



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Quality Control Review on the
Single Audit of Broward County, Florida
Report No. QC-2015-026

Date: February 11, 2015

From: George E. Banks, IV
Program Director for Single Audit

Reply to
Attn. of: JA-20

To: Regional Administrator, FAA, Southern Region
Regional Administrator, FTA, Region IV

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for Broward County, Florida (County). This report presents the results of our Quality Control Review (QCR) on DOT's major grant programs included in the single audit of the County for fiscal year ended September 30, 2013. The single audit was performed by Crowe Horwath LLP, which audited the financial statements, and Moore Stephens Lovelace, P.A. (MSL), which audited Federal expenditures. During this period, the County expended approximately \$194 million from DOT grant programs. MSL determined that DOT's major programs were the Airport Improvement Program and the Federal Transit Cluster. We limited the scope of our QCR to the audit work performed by MSL.

The Office of Management and Budget's (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," requires the auditor to render an opinion on the entity's financial statements, identify inappropriate use of Federal funds, and report internal control and compliance deficiencies that affect Federal grant programs.

MSL rendered an unmodified opinion on the County's compliance with DOT's major program requirements for the Airport Improvement Program and the Federal Transit Cluster and did not question any costs.¹

¹The single audit report issued by MSL is available upon request to singleauditrequest@oig.dot.gov.

SCOPE

The purpose of our QCR was to determine: (1) whether the audit work complied with the Single Audit Act of 1984, as amended, and OMB Circular A-133, and (2) the extent to which we could rely on the auditors' work on DOT's major programs, the Airport Improvement Program and the Federal Transit Cluster.

RESULTS

We determined that MSL's audit work was *Acceptable with Deficiencies*, and therefore, generally met the requirements of the Single Audit Act, OMB Circular A-133, and DOT's major programs. We found nothing to indicate that MSL's opinion on each of DOT's major programs was inappropriate or unreliable.

While the deficiencies we identified in the audit documentation need to be corrected in future audits, we determined that the deficiencies did not alter the overall results of the audit report. The deficiencies are related to:

Identification and Testing of the Major Programs' Key Internal Controls:

MSL identified and documented various internal controls based on its understanding of the major programs, but did not identify the key internal controls to test in order to support a low assessed level of control risk applicable to each of the major programs' direct and material compliance requirements. In addition, MSL used one testing attribute to cover every control obtained from its internal control understanding document rather than individual testing attributes for each of the key controls for the major programs' direct and material compliance requirements.

Compliance Testing Not Adequately Documented: MSL did not adequately document its compliance testing for several of the direct and material compliance requirements affecting DOT's two major programs.

If you have any questions concerning this report, please call me at (410) 962-1729, or John R. Sysak, DOT National Single Audit Coordinator, at (410) 962-2630.

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cc: Audit Liaison, FAA, AWP-100
Audit Liaison, FAA Southern Region ADO, ASO-620
Audit Liaison, FTA, TSO-30
Audit Liaison, OST, M-1
Director, Accounting Division, Broward County, Florida
Shareholder, Moore Stephens Lovelace, P.A.
Partner, Crowe Horwath, LLP