



# Memorandum

U.S. Department of  
Transportation  
Office of Inspector General

Subject: **INFORMATION:** Quality Control Review  
on the Single Audit of the Central New York  
Regional Transportation Authority  
and Subsidiaries,  
Syracuse, NY  
Report No. QC2017102

Date: September 25, 2017

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

Reply to  
Attn. of: JA-20

To: Regional Administrator, FTA, Region 2

The U.S. Department of Transportation (DOT) is the oversight Federal single audit Agency for the Central New York Regional Transportation Authority and Subsidiaries (Authority) of Syracuse, NY. This report presents the results of our Quality Control Review (QCR) on DOT's major grant program included in the single audit of the Authority that Bonadio & Co., LLP performed for the Authority's fiscal year ended March 31, 2016. During this period, the Authority expended approximately \$13 million from DOT grant programs. Bonadio determined that DOT's major program was the Federal Transit Cluster.

Under Title 2 of the Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the auditor is required 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.

Bonadio rendered an unmodified opinion on the Authority's financial statements and compliance with DOT's major program requirements and did not question any costs.<sup>1</sup>

## SCOPE

The purpose of our QCR was to determine: (1) whether the audit work and reporting package complied with the Single Audit Act of 1984, as amended, and the Uniform Guidance; and (2) the extent to which we could rely on the auditors' work on DOT's major program, the Federal Transit Cluster.

<sup>1</sup> A copy of Bonadio's single audit report is available by request to [singleauditrequest@oig.dot.gov](mailto:singleauditrequest@oig.dot.gov).

## RESULTS

### Audit Work

Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Based on our QCR, we assigned an overall rating of *pass with deficiencies* to Bonadio's work. Therefore, Bonadio generally met the requirements of the Single Audit Act, the Uniform Guidance, and DOT's major program. While we found nothing to indicate that Bonadio's opinion on the Federal Transit Cluster was inappropriate or unreliable, we found the following deficiencies in Bonadio's work that should be corrected in future audits:

**Major Program Internal Controls and Compliance Testing.** Bonadio needs to improve its audit documentation related to its planning and testing of major program internal controls to support its low assessed level of control risk.

**Compliance Testing of Preventative Maintenance Expenditures.** Bonadio needs to improve its audit documentation related to its compliance testing of preventative maintenance expenditures to better clarify that these expenditures are allowable activities and costs.

### Reporting Package

Our desk review of the Authority's fiscal year 2016 single audit report package that was submitted to the Federal Audit Clearinghouse identified the following.

- The Authority did not disclose its use or non-use of the de minimus indirect rate in its notes to the Schedule of Expenditures of Federal Awards.

Bonadio coordinated with the Authority and corrected the reporting package.

If you have any questions concerning this report, please call me at (202) 420-1116, or John R. Sysak, DOT's National Single Audit Coordinator, at (410) 962-2630.

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cc: The Secretary  
Audit Liaison, FTA, TSO-30  
Audit Liaison, OST, M-1  
Chief Financial Officer, CNY Regional Transportation Authority and Subsidiaries  
Partner, Bonadio & Co., LLP