



PRINCE WILLIAM COUNTY

Prince William County, Virginia Internal Audit Report: American Rescue Plan Act Calendar Year 2024 Subrecipient Monitoring Report (Interim)

November 14, 2024





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TRANSMITTAL LETTER

November 14, 2024

The Board Audit Committee of
Prince William County, Virginia
1 County Complex Court
Prince William, Virginia 22192

Pursuant to the statement of work dated September 13, 2023, executed by Prince William County's ("County," "PWC") Finance Department, and as reported to the Board of County Supervisors ("BOCS"), we hereby present the internal audit report on the American Rescue Plan Act ("ARPA") Calendar Year ("CY") 2024 Subrecipient Monitoring (Interim). We will be presenting this interim report to the Board Audit Committee of Prince William County at the next scheduled meeting on December 10, 2024. A subsequent comprehensive report will be prepared upon the completion of the second phase of CY 2024 monitoring, which is currently in progress.

Our report is organized into the following sections:

Executive Summary

This section provides an overview of funding and summarizes the current status of ARPA funding allocations by subrecipient, as approved by the BOCS for the use of the ARPA program funds.

Detailed Results

This section includes a description of the funding received, current review status, as well as observations noted by subrecipient during our review. When applicable, program enhancement opportunities for consideration are included.

We would like to thank the staff and all those involved in assisting our firm with this internal audit.

Respectfully Submitted,

RSM US LLP

RSM US LLP

EXECUTIVE SUMMARY

County ARPA Funding Background and RSM Scope

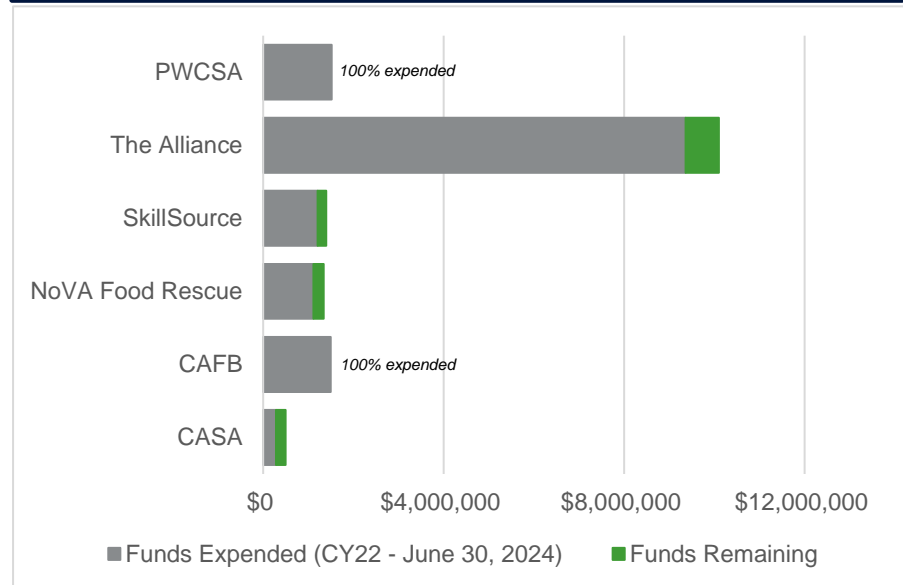
On March 11, 2021, President Biden signed the American Rescue Plan Act, which in part authorized the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”). The SLFRF program delivered \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Through the passage of ARPA, Prince William County was allocated approximately \$91 million in two (2) equal allotments. Part of this funding was allocated to subrecipients organizations to carry out eligible activities, as defined by U.S. Treasury, on behalf of the County.

All federal grants are subject to the U.S. Office of Management and Budget’s (“OMB”) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (“Uniform Guidance”). Section 2 CFR 200.332 of the Uniform Guidance contains requirements for pass-through entities, including the requirement to evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward for the purpose of determining the appropriate subrecipient monitoring procedures to be performed. As such, the primary objective of this internal audit was to conduct subrecipient monitoring over the six (6) ARPA funding subrecipients outlined below, on behalf of the County. Our review is split into two (2) phases. The first phase covers expenditures from January 1, 2024 through June 30, 2024. The second phase covers expenditures from July 1, 2024 through December 31, 2024. The testing period for this interim report covered January 1, 2024 through June 30, 2024 expenditures for the five (5) subrecipients with funds remaining. In addition, we have started monitoring procedures for expenditures from July 1, 2024 through December 31, 2024 for two (2) of the five (5) subrecipients. At the conclusion of the second phase of monitoring, a comprehensive report covering the entire calendar year 2024 will be prepared and presented to the Board Audit Committee of Prince William County. Please note that 2022 and 2023 expenditures were reviewed and presented in prior issued reports.

Subrecipient Monitoring Status by Year

Subrecipient Monitored	CY23 Status	CY24 Status (1/1/24 – 6/30/24)	CY24 Status (7/1/24 – 12/31/24)
CASA	Complete	Complete	In Progress
Capital Area Food Bank (“CAFB”)	Complete	Complete	Complete
Northern Virginia Food Rescue (“NoVA Food Rescue”)	Complete	In Progress	Not Started
SkillSource Group, Inc. (“SkillSource”)	Complete	In Progress	Not Started
The Human Services Alliance of Greater Prince William (“The Alliance”)	Complete	In Progress	Not Started
Prince William County Service Authority (“PWCSA”) ¹	Complete	N/A	N/A

Cumulative Subrecipient Spending Status



¹ Prince William County Service Authority (“PWCSA”) expended all ARPA funds as of June 30, 2023. As such, they are no longer included in this listing.

DETAILED RESULTS

Below is a summary of the funding status for each of the in-scope subrecipients as of June 30, 2024. Following this summary is a brief report with each subrecipient's testing results. Amounts in the table have been rounded to the nearest dollar.

Subrecipient	CASA	CAFB	NoVA Food Rescue	SkillSource	The Alliance	PWCSA
SLFRF Certification Specified Use of Funds	Training lab construction and programming start-up costs at the Welcome Center.	Costs including temporary rent and project management, and costs related to the construction a new food warehouse.	To support the administrative costs of operating the feeding task force food warehouse and renting warehouse space.	Support urgent novel COVID-19 response efforts; support immediate economic stabilization for households and businesses; and/or address the systemic public health and economic challenges that have contributed to the unequal impacts of the pandemic.	Grants for ARPA Wellbeing Programs and the administration of such programs.	Municipality utility relief.
2023 Review Status (1/1/23 – 12/31/23)	Complete	Complete	Complete	Complete	Complete	Complete
2024 Review Status (1/1/24 – 6/30/24)	Complete	Complete	In Progress	In Progress	In Progress	N/A: Fully Expended
2024 Review Status (7/1/24 – 11/1/24)	In Progress	Complete	Not Started	Not Started	Not Started	N/A: Fully Expended
Total Award ²	\$500,000	\$1,500,000	\$1,340,496 ³	\$1,400,000	\$10,100,000 ⁴	\$1,518,655
CY 2022 Expenditures ⁵	\$35,815	\$0	\$441,601	\$266,985	\$2,552,282	\$1,483,020
CY 2023 Expenditures ⁵	\$164,777	\$141,719 ⁵	\$439,751	\$616,659	\$5,814,338	\$35,635
CY 2024 Expenditures (1/1/24 – 6/30/24) ⁵	\$82,533	\$1,500,000	\$230,577	\$319,877	\$992,780	N/A: Fully Expended
CY 2024 Observations ⁶	\$0	\$0	\$0	\$0	\$0	N/A: Fully Expended
Funds Remaining ⁷	\$216,875	\$0	\$228,567	\$196,479	\$740,600	\$0

² On February 20, 2024, the BOCS approved Resolution Number 24-161, resulting in the following changes to the total award amounts: CASA's award was decreased to \$500,000 and NoVA Food Rescue received an additional \$190,000 for food distribution and related administrative costs.

³ NoVA was awarded an additional \$190,000, as of May 6, 2024. This increased the total award to \$1,340,496. A new subrecipient certification was executed in relation to these funds.

⁴ The Alliance was awarded an additional \$100,000, as of July 9, 2024. This increased their total award to \$10,100,000. The initial allocated amount was \$10,000,000.

⁵ Excludes observations.

⁶ Consistent with our executed Statement of Work, observations noted are the result of sampled based testing, aside from CASA which received a 100% review. Therefore, additional observations may exist outside of the sampled amounts. Testing is in progress and amounts may change as testing continues. Amounts reported are as of November 1, 2024.

⁷ Funds Remaining is calculated by subtracting CY22, CY23, and CY24 expenditures from the total award, and adding back the CY24 Observations, as those ineligible expenditures must be reallocated to another source of funding.

DETAILED RESULTS (CONTINUED)

Below contains a testing status update as of November 1, 2024, for each of the in-scope subrecipients.

Subrecipient	CASA
Period	January 1, 2024 – June 30, 2024
Status	Complete
<p>Due to the results of the Q1 and Q2 FY 2023 monitoring (see above) and to maintain compliance with Federal Statutes, regulations and the term and conditions of the subaward, the County previously elected to perform 100% reviews for all invoices previously submitted and all submissions going forward. On February 9, 2024, the County issued a memorandum to CASA to summarize the \$197,276 of observations identified between July 1, 2022, and June 30, 2023, as well as to provide next steps for CASA. In lieu of returning the \$197,276 of observations, the County has requested CASA replace those costs with eligible expenditures, as described within sections twelve (12) and thirteen (13) of their executed Subrecipient Certification. RSM, on behalf of PWC, will be performing 100% review for all replacement expenditures submitted.</p> <p>Between January 1, 2024 and June 30, 2024, CASA submitted two (2) reimbursement request packages which included five (5) invoices totaling \$29,847. There were no observations noted as part of our review for this period.</p>	
Period	July 1, 2024 – November 1, 2024
Status	In Progress
<p>Between July 1, 2024 and November 7, 2024, CASA submitted four (4) reimbursement request packages totaling \$156,024. Testing is currently in progress.</p>	

DETAILED RESULTS (CONTINUED)

Subrecipient	Capital Area Food Bank
Period	January 1, 2024 – June 30, 2024
Status	Complete
<p>As reported in the August 20, 2024 <i>American Rescue Plan Act CY 2023 Subrecipient Monitoring</i> report, CAFB was unable to provide documentation to evidence that procurement methods complied with 2 CFR 200.320. This previously issued observation impacted all 2023 expenditures submitted. In September 2024, CAFB submitted alternate expenditures for review. No observations were noted as part of our review of replacement expenditures.</p>	
Period	July 1, 2024 – December 31, 2024
Status	Complete
<p>There were no observations noted as part of our review for this period. As of the date of this report, CAFB has expended the full \$1,500,000 award amount. CAFB will not be included in future monitoring but will be included on any program summary funding tables or reporting for the County as a whole.</p>	

DETAILED RESULTS (CONTINUED)

Subrecipient	NoVA Food Rescue
Period	January 1, 2024 – June 30, 2024
Status	In Progress
We are currently reviewing a sample of \$70,026 in ARPA expenditures. Testing is currently in progress.	

Subrecipient	SkillSource Group, Inc.
Period	January 1, 2024 – June 30, 2024
Status	In Progress
We are currently reviewing a sample of \$107,717 in ARPA expenditures. Testing is in progress.	

Subrecipient	The Human Services Alliance of Greater Prince William
Period	July 1, 2023 – December 31, 2023
Status	Complete
<p>The Alliance has a total of \$3,934.50 of observations out of the \$897,012 in sampled expenditures, detailed below:</p> <ul style="list-style-type: none"> a. Procurement – The Alliance was unable to provide documentation to evidence that procurement methods were in compliance with 2 CFR 200.320. This impacted two (2) vendors, totaling \$3,494. b. Expenditure support – The Alliance was unable to provide an invoice supporting one (1) expenditure of \$432. c. Labor – We were unable to reconcile payroll documentation to timesheets to support labor costs allocated to ARPA. This related to (1) sampled individual and had a total impact of \$8.50. <p>As of the date of this report, we received confirmation that the total \$3,934.50 will be reallocated, and are pending documentation confirming the adjusting journal entry was made.</p>	
Period	January 1, 2024 – June 30, 2024
Status	In Progress
We are currently reviewing a sample of \$604,837 in ARPA expenditures. Testing is currently in progress.	



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