



PRINCE WILLIAM COUNTY

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

April 29, 2025

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TRANSMITTAL LETTER

April 29, 2025

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 May 20, 2025. A subsequent and final comprehensive report will be prepared upon the completion of all ARPA monitoring activities.

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 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. 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. This interim report provides an update on the testing status for both phases in 2024. As the County provided an extension to one (1) subrecipient to complete spending of ARPA funds remaining, an additional round of monitoring will be required for January 1 through March 31, 2025 expenditures. At the conclusion of 2025 monitoring, we will provide a final, comprehensive report covering all ARPA monitoring activities to date (from 2022 through the end of the ARPA program), which will be presented to the PWC Board Audit Committee. Please note that 2022 and 2023 expenditures were reviewed and presented in prior issued reports.

Subrecipient Monitoring Status by Year		
Subrecipient Monitored	CY24 Status (1/1/24 – 6/30/24)	CY24 Status (7/1/24 – 12/31/24 ¹)
CASA	Complete	Complete
Capital Area Food Bank (“CAFB”)	Complete	Complete
Northern Virginia Food Rescue (“NoVA Food Rescue”)	In Progress	In Progress
SkillSource Group, Inc. (“SkillSource”)	Complete	In Progress
The Human Services Alliance of Greater Prince William (“The Alliance”)	Complete	In Progress
Prince William County Service Authority (“PWCSA”) ²	N/A	N/A

Subrecipient Closeout Status	
Closeout procedures are in process and include reconciling total expenditures reported in each subrecipient’s comprehensive general ledger with the expenditures provided during prior monitoring rounds (2022 to present). The status of closeout by subrecipient is below. Such reconciliation may result in additional testing procedures to understand significant re-classifications of funding, as applicable.	
CASA	Closeout complete.
CAFB	Closeout complete.
NoVA	Closeout in progress.
SkillSource	Closeout in progress.
Alliance	Closeout in progress.
PWCSA	Closeout complete.

¹ Subrecipient certifications require subrecipients to expend funds by December 31, 2024. However, the County executed an extension for the Alliance to expend their ARPA funding through March 31, 2025. Testing of any 2025 expenditures will be included in the final comprehensive report.

² Prince William County Service Authority (“PWCSA”) expended all ARPA funds as of June 30, 2023. As such, there are no status updates for this testing period.

INTERIM RESULTS

Below is a summary of the funding status for each of the in-scope subrecipients as of December 31, 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 of 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.	Municipal utility relief.
2024 Review Status (1/1/24 – 6/30/24)	Complete	Complete	In Progress	Complete	Complete	N/A: Fully Expended
2024 Review Status (7/1/24 – 11/1/24)	Complete	Complete	In Progress	In Progress	In Progress	N/A: Fully Expended
Total Award ³	\$500,000	\$1,500,000	\$1,340,496	\$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	\$87,533	\$0	\$377,914	\$611,209	\$5,781,244	\$35,635
CY 2024 Expenditures (1/1/24 – 6/30/24) ⁵	\$15,820	\$1,500,000	\$230,578	\$297,050	\$992,780	N/A: Fully Expended
CY 2024 Expenditures (7/1/24 – 12/31/24)	\$360,832	N/A: Fully Expended	\$202,385	\$194,981	Pending Data from Subrecipient	N/A: Fully Expended
CY 2024 Observations ⁶	\$0	\$0	\$964	\$0	\$15,424	N/A: Fully Expended
Funds Remaining ⁷	\$0	\$0	\$88,982	\$29,775	\$789,118	\$0

³ 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. This increased NoVA's 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 Calendar year expenditures are net of any unallowable costs identified during testing, as those ineligible expenditures must be reallocated to another source of funding.

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 December 31, 2024.

⁷ The funds remaining are subject to change based on ongoing testing and closeout procedures. NoVA and the Alliance have advised that all grant funding was expended by December 31, 2024 (NoVA), or March 31, 2025 (the Alliance).



INTERIM RESULTS (CONTINUED)

Below contains a testing status update as of April 18, 2025 for each of the in-scope subrecipients.

Subrecipient	CASA
Period	January 1, 2024 – June 30, 2024
Status	Complete

Due to the observations noted in the Q1 and Q2 FY 2023 monitoring, and to maintain compliance with Federal Statutes, regulations and the term and conditions of the subaward, the County 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 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, performed 100% review for all replacement expenditures submitted. In CY 2022 and 2023, there was a total of \$123,348 of allowable expenses reviewed.

Between January 1, 2024 and June 30, 2024, CASA submitted two (2) reimbursement request packages which included five (5) invoices totaling \$15,820. There were no observations noted as part of our review for this period.

Period	July 1, 2024 – December 31, 2024
Status	Complete

Between July 1, 2024 and December 31, 2024, CASA submitted six (6) reimbursement request packages totaling \$360,832. There were no observations noted as part of our review for this period. As of December 31, 2024, CASA has expended the entirety of their \$500,000 award.

INTERIM RESULTS (CONTINUED)

Subrecipient	Capital Area Food Bank
Period	January 1, 2024 – June 30, 2024
Status	Complete
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 with dates incurred between 2022 through 2024 for review. No observations were noted as part of our review of the replacement expenditures.	


Subrecipient	NoVA Food Rescue
Period	January 1, 2024 – June 30, 2024
Status	In Progress
NoVA has a preliminary total of \$964 in observations, as detailed below: a. Procurement – NoVA was unable to provide documentation to evidence that procurement methods were in compliance with 2 CFR 200.320. This impacted one (1) vendor. Please note that this vendor was reported as an exception in previous rounds; NoVA had already expended the funds toward this vendor in February 2024, before our previous rounds' testing were completed. NoVA stated that any future expenditures for this vendor will not use ARPA funding. Testing related to labor is in progress.	
Period	July 1, 2024 – December 31, 2024
Status	In Progress
Testing is currently in progress.	



INTERIM RESULTS (CONTINUED)

Subrecipient	SkillsSource Group, Inc.
Period	January 1, 2024 – June 30, 2024
Status	Complete
There were no observations noted as part of our review for this period.	
Period	July 1, 2024 – December 31, 2024
Status	In Progress
Testing is currently in progress.	

Subrecipient	The Human Services Alliance of Greater Prince William
Period	January 1, 2024 – June 30, 2024
Status	Complete
<p>The Alliance has a preliminary total of \$15,424 in observations, as 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 four (4) vendors and had a total impact of \$14,064. b. Labor – We were unable to reconcile payroll documentation to timesheets to support labor costs allocated to the ARPA grant for one (1) sampled individual and one (1) overhead expense allocated to labor. The total impact was \$1,360. <p>Testing is in progress and additional observations may be noted.</p>	
Period	July 1, 2024 – December 31, 2024
Status	In Progress
We are working with the Alliance to obtain the general ledger detail for this period. Once received, a sample will be selected, and testing will begin.	



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

www.rsmus.com

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