



PRINCE WILLIAM
Finance

Compliance Report

FY2023

For the Year Ended June 30, 2023

pwcva.gov/finance

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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated March 15, 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.

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 considered to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2023-001 that we consider to be a significant deficiency.

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
March 15, 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, 2023. 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 types of 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, 2023.

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.

Report on Internal Control over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2023, and the related notes to the financial statements, which collectively comprise County's basic financial statements. We issued our report thereon dated March 15, 2023, 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 Bekaert LLP

Tysons Corner, Virginia
March 29, 2024

**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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 15, 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:

Code of Virginia		State Agency Requirements
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	Fire Programs Aid to Localities Stormwater Utility

The results of our tests disclosed an instance 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 item 2023-001.

County’s Response to Finding

The County’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 29, 2024

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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	\$ 781	-
Total Office of National Drug Control Policy			781	-
DEPARTMENT OF AGRICULTURE:				
* Direct Payments:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not applicable	20	-
Urban Agriculture and Innovative Production (UAIP) Competitive Grants Program	10.935	not applicable	12	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Education:				
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	DOE86556	6	-
* Department of Health:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not available	84	-
* Department of Social Services:				
* SNAP Cluster				
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	7,723	-
* Child Nutrition Cluster ²				
* Department of Agriculture & Consumer Services:				
National School Lunch Program (NSLP) - Commodities	10.555 ⁴	not available	1,667	-
* Department of Education:				
School Breakfast Program (SBP)	10.553 ³	179001-40591	7,864	-
National School Lunch Program (NSLP)	10.555 ⁴	179001-40623	28,264	-
Fresh Fruit and Vegetable Program	10.582	179001-40599	313	-
* Department of Juvenile Justice:				
School Breakfast Program (SBP)	10.553 ³	360001-40591 360003-40591	23	-
National School Lunch Program (NSLP)	10.555 ⁴	360001-40611 360001-40622 360003-40611	39	-
Total Department of Agriculture			46,015	-

¹ ALN 10.558 Total \$104

² Child Nutrition Cluster (ALN 10.553/10.555/10.559/10.582) Total \$38,170

³ ALN 10.553 Total \$7,887

⁴ ALN 10.555 Total \$29,970

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(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
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION:				
* Direct Payments:				
Chesapeake Bay Studies	11.457	not applicable	155	-
Total Department of National Oceanic And Atmospheric Administration			<u>155</u>	<u>-</u>
DEPARTMENT OF DEFENSE:				
* Direct Payments:				
Junior ROTC Program	12.000	not applicable	775	-
Student Achievement at Military-Connected Schools	12.556	not applicable	200	-
Language Grant Program	12.900	not applicable	20	-
Total Department of Defense			<u>995</u>	<u>-</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
* Direct Payments:				
* CDBG - Entitlement Grants Cluster ⁵				
Community Development Block Grants / Entitlement Grants	14.218	not applicable	2,512	-
Community Development Block Grants / Entitlement Grants – COVID-19	14.218	not applicable	132	-
Emergency Solutions Grant Program	14.231 ⁶	not applicable	138	-
Emergency Solutions Grant Program – COVID-19	14.231 ⁶	not applicable	314	-
HOME Investment Partnerships Program	14.239	not applicable	976	-
Continuum of Care Program	14.267	not applicable	369	-
* Housing Vouchers Cluster ⁸				
Section 8 Housing Choice Vouchers	14.871	not applicable	30,960	-
* Pass-Through Payments from Northern Virginia Planning District Commission:				
Housing Opportunities for Persons with AIDS	14.241	not available	184	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Housing and Community Development:				
Emergency Solutions Grant Program – COVID-19	14.231 ⁶	458004-117617	542	459
* Pass-Through Payments from Virginia Housing Development Authority:				
Housing Counseling Assistance Program	14.169	182100-65100	42	-
Total Department of Housing and Urban Development			<u>36,169</u>	<u>459</u>

⁵ CDBG - Entitlement Grants Cluster (ALN 14.218) Total \$2,644

⁶ ALN 14.231 Total \$994

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(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 INTERIOR:				
* Direct Payments:				
Recreation and Visitor Services	15.225	not applicable	10	-
Payments in Lieu of Taxes (PILT) - Public Law # 97-258	15.226	not applicable	84	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Historic Resources:				
Historic Preservation Fund Grants-In-Aid	15.904	502005-117447	30	-
Total Department of the Interior			<u>124</u>	<u>-</u>
DEPARTMENT OF JUSTICE:				
* Direct Payments:				
Missing and Exploited Children (MEC) Program	16.543	not applicable	25	-
State Criminal Alien Assistance Program	16.606	not applicable	749	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	not applicable	108	-
Equitable Sharing Program	16.922	not applicable	290	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Criminal Justice Services:				
Juvenile Justice and Delinquency Prevention	16.540	390002-117106	61	-
Crime Victim Assistance	16.575	390002-116418 390002-118457 390002-120577	305	-
STOP Violence Against Women Formula Grants	16.588	390002-118418 390002-120580	31	-
* Pass-Through Payments from George Mason University:				
Congressionally Recommended Awards	16.753	not available	135	-
Total Department of Justice			<u>1,704</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	605007-52071 605007-53084	67	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	not available	28,076	-

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(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 TRANSPORTATION (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Highway Safety Cluster ⁷ State and Community Highway Safety	20.600	605007-52000 605007-52069 605007-52258 605007-53011 605007-53077 605007-53081 605007-53085	90	-
National Priority Safety Programs	20.616	605007-52070	2	-
Total Department of Transportation			<u>28,235</u>	<u>-</u>
DEPARTMENT OF THE TREASURY:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Treasury: Coronavirus Relief Fund – COVID-19	21.019	not available	2,745	-
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	not available	56,940	8,472
* Department of Department of Social Services: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	46010-95050	26	-
* Department of Behavioral Health & Developmental Services: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	445006-56100 445006-56200	167	-
* Pass-Through Payments from Virginia Tourism Corporation: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	not available	317	-
Total Department of the Treasury			<u>60,195</u>	<u>8,472</u>
DEPARTMENT OF VETERANS AFFAIRS:				
* Direct Payments:				
Veterans Medical Care Benefits	64.009	not applicable	83	-
Total Department of Veterans Affairs			<u>83</u>	<u>-</u>
ENVIROMENTAL PROTECTION AGENCY:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Forestry: Geographic Programs - Chesapeake Bay Program	66.466	501005-109824	13	-
Total Environmental Protection Agency			<u>13</u>	<u>-</u>

⁷ Highway Safety Cluster (ALN 20.600 & 20.616) Total \$92

⁸ Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19 (ALN 21.027 Total) \$57,450

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(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:				
* Direct Payments:				
Impact Aid (Title VII of ESEA)	84.041	not applicable	530	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Education:				
Adult Education - Basic Grants to States	84.002 ⁹	179001-61380	128	-
Title I Grants to Local Educational Agencies (Title I, Part A of The ESEA)	84.010	179001-42901 179001-42935	13,390	-
Title I Program for Neglected & Delinquent Children	84.013	179001-42948	88	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	179001-61095	1,247	-
Twenty-First Century Community Learning Centers	84.287	179001-60565	534	-
English Language Acquisition State Grants	84.365	179001-60512	2,837	-
Supporting Effective Instruction State Grants	84.367	179001-61480	1,756	-
Safe & Drug-Free Schools & Communities - State Grants	84.186	179001-60511	1,158	-
Education Stabilization Fund (ESF) – COVID-19	84.425C ¹⁰	179001-APE70037	11	-
Education Stabilization Fund (ESF) – COVID-19	84.425U ¹⁰	179001-APE70037	269	-
Education Stabilization Fund (ESF) – COVID-19	84.425D ¹⁰	179001-APE50193 179001-APE50195	54,553	-
* Special Education Cluster (IDEA) ¹¹				
Special Education - Preschool Grants (IDEA Preschool)	84.173	179001-62521	683	-
Special Education - Grants to States (IDEA, Part B)	84.027	179001-43071	19,242	-
* Department of Behavioral Health & Developmental Services:				
Special Education - Grants for Infants & Families	84.181 ¹²	445007-43087 445007-43086	422	-
Special Education - Grants for Infants & Families – COVID-19	84.181 ¹²	445007-43901	262	-
* Department of Aging:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	not available	423	-
* Pass-Through Payments from Prince William County				
Adult Education - Basic Grants to States	84.002 ⁹	not available	445	-
* Pass-Through Payments from Manassas City:				
Adult Education - Basic Grants to States	84.002 ⁹	not available	68	-
* Pass-Through Payments from Manassas Park:				
Adult Education - Basic Grants to States	84.002 ⁹	not available	26	-

⁹ ALN 84.002 Total \$667

¹⁰ ALN 84.425 Total \$54,833

¹¹ Special Education Cluster (IDEA) (ALN 84.027/84.173) Total \$19,925

¹² ALN 84.181 Total \$684

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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 College of William and Mary Education for Homeless Children and Youth	84.196 ¹³	not available	58	-
Education for Homeless Children and Youth – COVID-19	84.196 ¹³	not available	28	-
Total Department of Education			<u>98,158</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
* Direct Payments:				
* Head Start Cluster ¹⁴				
Head Start	93.600	not applicable	3,930	-
Head Start – COVID-19	93.600	not applicable	410	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Aging:				
State Health Insurance Assistance Program (SHIP)	93.324	455004-117058	33	-
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	455006-120296 455006-122540	19	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	455004-122542	2	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	45504-114556 45504-117252	6	-
National Family Caregiver Support, Title III, Part E	93.052	455004-120297 455004-122561	112	-
* Aging Cluster ¹⁵				
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	455004-120261 455004-122543	266	-
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045 ¹⁶	457003-120262 457001-120263 457001-122546 457003-122560	323	-
Nutrition Services – COVID-19	93.045 ¹⁶	457003-119119 457003-119138	166	-
Nutrition Services Incentive Program	93.053	457001-120260 457001-122547	50	-
Medicare Enrollment Assistance Program	93.071	455004-122030 455004-122549	53	-
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	499033-112274 499033-119122	3	-

¹³ ALN 84.196 Total \$86

¹⁴ Head Start Cluster (ALN 93.600) Total \$4,340

¹⁵ Aging Cluster (ALN 93.044/93.045/93.053) Total \$805

¹⁶ ALN 93.045 Total \$489

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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 Health:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – COVID-19	93.323	not available	143	-
* Department of Behavioral Health & Developmental Services:				
Guardianship Assistance	93.090	46010-91128 46010-91428 46010-92128	2	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	445006-51101 445006-51102	130	-
Community-Based Child Abuse Prevention Grants	93.590	not available	28	-
Block Grants for Community Mental Health Services	93.958 ¹⁷	445006-52201 445006-52202	454	-
Block Grants for Community Mental Health Services – COVID-19	93.958 ¹⁷	445006-59001 445006-59002	875	-
Block Grants for the Prevention & Treatment of Substance Abuse	93.959 ¹⁸	445001-50252 445001-50272	1,389	-
Block Grants for the Prevention & Treatment of Substance Abuse – COVID-19	93.959 ¹⁸	445001-59110 445001-59112 445001-59910	700	-
Opioid State Targeted Response (STR)	93.788	445001-53004 445001-53005 445001-53025 445001-53035	174	-
* Department of Social Services:				
Title IV-E Prevention Program	93.472	46010-91151 46010-91451 46010-92151 46905-90300	69	-
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 46010-91130 46010-92109 46010-92110 46010-92111 46010-92112 46010-92127 46010-92130	1,723	-

¹⁷ ALN 93.958 Total \$1,329

¹⁸ ALN 93.959 Total \$2,089

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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):				
Promoting Safe & Stable Families	93.556	46010-91129 46010-92129 46902-90359 46902-90360 46902-90361	204	-
Refugee & Entrant Assistance - State - Administered Programs	93.566	46010-91113 46010-92113 49102-90623	451	-
Low-Income Home Energy Assistance	93.568	46010-91114 46010-92114	283	-
Chafee Education and Training Vouchers Program (ETV)	93.599	46902-90353	4	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	46010-91131 46010-92131	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 46901-90635 46901-90636 46901-90637 46901-90638 46901-90639 46901-90640 46901-90656 46901-90657 46901-90658 46901-90681 46902-90047	2,294	-
Adoption Assistance - Title IV-E	93.659	46010-90214 46010-91108 46010-91408 46010-92108 46903-90606 46903-90607 46903-90627	1,338	-

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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 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 46802-90340 46802-90379 46802-90308 46902-90351 46902-90357 46902-90358 46903-90648	1,604	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674 ¹⁹	46010-91134 46010-92134 46902-90356	24	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood – COVID-19	93.674 ¹⁹	46902-90270	30	-
Elder Abuse Prevention Interventions Program – COVID-19	93.747	46802-90384 46802-90387	4	-
Children's Health Insurance Program (CHIP)	93.767	46010-90161 46010-90668 46010-91102 46010-91402 46010-92102	48	-
* Child Care Development Fund (CCDF) Cluster ²⁰ Child Care and Development Block Grant – COVID-19	93.575	46010-90785	35	-
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	386	-

¹⁹ ALN 93.674 Total \$54

²⁰ Child Care and Development Fund (CCDF) Cluster (ALN 93.575/93.596) Total \$421

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2023
 (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):				
* Medicaid Cluster ²¹				
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	4,087	-
* Department of Aging:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	455004-46200 45506-46200	5	-
* Department of Medicaid Services:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	not available	443	-
Total Department of Health and Human Services			<u>22,302</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY:				
* Direct Payments:				
Emergency Management Performance Grants (EMPG) – COVID-19	97.042 ²²	not applicable	420	-
Homeland Security Grant Program (HSGP)	97.067 ²³	not applicable	7	-
* Pass-Through Payments from Northern Virginia Emergency Response System:				
Homeland Security Grant Program (HSGP)	97.067 ²³	not available	5	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) – COVID-19	97.036	776002-116792 776002-118558	5,228	-
Emergency Management Performance Grants (EMPG)	97.042 ²²	775001-117463	60	-
Homeland Security Grant Program (HSGP)	97.067 ²³	not available	462	-
Total Department of Homeland Security			<u>6,182</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 301,111</u>	<u>\$ 8,931</u>

²¹ Medicaid Cluster (ALN 93.778) Total \$4,535

²² ALN 97.042 Total \$480

²³ ALN 97.067 Total \$474

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023
(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 2023. 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) and Emergency Solutions Grant Program – COVID-19 (ALN 14.231).

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 39 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 39 per County’s ACFR	\$ 147,520
School’s Total Federal Revenue per School’s ACFR	145,962
Less: School ACFR adjustment	(23)
	293,459
Items expended from Restricted Fund Balance:	
Equitable Sharing Program (DOJ) (ALN 16.922)	78
Highway Planning and Construction (ALN 20.205)	8,986
Child Care and Development Block Grant (ALN 93.575)	95
Items not subject to Single Audit:	
U. S. Marshals/I.N.S. purchase of service agreement	(102)
Payments from BABS and QSCBS receipts received by the County	(1,085)
Adjustments related to presentation - SEFA only adjustments	(320)
Total Expenditures of Federal Awards per SEFA	\$ 301,111

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 2023 was \$8 (ALN 10.555) and the value of equipment received by the County during fiscal year 2023 was \$5 (ALN 97.067). These amounts have been included in the SEFA and in the County's ACFR.

During fiscal year 2023, the County received and expended \$4,785 in surplus food commodities from the federal government. At year end, \$53 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, 2023

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: **None reported**
- 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: **No**
- 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
10.561	State Administrative Matching Grant for Food Stamp Program (SNAP Cluster)	Unmodified
14.231	Emergency Solutions Grant Program	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Unmodified
84.425	Education Stabilization Fund	Unmodified
93.558	Temporary Assistance for Needy Families (TANF) Cluster	Unmodified
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Unmodified
93.778	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, 2023

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

a. Finding 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

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 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.

Repeat Finding: Yes, see prior year finding 2022-001.

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

Views of Responsible Officials and Planned Corrective Action: Management concurs with this finding. 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).

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

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

a. Finding 2023-002: 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 eight (8) instances in which the official or employee did not complete their disclosure requirements.

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 qualified 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 2022-003.

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

Views of Responsible Officials and Planned 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.



The Board of County Supervisors

Ann B. Wheeler, Chair

Margaret Angela Franklin, Vice Chair

Victor S. Angry

Andrea O. Bailey

Kenny A. Boddy

Pete Candland

Jeanine M. Lawson

Yesli Vega

COUNTY OF PRINCE WILLIAM, VIRGINIA

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

A. Finding 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

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.

Proposed Completion Date: Immediately

B. Finding 2023-002: 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

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

For the Year Ended June 30, 2023
(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. 2022-001: Material Weakness – 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 are reflected in the ACFR produced within the Finance Department. Additionally Governmental Accounting Standards Board (“GASB”) Statement No. 87, Leases, became effective on July 1, 2021. During the external audit, instances were identified which required adjustment to properly reflect supported financial statement amounts and implement GASB 87.

Corrective Action Taken: Management concurs with Finding 2022-001. The Finance Department has been stretched beyond its typical workloads in calendar years 2020, 2021, 2022, even when considering the overtime worked to complete deliverables, such as, the Annual Comprehensive Financial Report (ACFR) and related external audit as well as the accurate recording and reporting of financial activity. The Finance Department’s permanent workload has steadily increased and outpaced Finance’s workforce capacity over the last decade. The increase in the number and complexity of transactions has strained the Financial Reporting & Control (FRC) Division to manage the increasing workloads and to complete the ACFR and annual external audit timely, despite the seasoned team’s best efforts and dedication. With the adoption of the County’s FY 2023 budget, the Board of County Supervisors (BOCS) took action to begin to address the staffing in the Finance Department by authorizing four (4) new FTEs for FRC. These four positions have since been successfully filled. After a decade of nominal increases in FRC’s staffing (15 FTEs in 2012 vs. 16 FTEs in 2022), even the four new positions granted in the FY 2023 Adopted Budget do not entirely address the staffing needs to handle current workload demands nor future County growth, new projects and the level of effort required to implement new accounting pronouncements. Additionally, as this finding points out, the ability to produce quality work even with experienced staff, temporary employees, and contractors has proved difficult due to the strain on the Finance Department’s workforce. This issue will continue to be exacerbated if staffing issues are not fully addressed. To respond to the finding, Finance is working to expeditiously and adequately train the four new personnel so they can effectively make a positive difference in the year end closing and audit process. However, there is still a limit to the remediation efforts without adding additional FTEs to further distribute the ever-growing workloads and demands the County has come to expect the Finance Department to achieve.

Status Update: With the adoption of the County’s FY 2023 budget, the Board of County Supervisors (BOCS) took action to begin to address the staffing in the Finance Department by authorizing four (4) new FTEs for FRC. FRC quickly hired personnel to fill the 4 new FTEs to start addressing strained workload capacity within FRC. We also implemented process improvements around year-end accruals and analyzed the annual activity presented in the ACFR to assist with identifying any material adjustments. However, FRC continues to not have enough personnel and technological

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

For the Year Ended June 30, 2023
(amounts expressed in thousands)

tools to address the increased workload experienced by the County's growth over the last 10 years and to compile mandatory statutory reports timely.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2023. Please see 2023-001.

ii. **2022-002: Significant Deficiency – Vendor Management**

Summary of Finding: In FY 2023, the County experienced two instances in which an individual(s) impersonated vendors of the County and were able to successfully request modifications to existing user accounts within the County's vendor management system. Once granted access to the vendor management system, the individuals made unauthorized changes to the vendors' electronic payment information. Following these unauthorized changes, multiple legitimate payments totaling \$4.1 million were directed by the County to bank accounts not controlled by those vendors. All but approximately \$0.2 million of the misdirected payments were subsequently recovered by the County after the receiving financial institution flagged the transactions and alerted the County's financial institution of the irregularity.

Corrective Action Taken: Management concurs with Finding 2022-002. The County's Department of Finance and Department of Information Technology took immediate action to strengthen internal controls over the vendor maintenance files, including additional staff training, an additional level of supervisory approval and a process redesign. The County workforce authenticates to the Mobius system through Multi-Factor Authentication (MFA). The County is also working with its third-party implementor, AST, and software provider, Oracle, to explore the implementation of MFA for supplier contacts. In addition, management requested the Board Audit Committee take action to modify the Calendar Year 2022 Internal Audit Plan to add an independent forensic audit of the vendor maintenance files.

Status Update: Prince William County is reviewing the feasibility of its financial management system's "out-of-the-box" multi-factor authentication process to determine if the application has the needed functionality requirements to adequately reduce the risks associated with this finding while meeting County needs. If not, the County has been able to successfully test and work towards a configuration in the system to enable multi-factor authentication for supplier accounts which will include workload and tasks for the Department of Information Technology (DOIT) and the Finance Department's Financial System Services Vendor Management team. The County is estimating that the software will be fully implemented by the end of fiscal year 2024. This finding is remediated as there were no other instances in fiscal year 2023 and Financial System Services implemented an annual review process of all active supplier accounts.

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

For the Year Ended June 30, 2023
(amounts expressed in thousands)

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

i. 2022-003: Non-material Noncompliance – Conflict of Interest

Summary of Finding: Out of a total of three hundred and eleven (311) officials and employees required to file a SOEI, FDS and/or a RE form, we noted twelve (12) 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's Office continues to follow their internal processes to compel those appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2023. Please see 2023-002.



**PRINCE
WILLIAM**
— COUNTY



PRINCE WILLIAM
— Finance

Prince William County, Virginia

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