Prince William County, Virginia
Internal Audit Report: American Rescue Plan Act Subrecipient Monitoring Final Report

October 1, 2025

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TRANSMITTAL LETTER

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RSM US LLP
1861 International Drive
Suite 400
McLean, VA 22102
O: 321.751.6200 F: 321.751.1385
www.rsmus.com

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 and subsequent change order dated July 11, 2025, 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 final report on the American Rescue Plan Act ("ARPA") subrecipient monitoring. We will be presenting this report to the Board Audit Committee of Prince William County at the next scheduled meeting on October 28, 2025.

This report provides a comprehensive overview of our completed subrecipient monitoring procedures. 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.
Subrecipient ARPA Monitoring Details	This section includes a description of each subrecipient, their award and subsequent award amendments, an overview of how the funds were used, the scope and approach of our testing throughout the duration of our subrecipient monitoring procedures, and detail related to the observations noted throughout our review.

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 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 subrecipient 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.

This final report provides a comprehensive overview of all procedures conducted from 2022 through 2025. Expenditures for 2022, 2023, and 2024 were previously reviewed and presented in earlier reports, which contained all observations specific to each review period and were presented to the BOCS. Since the issuance of our last interim report in May 2025, we have completed all remaining testing procedures for each subrecipient, finalized reconciliation and closeout activities, and held meetings with representatives from each subrecipient to discuss recurring noncompliance themes and identify opportunities for improvement. These discussions were intended to help prepare subrecipients for future monitoring reviews, should they receive federal funding again. As part of the closeout process, we reconciled total expenditures reported in each subrecipient's comprehensive general ledger with the expenditures provided during prior monitoring rounds (2022 to present).

Subrecipient Monitoring Status

Subrecipient Monitored	Total Award	Funds Remaining	2022 – 2025 Testing Procedures	Reconciliation and Close Out Procedures
CASA	$500,000	$0	Complete	Complete
Capital Area Food Bank ("CAFB")	$1,500,000	$0	Complete	Complete
Northern Virginia Food Rescue ("NoVA Food Rescue")	$1,340,496	$0	Complete	Complete
SkillSource Group, Inc. ("SkillSource")	$1,400,000	$0	Complete	Complete
The Human Services Alliance of Greater Prince William ("The Alliance")	$10,100,000	$0	Complete	Complete
Prince William Water ("PWW"), formerly known as Prince William County Service Authority ("PWCSA")[1]	$1,518,655	$0	Complete	Complete

SUBRECIPIENT ARPA MONITORING DETAILS

Background	Per their website, CASA is a national organization formed to improve the quality of life in working-class communities. CASA creates change by blending human services, community organizing and advocacy in order to serve the full spectrum of the needs, dreams and aspirations of members. ARPA funds were applied to capital expenditures to construct a training lab within the Virginia Welcome Center building. This training lab is intended to provide vocational training, employment assistance, and trade training to residents of Prince William County. The majority of funds expended were expended on programmatic and administrative costs related to or in support of the welcome center; administrative expenses include cleaning services, communications, insurance, rent, equipment, and supplies.
ARPA SLFRF Certification Specified Use of Funds	Training lab construction and programming start-up costs at the Welcome Center.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with CASA to understand their operating environment, accounting processes, and establish working arrangements. Due to the observations noted in the Q1 and Q2 FY 2023 monitoring, and to maintain compliance with Federal Statutes, regulations, and the terms and conditions of the subaward, the County elected to perform 100% reviews for all invoices previously submitted and all submissions after Q2 FY 2023. At the conclusion of our procedures, we met with CASA to review common themes identified during our observations and to discuss opportunities for improvement. This meeting was intended to support CASA in strengthening its practices should it receive federal funding through the County or another entity in the future.
Overview of Observations	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 requested CASA replace those costs with eligible expenditures, as described in sections twelve (12) and thirteen (13) of their executed Subrecipient Certification. RSM, on behalf of PWC, performed 100% review for all replacement expenditures submitted. CASA then issued reimbursement packages for all new expenditures after June 30, 2023. Observations noted throughout our review were related to procurement (CASA was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320) and cost ineligibility (expenditures made that were outside the allowability parameters described in the grant agreement with the County). All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. In addition, we noted operational improvement opportunities that did not present a direct compliance issue related to ARPA, but did present risk to the subrecipient and/or challenges throughout the monitoring process. These process improvements were discussed with CASA throughout our procedures and in a formal exit meeting in an effort to assist in any future federal funding and monitoring activities. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to CASA were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	CASA was initially awarded $2,000,000 to be paid on a reimbursement basis. On February 20, 2024, the BOCS subsequently approved Resolution Number 24-161, decreasing the award to $500,000. All testing has been completed and our reconciliation of reimbursement packages from CASA and awarded funds per County records confirms that all funds have been disbursed. Procedures are now complete.

SUBRECIPIENT ARPA MONITORING DETAILS (CONTINUED)

Background	Per their website, Capital Area Food Bank ("CAFB") is a non-profit organization dedicated to bridging the gap between food surplus and food scarcity, building a community in which everyone has access to sufficient nutritious food. Their mission is to help their neighbors thrive by creating more equitable access to food and opportunity through community partnerships. ARPA funds were allocated to cover essential operational and administrative expenses tied to the CAFB's mission. These expenditures included costs for temporary space rental, professional services, construction costs, and technology costs.
ARPA SLFRF Certification Specified Use of Funds	Costs including temporary rent and project management, and costs related to the construction of a new food warehouse.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with CAFB to understand their operating environment, accounting processes, and establish working arrangements. Testing was performed each year in two (2) rounds; expenditures made from January 1st through June 30th, and July 1st through December 31st. During each round of testing, we selected a sample of expenditures and labor-related costs for review.
Overview of Observations	Observations noted throughout our review were related to procurement (on a sample basis, CAFB was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320 Procurement Standards). In total there were approximately $141,719 in observations identified. All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. CAFB was able to replace these unallowable costs with eligible expenditures. In addition, we noted operational improvement opportunities that did not present a direct compliance issue related to ARPA, but did present risk to the subrecipient and/or challenges throughout the monitoring process. These process improvements were discussed with CAFB throughout our procedures and in a formal exit meeting in an effort to assist in any future federal funding and monitoring activities. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to CAFB were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	CAFB was awarded $1,500,000 on a reimbursement basis. All testing has been completed and our reconciliation of reimbursement documents from CAFB and awarded funds per County records confirms that all funds have been disbursed. Procedures are now complete.

SUBRECIPIENT ARPA MONITORING DETAILS (CONTINUED)

Background NORTHERN VIRGINIA FOOD RESCUE	Per their website, Northern Virginia Food Rescue ("NoVA Food Rescue") is a non-profit organization which aims to address the disconnect between food insecurity and food waste by rescuing food before it is wasted and directly distributing it to Prince William County organizations that serve communities in need. Their goal is to keep healthy food out of the trash and into the hands of those who need it most. ARPA funds were used to cover the administrative costs of NoVA Food Rescue's response to food insecurity in ARPA-approved zip codes throughout the County. Expenditures included administrative costs of operating the feeding task force food warehouse, rental of the warehouse space, perishable food boxes, increased staffing to maintain warehouse operations, and transportation/food distribution to the) eligible distribution sites within the County.
ARPA SLFRF Certification Specified Use of Funds	To support the administrative costs of operating the feeding task force food warehouse and to rent the necessary warehouse space.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with NoVA Food Rescue to understand their operating environment, accounting processes, and establish working arrangements. Testing was performed each year in two (2) rounds; expenditures made from January 1st through June 30th, and July 1st through December 31st. During each round of testing, we selected a sample of expenditures and labor-related costs for review. As part of our close-out procedures, we reconciled general ledger detail as of 2025 to the general ledger detail provided to us in 2022, 2023, and 2024 to identify any discrepancies year over year. We noted the complete general ledger detail provided in 2025 had an overspend of approximately 11.5% of the total award ($167,017), indicating that the subrecipient spent more than the award amount. The County did not disburse more than the award amount to the subrecipient. The variance was discussed with the subrecipient and PWC Management and, because we received written confirmation that additional funding is not expected or sought, additional sample-based testing was not performed to address the subrecipient's potential overspend.
Overview of Observations	Observations noted throughout our review were related to procurement (on a sample basis, NoVA Food Rescue was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320 Procurement Standards) and labor cost ineligibility (sampled labor costs that were not able to be recalculated or were found not to be related to allowable ARPA activities). In total there were approximately $71,386 in observations identified. All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. NoVA Food Rescue was able to replace these unallowable costs with eligible expenditures. In addition, we noted operational improvement opportunities that did not present a direct compliance issue related to ARPA, but did present risk to the subrecipient and/or challenges throughout the monitoring process. These process improvements were discussed with NoVA Food Rescue throughout our procedures and in a formal exit meeting to assist in any future federal funding and monitoring activities. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to NoVA were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	NoVA Food Rescue was awarded $1,340,496 in advanced allotments. This amount reflects the $190,000 in additional funding for food distribution and related administrative costs awarded through the February 20, 2024 BOCS approved resolution (No. 24-161). All testing has been completed and our reconciliation per County records confirms that all funds have been disbursed. Procedures are now complete.

SUBRECIPIENT ARPA MONITORING DETAILS (CONTINUED)

Background	Per their website, SkillSource Group, Inc. ("SkillSource") is a non-profit organization of Virginia Career Works – Northern with its own Board of Directors. SkillSource shares in the mission and goals of the Virginia Career Works – Northern, while also serving as a fiscal agent and an entity that pursues additional funding sources for the SkillSource board. SkillSource oversees a range of free workforce and training initiatives on behalf of all employers, job seekers, and workers throughout Fairfax County, Loudoun County and Prince William County. SkillSource's Elevate Program focused on assisting furloughed, unemployed, and underemployed residents of Prince William County with training, employment, and other supportive services, as well as helping employers to retain and hire qualified workers, in the wake of the COVID-19 pandemic. SkillSource worked with numerous Prince William County job seekers and employers to provide incumbent worker training, occupational training, and provide career fairs to help fill vacancies and employ individuals. SkillSource also worked directly with employers to provide them with training opportunities and job seeker screening, and worked to connect job seekers with employers. In order to be eligible for the program, employees and employers had to work within Prince William County and fill out an application specifying how they had been negatively impacted by COVID-19.
ARPA SLFRF Certification Specified Use of Funds	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.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with SkillSource to understand their operating environment, accounting processes, and establish working arrangements. Testing was performed each year in two (2) rounds; expenditures made from January 1st through June 30th, and July 1st through December 31st. During each round of testing, we selected a sample of expenditures and labor-related costs for review.
Overview of Observations	Observations noted throughout our review were related to procurement (on a sample basis, SkillSource was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320 Procurement Standards) and labor cost ineligibility (sampled labor costs that were not able to be recalculated or were found not to be related to allowable ARPA activities). All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. In total there were approximately $5,450 in observations identified. All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. SkillSource was able to replace these unallowable costs with eligible expenditures. In addition, we noted operational improvement opportunities that did not present a direct compliance issue related to ARPA, but did present risk to the subrecipient and/or challenges throughout the monitoring process. These process improvements were discussed with SkillSource throughout our procedures and in a formal exit meeting in an effort to assist in any future federal funding and monitoring activities. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to SkillSource were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	SkillSource was awarded $1,400,000 on a reimbursement basis. All testing has been completed and our reconciliation of reimbursement documents from SkillSource and awarded funds per County records confirms that all funds have been disbursed. Procedures are now complete.

SUBRECIPIENT ARPA MONITORING DETAILS (CONTINUED)

Background	Per their website, The Human Services Alliance of Greater Prince William ("the Alliance") is a non-profit association of traditional and non-traditional human services providers that aid the residents of Prince William County and the cities of Manassas and Manassas Park. The mission of the Alliance is to be the catalyst for greater partnerships and collaboration among its network of human services organizations, the faith community, other community organizations, and interested citizens to enhance the lives of the people they support. ARPA funds were primarily used to support the facilitation of the Alliance's non-profit grant program (refer to 'Grant Application & Allocation Process' below and Appendix B) and administrative/labor costs to appropriately manage the program. Additional uses of ARPA funding included purchasing technology to support community outreach, data management, and effective internal and external communication.
ARPA SLFRF Certification Specified Use of Funds	Grants for ARPA Wellbeing Programs and the administration of such programs.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with the Alliance to understand their operating environment, accounting processes, and establish working arrangements. Testing was performed each year in two (2) rounds; expenditures made from January 1st through June 30th, and July 1st through December 31st. During each round of testing, we selected a sample of expenditures and labor-related costs for review. As part of our close-out procedures, we reconciled general ledger detail as of 2025 to the general ledger detail provided to us in 2022, 2023, and 2024 to identify any discrepancies. We identified a variance of approximately 31% of the total award ($3,143,155) that was found on the 2025 detail that does not appear to be included in historical reports. We obtained written confirmation from the Alliance that this may have been related to changes in leadership, implementation of a new system, and related processes, and that there is no expected additional funding from the County. The County did not disburse more than the award amount to the subrecipient. The variance was discussed with the subrecipient and PWC Management and, because we received written confirmation that additional funding is not expected or sought, additional sample-based testing was not performed to address the subrecipient's potential overspend.
Overview of Observations	Observations noted throughout our review were related to procurement (on a sample basis, Alliance was unable to provide documentation to support that procurement methods were in compliance with 2 CFR 200.320) and lack of supporting documentation (invoices, timesheets, and/or payment support was unavailable to substantiate sampled costs). In total there were approximately $107,275 in observations identified. All observations noted were discussed with the subrecipient and were not reimbursed through ARPA funds. The Alliance was able to replace these unallowable costs with eligible expenditures. In addition, we noted operational improvement opportunities that did not present a direct compliance issue related to ARPA, but did present risk to the subrecipient and/or challenges throughout the monitoring process. These process improvements were discussed with the Alliance, throughout our procedures and in a formal exit meeting in an effort to assist in any future federal funding and monitoring activities. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to Alliance were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	The Alliance was awarded $10,100,000 in advanced allotments. This includes additional funding of $100,000 that was awarded on July 9, 2024. All testing has been completed and our reconciliation per County records confirms that all funds have been disbursed. Procedures are now complete.

SUBRECIPIENT ARPA MONITORING DETAILS (CONTINUED)

Background PRINCE WILLIAM WATER Your Water • Your Environment • Our Mission	Prince William Water ("PWW"), formerly known as Prince William County Service Authority ("PWCSA"), was founded in 1983 to supply drinking water and water reclamation services to residences and businesses in the Washington metropolitan area. PWW's mission is to protect public health and the environment by reliably providing clean, safe and dependable water and wastewater reclamation services to its community. The Commonwealth of Virginia's Department of Housing and Community Development sponsored a program to help Prince William County residents past due on their utility bill and negatively impacted by COVID-19. The interim final rule FAQ, which was in effect until April 1, 2022, stated "the Interim Final Rule allows recipients to demonstrate a negative economic impact on a population or group and to provide assistance to households or businesses that fall within that population or group. In such cases, the recipient need only demonstrate that the household or business is within the population or group that experienced a negative economic impact" (Interim Final Rule FAQ 2.17). As such, PWW was awarded $1,483,020 in SLFRF for a COVID-19 ARPA SLFRF Municipal Utility Assistance Program. This required PWW to perform a utility arrearage analysis to pre-qualify eligible residential utility customer accounts and apply relief automatically (i.e., no application for relief). PWW performed this analysis and as a result, pre-qualified all customer accounts that were 60+ days past due as of August 31, 2021. Awards were pro-rated across all eligible accounts and were limited to the lesser of the customer's current balance as of December 31, 2021 (date funds were applied) or the amount 60+ days past due as of August 31, 2021.
ARPA SLFRF Certification Specified Use of Funds	Municipal utility relief.
Scope of Testing	At the start of our monitoring procedures, we held a walkthrough with PWW to understand their operating environment, accounting processes, and establish working arrangements. Testing was performed each year in two (2) rounds; expenditures made from January 1st through June 30th, and July 1st through December 31st. During each round of testing, we selected a sample of expenditures and labor-related costs for review.
Overview of Observations	There were no observations noted during our review of PWW ARPA funding. Based on procedures performed in accordance with the contracted scope of work, and on a sample basis, the awarded County ARPA funds disbursed to PWW were expended in accordance with their Subrecipient Agreement with the County.
Funding Award	PWW was awarded $1,518,655 on a reimbursement basis. This includes $35,635 in supplemental funding to support a second round of the utility relief program. All testing has been completed and our reconciliation of reimbursement documents from PWW and awarded funds per County records confirms that all funds have been disbursed. Procedures are now complete.

RSM US LLP
1861 International Drive
Suite 400
McLean, VA 22102
321.751.600

www.rsmus.com