerk to the Board of County Supervisors’ Office (“Clerk’s Office”) does have procedures in place to notify and disseminate the required forms to required individuals prior to the due date and follows up with several communications once the due date has passed to encourage compliance.

Effect: Non-compliance could result in action by the Commonwealth Attorney’s Office through the assessment of a \$250 civil penalty against non-compliant individuals.

Repeat Finding: Yes, see prior year finding 2023-002.

Recommendation: Local government officials should complete the SOEI, FDS and/or RE forms in accordance with prescribed requirements.

Views of Responsible Officials: Management concurs with the finding and recommendations.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

b. Finding 2024-006: Non-Material Noncompliance – Opioid Abatement Funds

Criteria: Section 2.2-365 of the *Code of Virginia* requires that localities submit an annual Opioid Abatement Authority (“OAA”) Reporting submission to the OAA by September 1.

Condition: We noted that the OAA Annual Reporting Workbook was submitted past the due date on September 18, 2024.

Cause: The County’s current closing process does not complete until September 30 of each year. The County did not have a supporting financial report ready to be submitted to the OAA until September 18.

Effect: Delayed reporting may impact future funding allocations.

Repeat Finding: No

Recommendation: The County should implement changes to improve its closing process so that the OAA is completed and submitted annually by September 1.

Views of Responsible Officials: The report was submitted after the deadline as Community Services thought we were granted an extension but did not receive it in writing. Management concurs with the finding and recommendations.



Board of County Supervisors

Deshundra L. Jefferson, Chair

Andrea O. Bailey, Vice Chair

Victor S. Angry

Kenny A. Boddye

Margaret Angela Franklin

Tom Gordy

Yesli Vega

Bob Weir

**COUNTY OF PRINCE WILLIAM,
VIRGINIA CORRECTIVE ACTION PLAN**
For the Year Ended June 30, 2024

A. Finding 2024-001: Significant Deficiency – Internal Control over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Name of Contact Person: Terri Whitt, Comptroller, and Charles Hunter, Assistant Director of Finance for Tax Administration

Corrective Action: The Financial Reporting & Control and Tax Administration Divisions will continue to document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries when turnover in key positions occur. The County's Finance Department has proactively acted to adequately document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries.

Proposed Completion Date: Immediately

B. Finding 2024-002: Significant Deficiency – Vendor Management

Name of Contact Person: Tim Leclerc, Acting Chief Financial Officer (CFO), and Rob Mancini, Chief Information Officer (CIO)/IT Director

Corrective Action: The County is researching new strategies, tools, and best practices to strengthen our internal controls around vendor management. Changes to our internal controls will be made in FY 2025 and FY 2026.

Proposed Completion Date: Immediately

C. Finding 2024-003: Significant Deficiency and Non-Material Noncompliance – Housing Voucher Cluster Special Test 8 – Bank Accounts

Name of Contact Person: Joan Duckett, Director of Housing & Community Development

Corrective Action: The Office of Housing and Community Development began working with the County's Finance Department and the current Banking Financial Institution (Wells Fargo) and opened two separate accounts, one for the Housing Choice Voucher (HCV) program and one for the FSS Escrow Accounts in April 2024. The task included revised mapping of deposits and expenditures, including the establishment of related workflows within the County's financial management system and therefore these changes were adequately tested. The migration to the two new bank accounts went live on July 1, 2024, and per HUD regulations a General Depository Agreement (HUD-51999 GDA) was entered.

Proposed Completion Date: Immediately

D. Finding 2024-004: Significant Deficiency and Non-Material Noncompliance – Housing Voucher Cluster REAC Report

Name of Contact Person: Joan Duckett, Director of Housing & Community Development

Corrective Action: The Office of Housing and Community Development (OHCD) has taken corrective measures to ensure that the REAC reports are supported with accurate data and submitted in a timely manner. There are monthly reconciliation procedures in place which include management oversight and review of all reports. OHCD has and will continue to enter into a contractual agreement with a knowledgeable and reputable accounting firm that the County is under contract for services applicable to the need. REAC reports will be extensively reviewed by management prior to submission to HUD.

Proposed Completion Date: Immediately

E. Finding 2024-005: Non-Material Noncompliance – Conflict of Interests

Name of Contact Person: Andrea Madden, Clerk to Board of County Supervisors (BOCS)

Corrective Action: The Clerk to the Board of County Supervisor's Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk's Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk's Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk's Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.

Proposed Completion Date: Immediately

F. Finding 2024-006: Non-Material Noncompliance – Opioid Abatement Funds

Name of Contact Person: Robyn Fontaine, Community Services Financial Manager

Corrective Action: Now that the Opioid Abatement Authority has started to stabilize its staffing assignments and provide more consistent guidance, the County will adjust the timing of entries needed to close the Opioid Settlement Special Revenue Fund to ensure the annual report is submitted timely. If an extension is requested and granted, Community Services will obtain the extension in writing and proceed with submitting the report as quickly as possible.

Proposed Completion Date: Immediately

COUNTY OF PRINCE WILLIAM, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

(amounts expressed in thousands)

A. Status of Prior Year Findings:

a. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

i. 2023-001: Significant Deficiency – Internal Control over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Summary of Finding: Annually, the County’s Department of Finance oversees the preparation, processing, and recordation of thousands of financial transactions that ultimately will be reflected in the Annual Comprehensive Financial Report produced within the County’s Department of Finance. During the external financial statement audit, an instance was identified where prepaid taxes were not properly allocated to the funds to which they applied.

Although the County’s financial system is able to accurately capture the collection of taxes paid prior to the funding period, the allocation of those prepayments to certain special revenue funds was not performed accurately. This resulted in an understatement of pooled cash and an understatement of prepaid taxes (a liability). The amount of the understatement in the nonmajor governmental funds and the overstatement in the general fund was approximately \$14.8 million.

Corrective Action Taken: Management concurs with Finding 2023-001. The County’s Finance Department has proactively taken action to adequately document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries. Management believes this situation is an isolated occurrence due to the turnover of several employees in key positions in the department’s Financial Reporting & Control Division and Tax Administration. It is also important to note this finding did not impact the results of operations (i.e., income and expenditures or fund balances in the General Fund).

Status Update: The Financial Reporting & Control and Tax Administration Divisions will continue to document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries when turnover in key positions occur.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2024. Please see 2024-001.

COUNTY OF PRINCE WILLIAM, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

(amounts expressed in thousands)

b. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

i. 2023-002: Non-Material Noncompliance – Conflict of Interest

Summary of Finding: Out of a total of three hundred and six (306) officials and employees required to file a SOEI, FDS and/or a RE form, we noted eight (8) instances in which the official or employee did not complete their disclosure requirements.

Corrective Action Taken: Management concurs with Finding 2022-003. The Clerk to the Board of County Supervisor’s Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk’s Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk’s Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk’s Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.

Status Update: The Clerk to the Board of County Supervisor’s Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk’s Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk’s Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk’s Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2024. Please see 2024-005.



PRINCE WILLIAM
Finance



Prince William County, Virginia

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