



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AUDIT OF SELECT FEDERAL PROGRAMS

FOR THE YEAR ENDED
JUNE 30, 2024

Auditor of Public Accounts
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AUDIT SUMMARY

Our audit of the Coronavirus State and Local Fiscal Recovery Funds and Low-Income Home Energy Assistance federal grant programs, administered by the Department of Housing and Community Development, for the fiscal year ended June 30, 2024, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and reporting system and in the Federal Schedules Attachment submitted to the Department of Accounts;
- no matters involving internal control and its operation necessary to bring to management's attention nor instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to the prior audit finding identified as complete in the [Findings Summary](#) included in the Appendix.

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 27, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Bryan Horn
Director, Department of Housing and Community Development

We have audited the financial records and operations of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and Low-Income Home Energy Assistance (LIHEAP) federal grant programs, administered by the Department of Housing and Community Development (Housing and Community Development), for the year ended June 30, 2024. We conducted this audit in accordance with 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, in support of the Commonwealth's Single Audit. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective was to audit the CSLFRF and LIHEAP federal grant programs in support of the Commonwealth's Single Audit for the year ended June 30, 2024. In support of this objective, we evaluated the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system and in the Federal Schedules Attachment (Federal Attachment) submitted to the Department of Accounts. We reviewed the adequacy of Housing and Community Development's internal controls over compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed corrective actions with respect to the remaining unresolved audit finding first reported in the 2021 Commonwealth of Virginia Single Audit Report.

Audit Scope and Methodology

Housing and Community Development's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the CSLFRF and LIHEAP federal grant programs.

We performed audit tests to determine whether Housing and Community Development's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of Housing and Community Development's operations. We performed analytical procedures to determine which compliance requirements were direct and material to the CSLFRF and LIHEAP federal grant programs and tested details of transactions to achieve our audit objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and, when appropriate, we projected our results to the population.

Conclusions

We found that Housing and Community Development properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system and Federal Attachment submitted to the Department of Accounts.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The results for the Commonwealth's Single Audit for the year ended June 30, 2024, are contained in a separate report, which is available on our website at www.apa.virginia.gov.

Housing and Community Development has taken adequate corrective action with respect to the prior audit finding identified as complete in the Appendix.

Exit Conference and Report Distribution

We discussed this report with Housing and Community Development management on March 24, 2025. This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

MAS/vks

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Complete FFATA Reporting for First Tier LIHEA Subawards	Complete	2021

* A status of **Complete** indicates management has taken adequate corrective action.