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# **COUNTY OF PRINCE WILLIAM, VIRGINIA**

## **COMPLIANCE REPORTS**

*For the Year Ended June 30, 2020*

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COUNTY OF PRINCE WILLIAM, VIRGINIA  
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COMPLIANCE REPORTS

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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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 12, 2021. That report included emphasis paragraphs related to a restatement of beginning net position to correct an error in recording the landfill closure liability and related to the contingencies around the COVID-19 global pandemic.

**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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

**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 Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tysons Corner, Virginia  
February 12, 2021

## **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  
County of Prince William, Virginia

### **Report on Compliance for Each Major Federal Program**

We have audited the County of Prince William, Virginia's (the "County") compliance with the types of compliance requirements described 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, 2020. 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.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Basis for Qualified Opinion on Section 8 Housing Choice Voucher***

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the Section 8 Housing Choice Voucher's (CFDA Number 14.871) financial reporting as described in finding number 2020-003. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

### ***Qualified Opinion on Section 8 Housing Choice Voucher***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on Section 8 Housing Choice Voucher paragraph, 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 the Section 8 Housing Choice Voucher for the year ended June 30, 2020.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the schedule of findings and questioned costs as findings 2020-004 and 2020-005. Our opinion on each major federal project is not modified with respect to these matters.

The County's response to the noncompliance findings 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 the response.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items as item 2020-003 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings 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 the response.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 12, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted 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.

A handwritten signature in black ink that reads "Cherry Bekant" followed by "LLP" in a slightly larger, bold font.

Tysons Corner, Virginia  
March 18, 2021



## 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 12, 2021.

### 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 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 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        | Stormwater Utility Program      |
| Cash and Investments          | Unclaimed Property | Comprehensive Service Act Funds |
| Conflicts of Interest         | Property Taxes     | Social Services                 |
| Intergovernmental Revenues    | Debt Provisions    | Fire Programs Aid to Localities |

The results of our tests disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Specifications, and which are described in the accompanying schedule of findings and questioned costs as findings 2020-006, 2020-007, and 2020-008.

The County's response to the noncompliance findings 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 the response.

### 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.



Tysons Corner, Virginia  
March 18, 2021



**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b>                                  | <b>CFDA Number</b>  | <b>Pass-Through Agency Identifying Number</b>  | <b>Federal Expenditures</b> |
|---|---------------------|--|-----------------------------|
| <b>OFFICE OF NATIONAL DRUG CONTROL POLICY:</b>  |                     |  |                             |
| * Pass-Through Payments from Mercyhurst University:<br>High Intensity Drug Trafficking Area (HIDTA) Project | 07.999              | not available  | \$ 535                      |
| Total Office of National Drug Control Policy  |                     |  | <u>535</u>                  |
| <b>DEPARTMENT OF AGRICULTURE:</b>   |                     |  |                             |
| * Direct Payments:  |                     |  |                             |
| Distance Learning - Forest Service - Conservation Education   | 10.000              | not applicable   | 162                         |
| Child & Adult Care Food Program   | 10.558              | not applicable   | 19                          |
| Distance Learning - Forest Reserve <sup>1</sup>   | 10.665              | not applicable   | 5                           |
| * Pass-Through Payments from Commonwealth of Virginia:  |                     |  |                             |
| * Department of Agriculture:  |                     |  |                             |
| Fresh Fruit and Vegetable Program   | 10.582              | 179001-40599   | 88                          |
| * Department of Health:   |                     |  |                             |
| Child & Adult Care Food Program   | 10.558              | not available  | 382                         |
| * Department of Social Services:  |                     |  |                             |
| State Administrative Matching Grant for Food Stamp Program <sup>2</sup>                                     | 10.561              | 45213-90303<br>46010-90212<br>46010-91103<br>46010-91104<br>46010-91403<br>46010-91404<br>46010-92103<br>46010-92104 | 4,358                       |
| * Child Nutrition Cluster <sup>3</sup>  |                     |  |                             |
| * Department of Agriculture & Consumer Services:  |                     |  |                             |
| National School Lunch Program - Commodities   | 10.555 <sup>5</sup> | not available  | 2,362                       |
| * Department of Education:  |                     |  |                             |
| School Breakfast Program  | 10.553 <sup>4</sup> | 179001-40591   | 6,739                       |
| National School Lunch Program   | 10.555 <sup>5</sup> | 179001-40623   | 14,439                      |
| * Department of Juvenile Justice:   |                     |  |                             |
| School Breakfast Program  | 10.553 <sup>4</sup> | 360001-40591<br>360003-40591   | 28                          |
| National School Lunch Program   | 10.555 <sup>5</sup> | 360001-40622<br>360001-40611<br>360003-40611   | 25                          |
| Total Department of Agriculture   |                     |  | <u>28,607</u>               |

<sup>1</sup> Foreign Food-Aid Donation Cluster Total \$5

<sup>2</sup> Supplemental Nutrition Assistance Program (SNAP) Cluster Total \$4,358

<sup>3</sup> Child Nutrition Cluster Total \$23,593

<sup>4</sup> CFDA 10.553 Total \$6,767

<sup>5</sup> CFDA 10.555 Total \$16,826

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b>   | <b>CFDA Number</b> | <b>Pass-Through Agency Identifying Number</b> | <b>Federal Expenditures</b> |
|--|--------------------|---|-----------------------------|
| <b>DEPARTMENT OF DEFENSE:</b>  |                    |   |                             |
| * Direct Payments:   |                    |   |                             |
| Junior ROTC Program  | 12.000             | not applicable                                | 664                         |
| Student Achievement at Military-Connected Schools                            | 12.556             | not applicable                                | 390                         |
| Total Department of Defense  |                    |   | <u>1,054</u>                |
| <b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>                          |                    |   |                             |
| * Direct Payments:   |                    |   |                             |
| Community Development Block Grants / Entitlement Grants <sup>6</sup>         | 14.218             | not applicable                                | 1,541                       |
| Continuum of Care Program  | 14.235             | not applicable                                | 717                         |
| Emergency Solutions Grant Program  | 14.231             | not applicable                                | 77                          |
| HOME Investment Partnerships Program   | 14.239             | not applicable                                | 54                          |
| * Section 8 Housing Choice Vouchers Cluster                                  |                    |   |                             |
| Section 8 Housing Choice Vouchers <sup>7</sup>                               | 14.871             | not applicable                                | 27,015                      |
| Section 8 Housing Choice Vouchers – COVID-19 <sup>7</sup>                    | 14.871             | not applicable                                | 2                           |
| * Pass-Through Payments from Northern Virginia Planning District Commission: |                    |   |                             |
| Housing Opportunities for Persons with AIDS                                  | 14.241             | not available                                 | 269                         |
| * Pass-Through Payments from Commonwealth of Virginia:                       |                    |   |                             |
| Department of Housing and Community Development:                             |                    |   |                             |
| Emergency Solutions Grant Program  | 14.231             | 458004-45550<br>458005-45551                  | 80                          |
| * Pass-Through Payments from Virginia Housing Development Authority:         |                    |   |                             |
| Housing Counseling Assistance Program  | 14.169             | 182100-65100                                  | 70                          |
| Total Department of Housing and Urban Development                            |                    |   | <u>29,825</u>               |
| <b>DEPARTMENT OF THE INTERIOR:</b>   |                    |   |                             |
| * Direct Payments:   |                    |   |                             |
| Payments in Lieu of Taxes - Public Law # 97-258                              | 15.226             | not applicable                                | 99                          |
| Total Department of the Interior   |                    |   | <u>99</u>                   |
| <b>DEPARTMENT OF JUSTICE:</b>  |                    |   |                             |
| * Direct Payments:   |                    |   |                             |
| Edward Byrne Memorial Justice Assistance Grant Program                       | 16.738             | not applicable                                | 185                         |
| Equitable Sharing Program  | 16.922             | not applicable                                | 319                         |
| Missing Children's Assistance  | 16.543             | not applicable                                | 35                          |

<sup>6</sup> Community Development Block Grant (CDBG) Cluster Total \$1,541

<sup>7</sup> Housing Choice Voucher Cluster Total \$27,017

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b>                             | <b>CFDA Number</b> | <b>Pass-Through Agency Identifying Number</b>  | <b>Federal Expenditures</b> |
|--|--------------------|--|-----------------------------|
| <b>DEPARTMENT OF JUSTICE (cont'd):</b>   |                    |  |                             |
| * Pass-Through Payments from Commonwealth of Virginia:   |                    |  |                             |
| Department of Criminal Justice Services:   |                    |  |                             |
| Juvenile Justice and Delinquency Prevention Title II, Part B Formula Grants                            | 16.540             | not available  | 11                          |
| Violence Against Women Formula Grants  | 16.588             | 390002-5601701<br>390002-5601701   | 23                          |
| Department of Criminal Justice Services:   |                    |  |                             |
| Crime Victim Assistance  | 16.575             | 390002-5601701<br>390002-7601601   | 285                         |
| Total Department of Justice  |                    |  | <u>858</u>                  |
| <b>DEPARTMENT OF TRANSPORTATION:</b>   |                    |  |                             |
| * Pass-Through Payments from Commonwealth of Virginia:   |                    |  |                             |
| Department of Motor Vehicles:  |                    |  |                             |
| Alcohol Open Container Requirements  | 20.607             | 605007-59106<br>605007-50084   | 84                          |
| Highway Planning and Construction <sup>8</sup>   | 20.205             | not available  | 3,235                       |
| State and Community Highway Safety <sup>9</sup>  | 20.600             | 605007-59115<br>605007-59117<br>605007-59121<br>605007-50084<br>605007-50085<br>605007-50087<br>605007-50088 | 55                          |
| * Pass-Through Payments from Metropolitan Washington Council of Governments:                           |                    |  |                             |
| New Freedom Program  | 20.521             | not available  | 4                           |
| Total Department of Transportation   |                    |  | <u>3,378</u>                |
| <b>DEPARTMENT OF THE TREASURY:</b>   |                    |  |                             |
| * Direct Payments:   |                    |  |                             |
| Equitable Sharing Agreement  | 21.000             | not applicable   | 7                           |
| * Pass-Through Payments from Commonwealth of Virginia:   |                    |  |                             |
| * Department of Treasury:  |                    |  |                             |
| Coronavirus Relief Fund - Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 - COVID-19 | 21.019             | not available  | <u>5,118</u>                |
| Total Department of the Treasury   |                    |  | <u>5,125</u>                |
| <b>DEPARTMENT OF VETERANS AFFAIRS:</b>   |                    |  |                             |
| * Direct Payments:   |                    |  |                             |
| Veterans Medical Care Benefits   | 64.009             | not applicable   | 146                         |
| Total Department of Veterans Affairs   |                    |  | <u>146</u>                  |

<sup>8</sup> Highway Planning and Construction Cluster Total \$3,235

<sup>9</sup> Highway Safety Cluster Total \$55

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b> | <b>CFDA Number</b> | <b>Pass-Through Agency Identifying Number</b> | <b>Federal Expenditures</b> |
|--|--------------------|---|-----------------------------|
| <b>DEPARTMENT OF EDUCATION:</b>  |                    |   |                             |
| * Direct Payments:   |                    |   |                             |
| Impact Aid   | 84.041             | not applicable                                | 508                         |
| * Pass-Through Payments from Commonwealth of Virginia:                     |                    |   |                             |
| * Department of Education:   |                    |   |                             |
| Adult Education - State Grant Program <sup>10</sup>                        | 84.002             | 179001-61380                                  | 98                          |
| Title I Grants to Local Educational Agencies <sup>11</sup>                 | 84.010             | 179001-42901<br>179001-42935                  | 11,439                      |
| Title I Program for Neglected & Delinquent Children                        | 84.013             | 179001-42948                                  | 1                           |
| Vocational Education - Basic Grants to States                              | 84.048             | 179001-61095                                  | 1,345                       |
| Twenty-First Century Community Learning Centers                            | 84.287             | 179001-60565                                  | 539                         |
| English Language Acquisition Grants  | 84.365             | 179001-60512                                  | 1,568                       |
| Title II Part A Improving Teacher Quality State Grants                     | 84.367             | 179001-61480                                  | 1,641                       |
| Preschool Development Grants   | 84.419             | 179001-40002                                  | 95                          |
| Safe & Drug-Free Schools & Communities - State Grants                      | 84.186             | 179001-60511                                  | 372                         |
| Education Stabilization Fund - CARES Act of 2020 - COVID-19                | 84.425             | 179001-APE60177                               | 7,793                       |
| * Special Education Cluster <sup>12</sup>                                  |                    |   |                             |
| Special Education - Grants to States                                       | 84.027             | 179001-43071                                  | 15,168                      |
| Special Education - Preschool Grants                                       | 84.173             | 179001-62521                                  | 414                         |
| * Department of Behavioral Health & Developmental Services:                |                    |   |                             |
| Special Education - Grants for Infants & Families with Disabilities        | 84.181             | 445007-43082<br>445007-43083                  | 328                         |
| * Pass-Through Payments from Fairfax County                                |                    |   |                             |
| Adult Education - State Grant Program <sup>10</sup>                        | 84.002             | not available                                 | 510                         |
| * Pass-Through Payments from College of William and Mary                   |                    |   |                             |
| Education for Homeless Children and Youth                                  | 84.196             | not available                                 | 19                          |
| Total Department of Education  |                    |   | <u>41,838</u>               |

<sup>10</sup> Adult Education Total \$608

<sup>11</sup> Title I Part A Cluster Total \$11,439

<sup>12</sup> Special Education Cluster Total \$15,582

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b>  | <b>CFDA Number</b>   | <b>Pass-Through Agency Identifying Number</b>              | <b>Federal Expenditures</b> |
|---|----------------------|--|-----------------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>   |                      |  |                             |
| * Direct Payments:  |                      |  |                             |
| * Provider Relief Fund General and Targeted Distribution payments – COVID-19  | 93.498               | not applicable   | 18                          |
| * Head Start  |                      |  |                             |
| Head Start  | 93.600               | not applicable   | 3,771                       |
| * Pass-Through Payments from Commonwealth of Virginia:  |                      |  |                             |
| * Department of Aging:  |                      |  |                             |
| Health Care Financing Research, Demonstrations VICAP-Basic, Medicaid + Choice, Termination, Enhancement   | 93.324               | 45504-44118  | 31                          |
| National Family Caregiver Support, Title III, Part E  | 93.052               | 45504-42019<br>45504-116340                                | 109                         |
| Special Programs for the Aging - Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals<br>(State Grants for Long-term Care Ombudsman Services) | 93.042               | 45506-116334<br>46813-116334                               | 20                          |
| Medicare Enrollment Assistance Program  | 93.071               | 45504-44820<br>45504-114546                                | 23                          |
| Special Programs for the Aging, Title IV, and Title II, Discretionary Projects  | 93.048               | 45504-114556   | 35                          |
| * Aging Cluster <sup>13</sup>   |                      |  |                             |
| Special Programs for the Aging - Title III, Part B<br>Grants for Supportive Services and Senior Centers   | 93.044               | 45504-42519<br>45504-11634                                 | 216                         |
| Special Programs for the Aging - Title III, Part C<br>Nutrition Services  | 93.045 <sup>14</sup> | 45701-42219<br>45703-42319<br>45701-116343<br>45703-116342 | 281                         |
| Nutrition Services – COVID-19   | 93.045 <sup>14</sup> | not available  | 43                          |
| Nutrition Services Incentive Program  | 93.053               | 46811-42719<br>46811-116345                                | 37                          |
| SHIP and ADRC Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models   | 93.626               | 45504-44417  | 3                           |
| Expanding Live Well, Virginia: Implementing, Embedding, and Sustaining A Matter of Balance  | 93.761               | 499033-45620<br>499033-112274                              | 12                          |
| * Department of Behavioral Health & Developmental Services:   |                      |  |                             |
| Guardianship Assistance   | 93.090               | 46010-91128<br>46010-92128                                 | 1                           |
| Projects for Assistance in Transition from Homelessness (PATH)  | 93.150               | 445006-50998<br>445006-50999                               | 94                          |
| Block Grants for Community Mental Health Services   | 93.958               | 445006-50128<br>445006-50129                               | 360                         |

<sup>13</sup> Aging Cluster Total \$577

<sup>14</sup> Nutrition Services Total \$324

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| <b>Federal Granting Agency/Recipient Pass-Through Agency/Grant Program</b> | <b>CFDA Number</b> | <b>Pass-Through Agency Identifying Number</b>   | <b>Federal Expenditures</b> |
|--|--------------------|---|-----------------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):</b>                   |                    |   |                             |
| * Pass-Through Payments from Commonwealth of Virginia (cont'd):            |                    |   |                             |
| * Department of Aging (cont'd):  |                    |   |                             |
| Block Grants for the Prevention & Treatment of Substance Abuse             | 93.959             | 445001-50169<br>445001-50199  | 976                         |
| State Targeted Response to the Opioid Crisis Grants                        | 93.788             | 445001-53002<br>445001-53022<br>445001-53032  | 596                         |
| * Department of Social Services:   |                    |   |                             |
| Temporary Assistance for Needy Families <sup>15</sup>                      | 93.558             | 45201-90603<br>45212-90366<br>45212-90377<br>46010-91109<br>46010-91110<br>46010-91111<br>46010-91112<br>46010-91127<br>46010-92109<br>46010-92110<br>46010-92111<br>46010-92112<br>46010-92127 | 1,500                       |
| Promoting Safe & Stable Families   | 93.556             | 46010-91129<br>46010-92129<br>46902-90359<br>46902-90360<br>46902-90361   | 199                         |
| Refugee & Entrant Assistance - State Administered Programs                 | 93.566             | 46010-91113<br>46010-92113<br>49102-90623   | 64                          |
| Low-Income Home Energy Assistance  | 93.568             | 46010-91114<br>46010-92114  | 237                         |
| Chafee Education and Training Vouchers Program (ETV)                       | 93.599             | 46902-90353   | 6                           |
| Child Welfare Services State Grants  | 93.645             | 46010-91131<br>46010-92131  | 2                           |

<sup>15</sup> Temporary Assistance for Needy Family (TANF) Cluster Total \$1,500

COUNTY OF PRINCE WILLIAM, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| Federal Granting Agency/Recipient Pass-Through Agency/Grant Program | CFDA Number | Pass-Through Agency Identifying Number   | Federal Expenditures |
|---|-------------|--|----------------------|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):                   |             |  |                      |
| * Pass-Through Payments from Commonwealth of Virginia (cont'd):     |             |  |                      |
| * Department of Social Services (cont'd):                           |             |  |                      |
| Foster Care - Title IV-E  | 93.658      | 46010-90209<br>46010-91105<br>46010-91106<br>46010-91107<br>46010-91133<br>46010-91138<br>46010-91147<br>46010-91405<br>46010-91406<br>46010-91407<br>46010-91433<br>46010-91438<br>46010-91447<br>46010-92105<br>46010-92106<br>46010-92107<br>46010-92133<br>46010-92138<br>46010-92147<br>46901-90635<br>46901-90636<br>46901-90637<br>46901-90638<br>46901-90639<br>46901-90640<br>46901-90655<br>46901-90658<br>46902-90047 | 2,075                |
| Adoption Assistance   | 93.659      | 46010-90214<br>46010-91108<br>46010-91408<br>46010-92108<br>46903-90606<br>46903-90607<br>46903-90627  | 894                  |
| Social Services Block Grant   | 93.667      | 46010-91120<br>46010-91122<br>46010-91123<br>46010-91124<br>46010-91125<br>46010-91126<br>46010-91142<br>46010-92120<br>46010-92122<br>46010-92123<br>46010-92124<br>46010-92125<br>46010-92126<br>46010-92142<br>46802-90308<br>46802-90340<br>46802-90379<br>46902-90351<br>46902-90357<br>46902-90358<br>46903-90648  | 1,307                |



COUNTY OF PRINCE WILLIAM, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| Federal Granting Agency/Recipient Pass-Through Agency/Grant Program                     | CFDA Number | Pass-Through Agency Identifying Number  | Federal Expenditures |
|---|-------------|---|----------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):</b>                                |             |   |                      |
| * Pass-Through Payments from Commonwealth of Virginia (cont'd):                         |             |   |                      |
| * Department of Social Services (cont'd):   |             |   |                      |
| Chafee Foster Care Independence Program   | 93.674      | 46010-91134<br>46010-92134<br>46902-90356   | 22                   |
| Children's Health Insurance Program   | 93.767      | 46010-90161<br>46010-91102<br>46010-91402<br>46010-92102  | 78                   |
| * Child Care Cluster <sup>16</sup>  |             |   |                      |
| Child Care Mandatory & Matching Funds of the Child Care & Development Fund              | 93.596      | 45214-90529<br>45214-90540<br>45214-90541<br>45215-90521<br>45215-90566<br>46010-91116<br>46010-91117<br>46010-91118<br>46010-92116<br>46010-92117<br>46010-92118 | 294                  |
| Medical Assistance Program <sup>17</sup>  | 93.778      | 46010-90160<br>46010-90213<br>46010-91101<br>46010-91146<br>46010-91150<br>46010-91401<br>46010-91446<br>46010-91450<br>46010-92101<br>46010-92146<br>46010-92150 | 4,577                |
| * Department of Health:<br>Assistance Programs for Chronic Disease Prevention & Control | 93.945      | not available   | 47                   |
| * Department of Medicaid Services:<br>Medical Assistance Program <sup>17</sup>          | 93.778      | not available   | 350                  |
| Total Department of Health and Human Services   |             |   | <u>18,278</u>        |

<sup>16</sup> Child Care and Development Fund (CCDF) Cluster Total \$294

<sup>17</sup> Medicaid Cluster Total \$4,927

COUNTY OF PRINCE WILLIAM, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2020  
(amounts expressed in thousands)

| Federal Granting Agency/Recipient Pass-Through Agency/Grant Program                | CFDA<br>Number       | Pass-Through Agency<br>Identifying Number | Federal<br>Expenditures  |
|--|----------------------|---|--------------------------|
| <b>DEPARTMENT OF HOMELAND SECURITY:</b>  |                      |   |                          |
| * Direct Payments:   |                      |   |                          |
| Homeland Security Grant Program  | 97.067 <sup>18</sup> | not applicable                            | 486                      |
| * Pass-Through Payments from Metropolitan Washington Council of Governments:       |                      |   |                          |
| Homeland Security Grant Program  | 97.067 <sup>18</sup> | not available                             | 191                      |
| * Pass-Through Payments from District of Columbia Homeland Security and Emergency: |                      |   |                          |
| Securing the Cities Program  | 97.106 <sup>18</sup> | not available                             | 119                      |
| * Pass-Through Payments from Northern Virginia Emergency Response System:          |                      |   |                          |
| Homeland Security Grant Program  | 97.067 <sup>18</sup> | not available                             | 192                      |
| * Pass-Through Payments from Department of Emergency Management:                   |                      |   |                          |
| State Homeland Security Program (SHSP)   | 97.042 <sup>18</sup> | 775001-112487<br>775001-114363            | 12                       |
| Total Department of Homeland Security  |                      |   | <u>1,000</u>             |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>  |                      |   | <u><u>\$ 130,743</u></u> |

<sup>18</sup> Homeland Security Grant Program Total \$1,000

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**  
(amounts expressed in thousands)

**NOTE (1) – 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**

All federal grant operations of the County of Prince William, Virginia (the County) are included in the scope of the audit (the Single Audit); Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The County's reporting entity is defined in Note 1, Part A of the County's Comprehensive Annual Financial Report. Testing of compliance requirements was performed for major federal programs. The major federal programs, as shown in Illustration 1-1, cover approximately 40.12% of total expenditures of federal awards.

| Illustration 1-1       |  |    |               |
|------------------------|--|----|---------------|
| Major Federal Programs |  |    |               |
| 10.561                 | State Administrative Matching Grant for Food Stamp Program (SNAP Cluster)                              | \$ | 4,358         |
| 14.871                 | Section 8 Housing Choice Voucher Cluster   |    | 27,017        |
| 20.205                 | Highway Planning and Construction Cluster  |    | 3,235         |
| 21.019                 | Coronavirus Relief Fund – Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 – COVID-19 |    | 5,118         |
| 84.425                 | Education Stabilization Fund – CARES Act of 2020 – COVID-19  |    | 7,793         |
| 93.778                 | Medical Assistance Program (Medicaid Cluster)  |    | 4,927         |
|                        | Total  | \$ | <u>52,448</u> |

Illustration 1-2 presents the reconciliation of the County's Comprehensive Annual Financial Report Exhibit 5 and Schedule 38 in the County's Comprehensive Annual Financial Report and Exhibit 5 in the School Board's separately issued Comprehensive Annual Financial Report to the Schedule of Expenditures of Federal Awards (SEFA). A copy of the County's Comprehensive Annual Financial Report may be obtained through the County's website at [www.pwcgov.org](http://www.pwcgov.org). A copy of the School Board's Comprehensive Annual Financial Report may be obtained through the School's website at [www.pwcs.edu](http://www.pwcs.edu).

| Illustration 1-2   |    |                |
|--|----|----------------|
| Reconciliation of Comprehensive Annual Financial Statements to the Schedule of Expenditures of Federal Awards (SEFA) |    |                |
| County's Total Federal Revenue per Exhibit 5 and Schedule 38 per the County's Comprehensive Annual Financial Report  | \$ | 62,954         |
| School's Exhibit 5 per the School's Comprehensive Annual Financial Reports   |    | <u>70,966</u>  |
| Total Federal Revenue per the County's and School's Comprehensive Annual Financial Report                            |    | 133,920        |
| Items expended from Restricted Fund Balance:   |    |                |
| Highway Planning and Construction Cluster  |    | (786)          |
| Equitable Sharing Program (Department of Treasury)   |    | 7              |
| Equitable Sharing Program (Department of Justice)  |    | (24)           |
| Section 8 Housing Choice Voucher Cluster   |    | 142            |
| Items not subject to Single Audit:   |    |                |
| U. S. Marshals/I.N.S. purchase of service agreement  |    | (889)          |
| Other purchase of services agreements  |    | <u>(1,627)</u> |
| Total Federal Expenditures per SEFA  | \$ | <u>130,743</u> |

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**  
(amounts expressed in thousands)

**NOTE (2) – COGNIZANT AGENCY**

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

**NOTE (3) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards includes all federal grant activity of the County during fiscal year 2020. This schedule has been prepared on the modified accrual basis of accounting, as defined in Note 1C, of the County's Comprehensive Annual Financial Report.

The County did not use the 10% indirect cost rate, but rather used zero percent.

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 Relief Funds under CARES Act of 2020 (CFDA 21.019) in the amount of \$739 allocated to the Towns of Dumfries, Haymarket, Occoquan, and Quantico.

**NOTE (4) – NONCASH FEDERAL AWARDS EXPENDED**

The value of food distribution - commodities received by the County during fiscal year 2020 was \$6 and the value of equipment received by the County during fiscal year 2020 was \$503. These amounts have been included in the Schedule of Expenditures of Federal Awards and in the County's Comprehensive Annual Financial Report.

During fiscal year 2020, the County received and expended \$289 in surplus food commodities from the federal government. At year end, \$463 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, 2020  
(amounts expressed in thousands)

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**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: **None reported**
- c. Material weaknesses in internal control disclosed by the audit of financial statements: **Yes, Findings 2020-001 and 2020-02**
- d. Noncompliance, which is material to the financial statements: **No**
- e. Significant deficiencies in internal control over major programs: **Yes, Finding 2020-003**
- f. Material weaknesses in internal control over major programs: **None reported**
- h. Any audit findings which are required to be reported in accordance with 200.516(a) of the Uniform Guidance: **Yes**
- i. The programs tested as major programs and type of audit report issued on compliance were:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u>   | <u>Type of Audit Report Issued</u> |
|--------------------|---|------------------------------------|
| 10.561             | State Administrative Matching Grant for Food Stamp Program (SNAP Cluster)                                 | Unmodified                         |
| 14.871             | Section 8 - Housing Choice Voucher Cluster  | Qualified                          |
| 20.205             | Highway Planning and Construction Cluster   | Unmodified                         |
| 93.778             | Medical Assistance Program (Medicaid Cluster)   | Unmodified                         |
| 84.425             | Education Stabilization Fund -<br>Coronavirus Aid, Relief and Economic Security<br>(CARES) Act – COVID-19 | Unmodified                         |
| 21.019             | Coronavirus Relief Fund under CARES Act – COVID-19  | Unmodified                         |

- j. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
- k. County Prince William qualified as a low-risk auditee in accordance with §200.516(a) of the Uniform Guidance: **No**

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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

**a. Finding 2020-001: Material Weakness – Landfill Closure/Postclosure Liability**

**Criteria:** In order to prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), specifically, Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, requires the County to record a portion of the estimated total cost of the Municipal Solid Waste Landfill closure and postclosure care to be recognized as an expense and as a liability in each period that the County accepts solid waste.

**Condition:** The County uses a third-party consultant (an engineer) to estimate and calculate the closure and postclosure costs each year. After County staff reviews the calculation provided by the consultant, an expense and related liability is recorded to the general ledger. During the County's review of the current year Engineer's Report, the Finance Department staff noted a change in the verbiage contained within the report resulting in the discovery of a payment of \$3,525 made in prior years that was not netted against the liability. Therefore, overstating the closure and postclosure liability as of the prior fiscal year-end.

**Cause:** Internal controls were not properly designed to ensure the accuracy of the expense and liability related to the Municipal Solid Waste Landfill closure and postclosure care costs for financial reporting purposes in the proper fiscal period.

**Effect:** These items resulted in a correcting adjusting entry to restate beginning net position in the Landfill Enterprise Fund by increasing beginning net position by \$3,525 and reducing the beginning accrued closure liability by \$3,525.

**Recommendation:** We recommend the internal controls for managing the liability and expenses related to the Municipal Solid Waste Landfill closure and postclosure care be strengthened to ensure the related liability and expenses are properly recorded in the financial statements in the correct time period in accordance with U.S. GAAP.

**Views of responsible officials and planned corrective action:** Management concurs with the finding and believes this was a one-time, isolated error that came to light as a result of more specific verbiage provided by the consultant in the current year Engineer's Report. Thus, County staff took the appropriate action and notified the external auditors of the prior year error and proceeded to record the prior year adjusting entry to restate beginning balances in the Landfill Fund. County staff will continue to review the Engineer's Report going forward.

**b. Finding 2020-002: Material Weakness – Revenue Recognition**

**Criteria:** In order to prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") under the modified accrual basis of accounting, revenue should be recognized when it is measurable and available. The County considers

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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the availability period to be 60 days after the end of the fiscal year. Under the full accrual basis of accounting, revenue should be recognized when earned.

**Condition:** Within the Transportation Department, certain bills were billed to the incorrect customers and then reissued to the correct customer when the error was found. This resulted in double billings within the general ledger system as the first bill to the incorrect customer was not being properly reversed within the accounting system. As of year-end for the governmental fund statements under the modified basis of accounting, this resulted in an overstatement of accounts receivable and deferred inflows of resources related to unavailable transportation revenues for the bills billed to the incorrect customers as they were unpaid as of year-end and after the availability period. As of year-end for the government-wide financial statements under the full accrual basis, this resulted in an overstatement of accounts receivable and revenues for the bills billed to the incorrect customers that were unpaid as of year-end.

**Cause:** Internal controls were not properly designed to ensure the accuracy of the recognition and reconciliation of accounts receivable, deferred inflows of resources related to unavailable transportation revenues, and revenues for financial reporting purposes in the proper fiscal period.

**Effect:** These items resulted in a correcting adjusting entry to reduce the accounts receivable and deferred inflows of resources related to unavailable transportation revenues in the Streets and Roads Capital Projects Fund in the amount of \$4,262. In addition, these items resulted in a passed adjusting entry to restate beginning net position for Governmental Activities by reducing net position by \$1,171.

**Recommendation:** We recommend the internal controls for managing accounts receivable, deferred inflows, and revenues be strengthened to ensure the recognition and reconciliation of accounts receivable, deferred inflows of resources, and revenues are properly recorded in the financial statements in the correct period in accordance with U.S. GAAP.

**Views of responsible officials and planned corrective action:** Management concurs with the finding. This situation is a continuation of a prior year finding within the Department of Transportation and is a result of miscommunication. Historically, part of the billing process to certain project partners was handled in the field by project managers, while the majority of other project billings were handled in the office by accounting staff. At the end of FY20, Transportation staff began discussing the transition of field billing to the accounting staff to avoid errors, discrepancies, and duplicate billings. Additionally, Transportation's accounting staff has new leadership to assist with the billing and reimbursement process and will be collaborating with FRC over the remainder of the fiscal year 2021 to identify opportunities to strengthen Transportation's billing practices and to develop an oversight process of all billings to mitigate against incorrect and duplicate billings.



**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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**C. Findings and Questioned Costs Relating to Federal Awards:**

**a. Finding 2020-003: Significant Deficiency and Compliance Qualification – Financial Reporting for Section 8 Housing Choice Voucher Cluster (CFDA Number 14.871) – U.S. Department of Housing and Urban Development**

**Criteria:** Per 24 CFR section 982.158, the Local Public Housing Agencies (“PHA”) the agency must comply with the financial reporting requirements in 24 CFR part 5, subpart H, and the PHA must furnish to HUD accounts and other records, reports, documents and information as required by HUD. Per OMB no. 2577-0169, the PHA must submit the HUD-52681-B Voucher for Payment of Annual Contributions and Operating Statement to the Department of Housing and Urban Development (“HUD”) monthly. The PHA must report the (1) number of unit months leased, (2) monthly housing assistance payment expenses, and (3) all specific disaster voucher programs. The PHA must maintain all documentation pertaining to and supporting the data within the HUD-52681-B Form.

**Condition:** Of the three (3) monthly HUD-52681-B reports selected for testing, the following were noted: two (2) reports did not have support for the housing assistance payment expenses reported.

**Cause:** Documentation pertaining to and supporting the data within the HUD-52681-B reports are not properly maintained.

**Effect:** Not accurately completing the HUD 52681-B Form may result in reduced future funding for this program.

**Questioned Cost:** \$1,861 (Note: amount in 000s).

**Prevalence and Consequence of the Audit Finding:** Systemic problem as there were multiple instances of the finding and these are repeat findings from prior year (See 2019-002 in the County’s Fiscal Year 2019 County Comprehensive Annual Financial Report).

**Repeat Finding:** Yes, this is a repeat finding. See 2019-002 in the County’s Fiscal Year 2019 Comprehensive Annual Financial Report.

**Recommendation:** The County should implement a corrective action plan aimed at enhancing internal controls related to financial reporting to ensure that accurate and complete documentation supporting the HUD-52681B Form is prepared, maintained and reported, in accordance with the County and federal record retention requirements.

**View of Responsible Officials and Planned Corrective Action:** Management concurs with Finding 2020-003. Prior year’s finding regarding the loss of backup documentation for Voucher Management System (VMS) reports was remediated in FY 2020. However, this year’s finding is a result of keying

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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errors made while submitting the report. Under the direction of the County's HUD Representative, the Office of Housing and Community Development (OHCD) has already submitted a revised report with the corrected amounts. OHCD staff will continue to attend trainings to increase their understanding of the necessary HUD reports and has accumulated other resources to help them further their understanding of the program requirements.

**b. Finding 2020-004: Non-material Noncompliance – Eligibility for Medical Assistance Program - Medicaid Cluster (CFDA Number 93.778) – U.S. Department of Health and Human Services – Virginia Department of Social Services)**

**Criteria:** Per the Virginia Medical Assistance Eligibility Manual, an annual review of all of the enrollee's eligibility requirements is called a "renewal." A renewal of the enrollee's eligibility must be completed at least once every 12 months. The renewal should be initiated in the 10th month to ensure timely completion of the renewal (Subchapter M1520.001). The case records must contain facts essential to the determination of initial and continuing eligibility (Subchapter M0110.000). It also states that the agency must include in the case record documentation to support the agency's decision on his application (Subchapter M0110.000).

**Condition:** Of the sixty (60) participants selected for testing, two (2) participant case files did not include evidence that a renewal was completed within twelve (12) months from the prior redetermination.

**Cause:** An increase in the applicants during the year, as well as a lack of personnel to assist in processing and reviewing these applications, prevented the County from complying with the program requirements for determination of participant's eligibility.

**Effect:** The County's non-compliance could result in cost disallowed by the grantor or a reduction in future funding for this program.

**Questioned costs:** Undeterminable. Medical representatives are unaware of the costs incurred by each participant until claims are filed or costs are processed by the state, which can occur up to eighteen (18) months after the date of Medicaid services being provided. This data is not readily available to the County.

**Prevalence and Consequence of the Audit Finding:** Systemic problem as there were multiple instances of the finding and these are repeat findings from the prior year (see 2019-003 in the County's Fiscal Year 2019 Comprehensive Annual Financial Report).

**Repeat Finding:** Yes, this is a repeat finding. See finding 2019-003 in the County's Fiscal Year 2019 Comprehensive Annual Financial Report.

**Recommendation:** The County should implement a plan to enhance internal controls related to participant eligibility to ensure renewals are occurring on a timely basis in accordance with the Virginia Medical Assistance Eligibility Manual.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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(amounts expressed in thousands)

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**Views of responsible officials and planned corrective actions:** Management concurs with Finding 2020-004. It should be noted that the number of findings decreased from ten (10) in FY 2018 to three (3) in FY 2019 to two (2) in FY 2020, while the total number of Medicaid applications and renewals increased as a result of the Medicaid expansion. All findings of non-compliance will be noted, and individualized feedback and training will be provided to employees when errors are found. As a result of the Medicaid expansion, the Board of County Supervisors approved eighteen (18) new positions for the Department of Social Services (DSS) to address the expanded workload and the existing resource constraints. The staff has completed their 18- to 24-month training and are now able to assume full eligibility duties. This, in conjunction with the implementation of a new position Classification and Compensation system and the introduction of telework, has increased DSS' ability to hire experienced staff who do not need basic eligibility training. In FY 2021, the Commonwealth waived renewing applications due to the pandemic, which also caused a large increase (>100%) in new applications. Additionally, more new positions and a staffing plan are being developed for FY 2022 to further address DSS' resource needs to serve an increasing population of recipients.

**c. Finding 2020-005: Non-material Noncompliance – Eligibility and Special Reporting for Section 8 Housing Choice Voucher Cluster (CFDA Number 14.871) – U.S. Department of Housing and Urban Development**

**Criteria:** Per CFR Section 982.158, the PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD Requirements, including properly completed HUD-50058 forms. Per CFR 24 Section 982.516, the PHA must obtain and document in the tenant file third-party verification of reported family income and the value of assets. These verified amounts are then used in the HUD-50058 form to calculate the housing assistance payment.

**Condition:** For Eligibility, of the sixty (60) tenant case files selected for testing, two (2) tenant case files had insufficient income verification. For Special Reporting, of the sixty (60) tenant case files selected for testing, one (1) tenant case file had a HUD-50058 form that was not filled out properly.

**Cause:** The specific compliance requirements are not being followed effectively to ensure the HUD-50058 Forms are being accurately completed and support for the amounts within the Form are properly maintained. Additionally, internal controls were not properly designed to ensure the approved housing assistance payment per the HUD-50058 are being disbursed.

**Effect:** Not accurately completing the HUD-50058 Form and housing assistant payments made for the incorrect amount may result in costs disallowed by the grantor or reduced future funding for this program.

**Questioned costs:** \$43 (Note: amount in 000s)

**Prevalence and Consequence of the Audit Finding:** Systemic problem as there were multiple instances of the finding and these are repeat findings from prior year (See 2019-004 in the County's Fiscal Year 2019 Comprehensive Annual Financial Report).

**Repeat Finding:** Yes, this is a repeat finding. See 2019-004 in the County's Fiscal Year 2019 Comprehensive Annual Financial Report.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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(amounts expressed in thousands)

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**Recommendation:** The County should implement a corrective action plan aimed at enhancing understanding of the compliance requirements related to participant eligibility to ensure that accurate and complete documentation supporting all participant eligibility determination is prepared, maintained and reported, in accordance with the County and federal record retention requirements.

**Views of responsible officials and planned corrective actions:** Management concurs with Finding 2020-005. This is a repeat finding. In prior year out of sixty (60) tenant case files selected for testing, the County's Office of Housing and Community Development (OHCD) had a total of twenty-two (22) files with identified issues, where this year, there are only three (3) files in question, a marked improvement over FY 2019. The decrease in the number of file related issues can be attributed to the corrective action taken last year requiring all Housing Choice Voucher (HCV) Rental Assistance staff to attend a one-week training program to learn about administering the program. A test was administered at the end of the program to assess employees' knowledge and competencies related to the subject matter.

OHCD will continue implementing a corrective action plan regarding employee performance and the development of a Quality Control (QC) review process. Management will proactively work with the Housing Program Analyst to develop an improvement plan to progress all employee towards acceptable error standards of less than 5% of those tested in accordance with the Section 8 Mortgage Assistance Program standard for Public Housing Agencies (PHAs). Ongoing monitoring of individual employee progress will be performed by management.

Additionally, all Housing Program Analysts will continue to provide to the assigned QC Housing Program Manager all new lease ups to include HAP contracts for signature as well as recertification moves and/or rent increases and interims. The QC Housing Program Manager will complete the evaluation on the accepted QC review form and record the evidence on the QC Error Report. If there is an error(s), the supervisor(s) will identify the error(s) and relay the corrective action needed to the Housing Program Analyst as a way to further develop their knowledge and understanding of the program requirements and increase their awareness of the types of errors that can be made and how to correct them. After the correction(s) are completed the file will be given to the QC Housing Program Manager to verify and note that the corrections were made. This information will be printed out monthly and provided to the Director and Rental Assistance Program Managers for review.

The QC and error data will be incorporated into ongoing employee performance evaluations to improve accountability of staff and supervisors, identify strengths and weaknesses of staff and adequately assess employee performance.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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

**a. Finding 2020-006: Non-material Noncompliance – Fire Programs Aid to Localities**

**Criteria:** Section § 38.2-401 of the Code of Virginia provides local assistance to Fire Programs across 323 counties, independent cities, and incorporated towns in the Commonwealth of Virginia solely for specific fire service purposes, which the Virginia Fires Services Board has outlined in the Aid to Localities Program Policy Manual (“the manual”). Per the manual, disbursements under this local assistance program must be used in accordance with the manual’s allowable disbursement policies.

**Condition:** During our testing of twenty-five (25) disbursements, we noted a total of three (3) instances of noncompliance:

- One (1) instance where an employee was reimbursed for an allowable cost; however, the sales tax (\$38.09) from the purchase was also reimbursed and is not allowable under the program.
- Two (2) instances of maintenance costs (\$173.00) for program equipment, which is not an allowable cost under the program.

**Cause:** Lack of controls over the disbursements to verify that all disbursements are in compliance with the policy manual prepared by the Commonwealth of Virginia and lack of controls over the retention of pertinent Fire Program documentation.

**Effect:** Non-compliance could result in action by the Commonwealth of Virginia.

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** Disbursements should be reviewed and only approved if costs are allowable.

**View of Responsible Officials and Planned Corrective Action:** Management concurs with Finding 2020-006. The County’s Department of Fire & Rescue (DFR) mistakenly charged unallowable costs to the Fire Program. DFR will contact the Virginia Department of Fire Programs (VDP) to determine the procedures to revise the report or make an adjustment to the program in FY 2021 since the FY 2020 program year is closed.

Additionally, the DFR Assistant Director for Administrative Services obtained clarification of unallowable costs to the program, including specificity around sales tax and maintenance costs of program equipment, from the VDP Budget and Grant Manager. In light of these clarifications and issues identified, communication and training of DFR officers administering the program has already occurred. In the future maintenance costs and sales tax will not be charged to the program. Furthermore, program expenditures will continue to be reviewed throughout the fiscal year as well as prior to submitting the annual report to ensure unallowable costs are not charged to the program and adjustments will be made to program expenditures accordingly, if needed.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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**b. Finding 2020-007: Non-material Noncompliance – Property Taxes and Property Taxes Receivable**

**Criteria:** Per the Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia Section 2-4 the original and supplemental property tax assessments per the assessing officer's records should be traceable to the general ledger. Further, collections of special levies must be distributed to the proper funds for those levies.

**Condition:** During our testing, we noted that the original and supplemental assessments of real estate taxes for tax year 2019 could not be fully traced from the Land Book to the general ledger, leaving an unreconciled difference of \$729,531 and \$38,576 of Community Development Authorities' (CDAs) uncollected related fees were not allocated to the respective CDA funds' accounts receivable and deferred inflows of resources at year-end.

**Cause:** Lack of controls over maintaining support for the journal entries made for the tax revenues to verify that entries are correct and complete. Additionally, lack of reconciliation process to verify that all revenues, both received and not received as of year-end, are accounted for.

**Effect:** Non-compliance could result in action by the Commonwealth of Virginia.

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** Local government should maintain documentation to support their tax revenue journal entries and establish a reconciliation process to ensure that all revenues are properly captured and allocated to the appropriate funds.

**Views of Responsible Officials and Planned Corrective Action:** Management concurs with Finding 2020-007 but believes this is an isolated occurrence specific to FY 2020. The County did have a challenge tracing the original and supplemental real estate assessments from the Land Book to the general ledger this year due primarily to significant turnover within the Department of Finance/Tax Administration Division. Specifically, the Division's two (2) revenue accounting positions, both manager and staff, turned over during the year and a new Assistant Director of Finance for Tax Administration was also hired in FY 2020. The turnover of these three (3) key positions, as well as a significant amount of vacancies in other areas of Tax Administration, resulted in the inadvertent oversight of producing a pertinent report necessary to complete a full reconciliation. Further complicating the reconciliation process is the fact that certain reports can only be produced out of the County's tax administration system, RevenueOne, within a specific time during the year-end cutoff. Unbeknownst to the new employees, it was discovered the system cannot produce ad hoc reports for a prior period in time. Therefore, it was impossible to fully reconcile at June 30th.

It is important to note, however, that the unreconciled difference of \$729,531 constitutes only 0.001% of the County's total real estate tax revenues in FY 2020 and is immaterial to the County's FY 2020 Comprehensive Annual Financial Report. In addition, the allocation of \$38,576 of unpaid fees to the CDAs constitutes approximately 1% of total CDA revenues in FY 2020 and is also immaterial to the County's FY 2020 Comprehensive Annual Financial Report.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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To ensure this does not occur in the future, the Department of Finance Tax Administration Division Tax Administration has developed year-end check lists/desk guides for its employees to utilize to ensure all reports and reconciliations are completed within the system's open time frame for producing the reports in order to properly capture all revenue allocations. Similar actions are being taken in the Department of Finance Financial Reporting & Control (FRC) Division to provide a secondary layer of control.

Additionally, the Department of Finance Tax Administration Division is already working with its RevenueOne software vendor, Avenity, to explore and create an interface process to automate the recording of the tax collection activity into the general ledger. Since an internal audit of the Tax Administration Division was already scheduled for calendar year 2021, RSM, the County's third-party internal auditors, will focus their audit efforts around assisting the Tax Administration Division map the tax activity from RevenueOne to the general ledger to aid in the automation of this process thus, making reconciling the activity more efficient and less prone to human error or oversight. The FRC Division will also make the necessary entry to record the \$38,576 in the CDAs fund in FY 2022.

**c. Finding 2020-008: Non-material Noncompliance – Conflict of Interest**

**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:** During our testing of eighteen (18) County Board members, County officials, and other County personnel required to complete the forms, we noted one (1) instance where the required disclosure form was not filed prior to the employee beginning employment, and four (4) instances where County officials and employees did not properly complete the required form.

We also noted thirty-eight (32) out of a total three-hundred and twenty-two (322) total board, committee and commission members, and department heads required to complete either a SOEI, FDS and/or a RE form did not complete their disclosure requirements. Additionally, six (6) out of a total three-hundred and twenty-two (322) total board, committee and commission members, and department heads required to complete either a SOEI, FDS and/or a RE form were filed late.

**Cause:** Lack of controls over the statements of economic interest to verify that all statements are filed and that the statements are accurately completed. Additionally, lack of any established procedures to collect statements of economic interests from employees or local officials prior to the assumed employment or office date.

**Effect:** Non-compliance could result in action by the Commonwealth of Virginia.

**Repeat Finding:** Yes, this is a repeat finding. See 2019-007 in the County's Fiscal Year 2019 Comprehensive Annual Financial Report.

**Recommendation:** Local government officials should complete the statement of economic interest in accordance with prescribed requirements.



**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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**Views of Responsible Officials and Planned Corrective Action:** Management concurs with Finding 2020-008. Pursuant to Code of Virginia § 2.2-3115, Disclosure form, Constitutional Officers file the Statement of Economic Interest forms electronically directly with the Council and do not go through County staff to review for completeness and timeliness of filings. Per the Virginia Code, the County is required to provide the forms; however, the County is not required to pursue filers in the collection of the forms. It is the responsibility of the individual to comply with the requirements.

The Office of Executive Management (OEM) has begun a thorough review of all Board, Committees, and Commissions to ascertain membership, purpose and filing requirements. County staff will continue to send oral and written notifications to the County staff and government officials reminding them to submit their Statement of Economic Interest forms completely, accurately, and on time. As part of the due diligence work performed by staff, every Statement of Economic Interest form submitted by County employees is time stamped and reviewed. Since the prior year's finding, OEM worked with Human Resources (HR) to provide the necessary forms to employees hired into qualifying positions as part of the onboarding process, prior to the commencement of their employment with the County. This new initiative was implemented in 2020 to help encourage compliance and awareness of the Commonwealth's disclosure requirements prior to starting a position at the County. Additionally, training will be held for elected officials on requirements of the Virginia Conflict of Interests Act, including completion of the required Statements of Economic Interests filing.



**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**CORRECTIVE ACTION PLANS**

For the Year Ended June 30, 2020

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**A. Finding 2020-001: Material Weakness – Landfill Closure/Postclosure Liability**

**Name of Contact Person:** Michelle Attreed, Director of Finance/Chief Financial Officer

**Corrective Action:**

Management concurs with the finding and believes this was a one-time, isolated error that came to light as a result of more specific verbiage provided by the consultant in the current year Engineer's Report. Thus, County staff took the appropriate action and notified the external auditors of the prior year error and proceeded to record the prior year adjusting entry to restate beginning balances in the Landfill Fund. County staff will continue to review the Engineer's Report going forward.

**Proposed Completion Date:** Immediately

**B. Finding 2020-002: Material Weakness – Revenue Recognition**

**Name of Contact Person:** Ricardo Canizales, Director of Transportation

**Corrective Action:**

Management concurs with the finding. This situation is a continuation of a prior year finding within the Department of Transportation and is a result of miscommunication. Historically, part of the billing process to certain project partners was handled in the field by project managers, while the majority of other project billings were handled in the office by accounting staff. At the end of FY20, Transportation staff began discussing the transition of field billing to the accounting staff to avoid errors, discrepancies, and duplicate billings. Additionally, Transportation's accounting staff has new leadership to assist with the billing and reimbursement process and will be collaborating with FRC over the remainder of the fiscal year 2021 to identify opportunities to strengthen Transportation's billing practices and to develop an oversight process of all billings to mitigate against incorrect and duplicate billings.

**Proposed Completion Date:** Immediately

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**CORRECTIVE ACTION PLANS**

For the Year Ended June 30, 2020

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**C. Finding 2020-003: Significant Deficiency and Compliance Qualification – Financial Reporting for Section 8 Housing Choice Voucher Cluster (CFDA Number 14.871) – U.S. Department of Housing and Urban Development**

**Name of Contact Person:** Bill J. Lake, Director of the Office of Housing & Community Development

**Corrective Action:** Office of Housing and Community Development (OHCD) staff will continue to attend trainings to increase their understanding of the necessary HUD reports and has accumulated other resources to help them further their understanding of the program requirements.

**Proposed Completion Date:** Immediately

**D. Finding 2020-004: Non-material Noncompliance – Eligibility for Medical Assistance Program - Medicaid Cluster (CFDA Number 93.778) – U.S. Department of Health and Human Services – Virginia Department of Social Services**

**Name of Contact Person:** Courtney S. Tierney, Director of Department of Social Services (DSS)

**Corrective Action:** All findings of non-compliance will be noted, and individualized feedback and training will be provided to employees when errors are found. As a result of the Medicaid expansion, the Board of County Supervisors approved eighteen (18) new positions for the Department of Social Services (DSS) to address the expanded workload and the existing resource constraints. The staff has completed their 18- to 24-month training and are now able to assume full eligibility duties. This, in conjunction with the implementation of a new position Classification and Compensation system and the introduction of telework, has increased DSS' ability to hire experienced staff who do not need basic eligibility training. In FY 2021, the Commonwealth waived renewing applications due to the pandemic, which also caused a large increase (>100%) in new applications. Additionally, more new positions and a staffing plan are being developed for FY 2022 to further address DSS' resource needs to serve an increasing population of recipients.

**Proposed Completion Date:** Immediately

**E. Finding 2020-005: Non-material Noncompliance – Eligibility and Special Reporting for Section 8 Housing Choice Voucher Cluster (CFDA Number 14.871) – U.S. Department of Housing and Urban Development**

**Name of Contact Person:** Bill J. Lake, Office of Housing & Community Development (OHCD) Director)

**Corrective Action:** OHCD will continue implementing a corrective action plan regarding employee performance and the development of a Quality Control (QC) review process. Management will proactively work with the Housing Program Analyst to develop an improvement plan to progress all employee towards acceptable error standards of less than 5% of those tested in accordance with the Section 8 Mortgage Assistance Program standard for Public Housing Agencies (PHAs). Ongoing monitoring of individual employee progress will be performed by management.

## COUNTY OF PRINCE WILLIAM, VIRGINIA

### CORRECTIVE ACTION PLANS

For the Year Ended June 30, 2020

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Additionally, all Housing Program Analysts will continue to provide to the assigned QC Housing Program Manager all new lease ups to include HAP contracts for signature as well as recertification moves and/or rent increases and interims. The QC Housing Program Manager will complete the evaluation on the accepted QC review form and record the evidence on the QC Error Report. If there is an error(s), the supervisor(s) will identify the error(s) and relay the corrective action needed to the Housing Program Analyst as a way to further develop their knowledge and understanding of the program requirements and increase their awareness of the types of errors that can be made and how to correct them. After the correction(s) are completed the file will be given to the QC Housing Program Manager to verify and note that the corrections were made. This information will be printed out monthly and provided to the Director and Rental Assistance Program Managers for review.

The QC and error data will be incorporated into ongoing employee performance evaluations to improve accountability of staff and supervisors, identify strengths and weaknesses of staff and adequately assess employee performance.

**Proposed Completion Date:** Immediately

#### **F. Finding 2020-006: Non-material Noncompliance – Fire Programs Aid to Localities**

**Name of Contact Person:** Chief Timothy Keen, Director of the Department of Fire & Rescue

**Corrective Action:** The Department of Fire and Rescue (DFR) will contact the Virginia Department of Fire Programs (VDP) to determine the procedures to revise the report or make an adjustment to the program in FY 2021 since the FY 2020 program year is closed.

Additionally, the DFR Assistant Director for Administrative Services obtained clarification of unallowable costs to the program, including specificity around sales tax and maintenance costs of program equipment, from the VDP Budget and Grant Manager. In light of these clarifications and issues identified, communication and training of DFR officers administering the program has already occurred. In the future maintenance costs and sales tax will not be charged to the program. Furthermore, program expenditures will continue to be reviewed throughout the fiscal year as well as prior to submitting the annual report to ensure unallowable costs are not charged to the program and adjustments will be made to program expenditures accordingly, if needed.

**Proposed Completion Date:** Immediately

#### **G. Finding 2020-007: Non-material Noncompliance – Property Taxes and Property Taxes Receivable**

**Name of Contact Person:** Michelle Attreed, Director of Finance/Chief Financial Officer

**Corrective Action:** To ensure this does not occur in the future, the Department of Finance Tax Administration Division Tax Administration has developed year-end check lists/desk guides for its employees to utilize to ensure all reports and reconciliations are completed within the system's open time frame for producing the reports in order to properly capture all revenue allocations. Similar actions

## COUNTY OF PRINCE WILLIAM, VIRGINIA

### CORRECTIVE ACTION PLANS

For the Year Ended June 30, 2020

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are being taken in the Department of Finance Financial Reporting & Control (FRC) Division to provide a secondary layer of control.

Additionally, the Department of Finance Tax Administration Division is already working with its RevenueOne software vendor, Avenity, to explore and create an interface process to automate the recording of the tax collection activity into the general ledger. Since an internal audit of the Tax Administration Division was already scheduled for calendar year 2021, RSM, the County's third-party internal auditors, will focus their audit efforts around assisting the Tax Administration Division map the tax activity from RevenueOne to the general ledger to aid in the automation of this process thus, making reconciling the activity more efficient and less prone to human error or oversight. The FRC Division will also make the necessary entry to record the \$38,576 in the CDAs fund in FY 2022.

**Proposed Completion Date:** Immediately

#### **H. Finding 2020-008: Non-Material Noncompliance – Conflict of Interests**

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

**Corrective Action:** The Office of Executive Management (OEM) has begun a thorough review of all Board, Committees, and Commissions to ascertain membership, purpose and filing requirements. County staff will continue to send oral and written notifications to the County staff and government officials reminding them to submit their Statement of Economic Interest forms completely, accurately, and on time. As part of the due diligence work performed by staff, every Statement of Economic Interest form submitted by County employees is time stamped and reviewed. Since the prior year's finding, OEM worked with Human Resources (HR) to provide the necessary forms to employees hired into qualifying positions as part of the onboarding process, prior to the commencement of their employment with the County. This new initiative was implemented in 2020 to help encourage compliance and awareness of the Commonwealth's disclosure requirements prior to starting a position at the County. Additionally, training will be held for elected officials on requirements of the Virginia Conflict of Interests Act, including completion of the required Statements of Economic Interests filing.

**Proposed Completion Date:** Immediately

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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**A. Status of Prior Year Findings:**

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

**i. 2019-001: Material Weakness – Internal Control over Financial Reporting – Inventory for Prince William County Public Schools (“PWCS”) Component Unit**

**Summary of Finding:** During 2019, the Office of Facilities Services performed a physical inventory count resulting in the addition of \$4,377 (in thousands) of inventory, not previously counted in the prior year. Historically, PWCS has not performed year-end physical inventory counts and reported inventory was based solely on perpetual inventory records. Additionally, the perpetual inventory records have not been maintained within an inventory software system integrated into the accounting software system.

**Corrective Action Taken:** Management concurs with Finding 2019-001. PWCS has assembled a dedicated committee of Office of Facilities Services (OFS) managers to discuss and review solutions and methods to correct the issue. In the interim, and since the audit, OFS has maintained paper inventory transaction logs to identify material added, removed, and transferred. Moving forward, PWCS OFS is currently evaluating a software to manage the inventory. OFS will initiate a small pilot program beginning February 2020 to determine the feasibility of deploying the software on a department-wide basis. There will be an official inventory recount of those shops to be entered in the software prior to the start of the pilot program. Given the scope of work required to get to a pilot rollout, the committee has developed a timeline and taken steps to ensure departmental consistency within item naming. Due to the number of items, volume of transactions, and complexity of operations, it is likely the full implementation of the inventory management software may take more than one fiscal year to complete.

**b. Findings and Questioned Costs for Federal Awards:**

**i. 2019-002: Material Weakness and Compliance Qualification– Financial Reporting for Section 8 Housing Choice Voucher Cluster (CFDA 14.871)**

**Summary of Finding:** Of the three monthly HUD-52681-B reports selected for testing, the following were noted: three (3) reports did have support for the unit months leased reported and three (3) reports did not have support for the housing assistance payment expenses reported.

**Corrective Action Taken:** Management concurs with Finding 2019-002. However, the Office of Housing and Community Development (OHCD) management believes these are isolated incidents during the month of transition of the OHCD Accountant. While the vendor completing the HUD reports provided both hand paper copies in a file folder as well as electronic files on an outside server, the hand paper files were inadvertently lost during a recent move and the electronic files were mistakenly deleted. OHCD staff is working with the County’s Department of Information Technology to recreate the documents.

The new OHCD Accountant has attended two targeted trainings to assist with the understanding of the HUD reports. The HUD 52681B Form is prepared, maintained and reported in accordance

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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with the County and federal record retention requirements. In addition, all OHCD staff have been informed that files cannot be removed without OHCD Director approval. Furthermore, the electronic files are only visible to the OHCD Finance Division.

Repeat Finding: This is a repeat finding in FY 2020. Please see Finding 2020-005.

ii. **2019-003: Significant Deficiency and Compliance Qualification - Eligibility for Medical Assistance Program (CFDA 93.778)**

**Summary of Finding:** A sample of 60 participants were selected for eligibility to receive program assistance. one (1) participant case files did not include evidence that a renewal was completed within twelve months from the prior re-determination, one (1) participant case file was missing the participant's signature on the application and one (1) participant case file was missing the signed application for eligibility re-determination.

**Corrective Action Taken:** Management concurs with Finding 2019-003. It should be noted that the number of findings decreased from ten (10) in FY 2018 to three (3) in FY 2019, while the total number of Medicaid applications and renewals increased as a result of Medicaid expansion. All findings of non-compliance will be noted, and individualized feedback and training will be provided to employees when errors are found.

Repeat Finding: This is a repeat finding in FY 2020. Please see Finding 2020-006.

iii. **2019-004 – Significant Deficiency and Compliance Qualification – Eligibility, Special Tests, and Special Reporting for Section 8 Housing Choice Voucher Cluster (CFDA 14.871)**

**Summary of Finding:** Per CFR Section 982.158, the PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD Requirements, including properly completed HUD-50058 forms. The PHA must maintain records to document the basis for PHA determination that rent to owner is a reasonable rent. Per CFR 24 Section 982.516, the PHA must obtain and document in the tenant file third-party verification of reported family income and the value of assets. These verified amounts are then used in the HUD-50058 form. The PHA also shall require the family head to execute a HUD-approved release and consent form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA such information as the PHA determines to be necessary. This is done through the HUD-9886 form. Of the sixty (60) tenant case files selected for testing the following were found: eight (8) tenant case files has insufficient or no income verification; two (2) tenant case files incorrectly calculated income and assets on the HUD-50058 form; two (2) tenant case files had HUD-50058 forms that were not filled out properly; three (3) tenant case files did not contain evidence that rent reasonableness was performed annually; three (3) tenant case files had HUD-9886 forms which were missing adult household member signatures; two (2) tenant case files contained evidence that the HAP payment was incorrectly calculated; one (1) tenant case file was missing a recertification checklist; and one (1) tenant case file had incomplete documentation.

**Corrective Action Taken:** Management concurs with Finding 2019-004. All HCV Rental Assistance staff were required to attend a one-week training program for Housing Agents administering the

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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HCV program. At the end of the program, a test was administered to assess employee knowledge and competencies as it pertains to the HCV program.

Going forward, Management will proactively work with the Housing Program Specialists to develop an improvement plan to progress all employee towards acceptable standards. Ongoing monitoring of individual employee performance and progress will be performed by management.

All Housing Program Specialists will provide to the assigned Quality Control (QC) Housing Program Specialist Supervisor all new lease ups; to include HAP contracts for signature as well as recertification moves and/or rent increases. The QC Housing Program Specialist Supervisors will complete the evaluation on the accepted QC review form and record the evidence on the QC Error Report. If there is an error(s) the supervisor will identify the error(s) and the corrective action needed to the Housing Program Specialist. After the correction(s) are completed, the file will be given to the QC Housing Program Specialist Supervisor to verify the corrections were made. The correction will be noted. With a closer review of files, it is anticipated that errors will be found before actual transactions occur and the Housing Program Specialists will become more aware of their error(s) and the corrective action needed. The QC results will be printed out monthly and provided to the Director and Rental Assistance Program Specialist for review.

The Housing Program Specialist will also provide to their Housing Program Specialist Supervisor all interims for review and approval. If there is an error(s) the supervisor will identify the error(s) and communicate the corrective action needed to the Housing Program Specialist. After the correction(s) are completed the file will be given back to the Housing Program Specialist Supervisor to verify the corrections were made. This correction will be noted.

The QC and error data will be incorporated into the ongoing employee performance monitoring process, including annual performance evaluations. It is anticipated that these changes will improve the accountability of staff and supervisors. The new procedures will allow supervisors the ability to identify strengths and weaknesses of staff as well as within their program procedures/processes and adequately assess employee performance.

**Repeat Finding:** This is a repeat finding in FY 2020. Please see Finding 2020-007.

iv. **2019-005: Non-Material Noncompliance – Eligibility for the Temporary Assistance for Needy Families Cluster (CFDA 93.558)**

**Summary of Finding:** Per the TANF Manual, eligibility for TANF recipients must be redetermined at least every 12 months (Subchapter 401.3). Each applicant must be disposed of by a decision of eligibility or ineligibility, supported by the facts recorded in the case record (Subchapter 401.1). Of the sixty (60) participants selected for testing, the following were noted: one (1) participant case file included evidence that the participant received benefits after the participant was determined ineligible and the case was closed.

**Corrective Action Taken:** Management concurs with Finding 2019-005. It should be noted that the number of findings decreased from twelve (12) in FY 2018 to one (1) in FY 2019. DSS has implemented continuous quality improvement initiatives aimed at reducing repeat audit findings



**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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and understands the importance of complying with program requirements for determination of participant's eligibility.

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

**i. 2019-006: Non-Material Noncompliance - Virginia Initiative for Employment not Welfare Program**

**Summary of Finding:** A sample of 25 participants were selected for verification of selection of Activity and Service Plan that details the supportive services needed by the individual to comply with program requirements eligibility to receive program assistance. Two (2) participants did not have an approved VIEW Participant Activity and Service plan applicable to the time period of the service provided.

**Corrective Action Taken:** Management concurs with Finding 2019-006. DSS will continue working with VIEW staff to ensure Activity and Service Plans contain detailed documentation prior to authorization of any financial services. Monthly case readings already focus on the Activity and Service Plan to ensure written documentation listed on the plan coincides with a payment authorization. Additional scrutiny will be given to ensure that payment authorizations and supportive services fall within the active Activity and Service Plan timeframes. Continued training will be offered through VIEW unit meetings, and outcomes of monthly case readings will be tied to staff's annual performance evaluations.

**ii. 2019-007: Non-Material Noncompliance - Conflict of Interests**

**Summary of Finding:** There was one (1) instance where the SOEI form was not filed prior to the local official assuming office. Forty-eight (48) out of a total one-hundred eighty-nine (189) total board, committee and commission members required to complete either a SOEI, FDS and/or a RE form did not complete their disclosure requirements. Additionally, seven (7) out of a total one-hundred eighty-nine (189) total board, committee and commission members required to complete either a SOEI, FDS and/or a RE form were filed late.

**Corrective Action Taken:** Management acknowledges Finding 2019-007. Pursuant to Code of Virginia § 2.2-3115, Disclosure form, Constitutional Officers file the Statement of Economic Interest forms electronically directly with the Council and do not go through County staff to review for completeness and timeliness of filings. County staff will continue to send oral and written notifications to the County staff and government officials reminding them to submit their Statement of Economic Interest forms completely, accurately, and on time. Furthermore, County staff will review the Statement of Economic Interest form completed by a government official before filing with the State. As part of the due diligence work performed by staff, every Statement of Economic Interest form submitted to Prince William County is timestamped and reviewed. In addition, training will be held for elected officials on requirements of the Virginia Conflict of Interests Act, including completion of the required Statements of Economic Interests filing. In addition, the Office of Executive Management has begun a thorough review of all Board, Committees and Commissions to ascertain membership, purpose and filing requirements.

**PRINCE WILLIAM COUNTY, VIRGINIA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended June 30, 2020  
(amounts expressed in thousands)

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**Repeat Finding:** This is a repeat finding with regards to County instances in FY 2020. Please see 2020-010.

## Prince William County, Virginia

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Department of Finance  
One County Complex Court  
Prince William, Virginia 22192-9201  
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**PRINCE WILLIAM**  
COUNTY