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Report SA2023023
March 22, 2023

Summary Report on Significant Single Audit Findings
Impacting DOT Programs for the 3-Month Period Ending
December 31, 2022



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Self-Initiated

Office of the Secretary | SA2023023 | March 22, 2023

What We Looked At

We queried and downloaded 60 single audit reports prepared by non-Federal auditors and submitted to the Federal Audit Clearinghouse between October 1, 2022, and December 31, 2022, to identify significant findings related to programs directly funded by the Department of Transportation (DOT).

What We Found

We found that reports contained a range of findings that impacted DOT programs. The auditors reported 20 incidents of significant noncompliance with Federal guidelines related to 12 grantees that require prompt action from DOT's Operating Administrations (OA). Of these 20 incidents, 11 were repeat findings related to 6 grantees. The auditors also identified questioned costs totaling \$5,538,037 for four grantees. Of this amount, \$3,703,195 was related to the Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, and \$1,787,378 was related to the Navajo Nation. Additionally, we identified nonmonetary repeat findings that caused qualified opinions for Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, the County of San Joaquin, California, and the State of Mississippi.

Our Recommendations

We recommend that DOT coordinate with the impacted OAs to develop a corrective action plan to resolve and close the findings identified in this report. We also recommend that DOT determine the allowability of the questioned transactions and recover \$5,538,037, if applicable.



Memorandum

Date: March 22, 2023

Subject: ACTION: Summary Report on Significant Single Audit Findings Impacting DOT Programs for the 3-Month Period Ending December 31, 2022 | Report No. SA2023023

From: Dormayne "Dory" Dillard-Christian *M. Dillard-Christian*
Assistant Inspector General for Financial Audits

To: Deputy Assistant Secretary for Administration

The Office of Inspector General (OIG) performs oversight of independent, non-Federal auditors' single audit¹ reports. These auditors are required to perform the audits in accordance with generally accepted Government auditing standards and the Office of Management and Budget's Uniform Guidance.² Between 200 and 300 single audit reports are issued annually that include findings related to programs directly funded by DOT.

OIG issues memoranda that summarize the single audit reports' significant findings and recommendations that require priority action by the Department of Transportation (DOT). When warranted, we also recommend that DOT recover funds that were inappropriately expended by non-Federal entities.

To identify findings that affect directly awarded DOT programs, we obtained 60 single audit reports prepared by independent auditors and posted to the Federal Audit Clearinghouse³ between October 1, 2022, and December 31, 2022. From these 60 single audit reports, we identified 47 DOT-related findings and

¹ A single audit, as required by the Single Audit Act of 1984, as amended, helps Government agencies and auditors oversee the expenditure of Federal funds by non-Federal entities.

² 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.

³ The Federal Audit Clearinghouse Image Management System is a public database of completed single audits—<https://facweb.census.gov/uploadpdf.aspx>—maintained by the U.S. Census Bureau on behalf of the Office of Management and Budget.

reported on 20 significant findings⁴ (43 percent). The auditors reported significant noncompliance with Federal guidelines related to 12 grantees that require prompt action from DOT's Operating Administrations (OA). Of the 20 findings, 11 were repeat findings related to 6 grantees. The auditors also identified questioned costs totaling \$5,538,037 from four grantees. Of this amount, \$3,703,195 was related to the Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, and \$1,787,378 was related to the Navajo Tribe.

Additionally, we identified the following nonmonetary repeat findings that caused qualified opinions.

- **Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, Fort Washakie, WY.** For compliance requirements for the Equipment and Real Property Management, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions, management did not implement an effective internal control system. During the audit period, the tribe did not file any required reports, maintain property records, or perform a physical inventory. Additionally, no support was provided for Procurement and Suspension and Debarment items selected for testing. Furthermore, vendors were not screened for suspension and debarment, prior to contract issuance.
- **County of San Joaquin, Stockton, CA.** Certified payroll reports selected for testing were not submitted timely, and untimely reports were received 19 to 195 days late.
- **State of Mississippi, Jackson, MS.** Mississippi DOT (MDOT) does not require contractors and subcontractors to submit timely statements that notify the Agency of wages paid to employees working on Federal projects.

See the table for a summary of significant single audit findings requiring DOT's most immediate attention.

We recommend that DOT

1. coordinate with impacted OAs to develop a corrective action plan to resolve and close the findings highlighted in this report; and

⁴ We consider a finding significant when DOT is the cognizant agency and the single audit report contains DOT related program findings; when DOT is the oversight or awarding agency and the report includes a qualified opinion, adverse opinion, or disclaimer opinion; or when a finding includes questioned costs over \$5,000.

2. determine the allowability of the questioned transactions and recover \$5,538,037, if applicable.

Within 30 days of this report, DOT should identify specific actions planned or taken to resolve⁵ our recommendations, and provide a target action date for implementation. We will track the recommendations until DOT provides documentation of final action. We will consider the recommendations closed upon our review and concurrence. If you have any questions, please email them to singleauditrequest@oig.dot.gov.

See exhibits A through L for details on the auditees; the non-Federal auditors' findings, including areas of noncompliance; the conditions identified; and the non-Federal auditors' recommendations.⁶

cc: The Secretary
DOT Audit Liaison, M-1
DOT Appointee for Single Audits
DOT Single Audit Liaison

⁵ Pursuant to DOT Memorandum, *Policy and Procedures for Expediting Action on Single Audit Report Recommendations* (2009).

⁶ These exhibits present verbatim information from reporting packages and Data Collection Forms that we downloaded from the Federal Audit Clearinghouse.

Table 1. Summary of Significant Single Audit Findings Impacting DOT Programs

Non-Federal Entities and End Dates of Audited Fiscal Years	Areas of Noncompliance ^a	Non-Federal Auditors' Finding Numbers	Questioned Costs ^b	Related Exhibits
Cobb County Government, Marietta, GA September 30, 2021	Procurement and Suspension and Debarment	2021-004	Not mentioned	A
City of Williston, Williston, ND December 31, 2021	Reporting	2021-005	None	B
The Navajo Nation, Window Rock, AZ, September 30, 2021	a. Equipment and Real Property Management b. Procurement and Suspension and Debarment	a. 2021-004 b. 2021-005	a. \$241,474 b. \$1,545,904	C
City of Madison Port Authority, Madison, IN, December 31, 2021	Procurement and Suspension and Debarment	2021-001	None	D
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, St. Louis, MO, June 30, 2022	Procurement and Suspension and Debarment	2022-001*	Not applicable	E
City of Manteca, Manteca, CA, June 30, 2020	Allowable Costs/Cost Principles	2020-001*	\$21,032	F

Non-Federal Entities and End Dates of Audited Fiscal Years	Areas of Noncompliance ^a	Non-Federal Auditors' Finding Numbers	Questioned Costs ^b	Related Exhibits
Confederated Tribes of the Colville Reservation, Nespelem, WA, September 30, 2020	Equipment and Real Property Management	2020-002*	Unknown	G
Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, Fort Washakie, WY, December 31, 2017	a. Allowable Costs/Cost Principles b. Allowable Costs/Cost Principles c. Equipment and Real Property Management d. Procurement and Suspension and Debarment e. Reporting f. Special Tests and Provisions	a. 2017-002* b. 2017-003* c. 2017-004* d. 2017-005* e. 2017-006* f. 2017-007*	a. \$1,080,313 b. \$924,235 c. Not applicable d. \$1,698,647 e. Not applicable f. Not applicable	H
Yankton Transit, Inc., Yankton, SD, September 30, 2020	Reporting	2020-001	None	I
County of San Joaquin, Stockton, CA, June 30, 2021	Special Tests and Provisions	2021-014*	None reported	J
State of Mississippi, Jackson, MS, June 30, 2021	a. Subrecipient Monitoring b. Subrecipient Monitoring c. Special Tests and Provisions	a. 2021-019 b. 2021-020* c. 2021-021	a. Not applicable b. Not applicable c. Not applicable	K
Ventura County Transportation Commission, Camarillo, CA, June 30, 2022	Procurement and Suspension and Debarment	2022-001	\$26,432	L

^a 2 C.F.R. Part 200, Appendix XI, Compliance Supplement, Part 3 identifies and describes 12 types of compliance requirements.

^b Non-Federal auditor findings do not always result in questioned costs.

*Repeat Finding

Source: Independent auditors' reports.

Exhibit A. Cobb County Government, Marietta, GA

Report Date: October 7, 2022

Fiscal Year Ending: September 30, 2021

Applicable DOT Operating Administration and Program: Federal Transit Administration (FTA); Federal Transit Formula Grants

Finding Number: 2021-004

Compliance Requirement: Procurement and Suspension and Debarment

Condition: The County did not follow the approval guidelines set forth in the Policy on Procurement and Contract Management relating to a contract made available from other governmental agencies.

Independent Auditor's Recommendation: The County should review internal control procedures relating to the review and approval of these type of contracts in relation to the County's policy.

Exhibit B. City of Williston, Williston, ND

Report Date: September 27, 2022

Fiscal Year Ending: December 31, 2021

Applicable DOT Operating Administration and Program: Federal Aviation Administration (FAA); Air Improvement Program

Finding Number: 2021-005

Compliance Requirement: Reporting

Condition: The City did not prepare or submit the above report (FAA Form 5100-126) in 2021.

Independent Auditor's Recommendation: The City should implement policies and procedures to ensure all required reports are submitted to the FAA.

Exhibit C. The Navajo Nation, Window Rock, AZ

Report Date: September 30, 2022

Fiscal Year Ending: September 30, 2021

Applicable DOT Operating Administration and Program: Federal Highway Administration (FHWA); Highway Planning and Construction Cluster

Finding Number: 2021-004

Compliance Requirement: Equipment and Real Property Management

Condition: Based on review of the Equipment Inventory Reconciliation, 18 out of 180 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 18 uncounted equipment had an original cost of \$241,474 out of total inventory of \$9,080,253.

Independent Auditor's Recommendation: The Navajo Nation should strengthen the controls around the performance of the physical inventory which should include a review of the inventory listing subsequent to the physical inventory to ensure all assets not counted in the previous year were counted during the current period.

Questioned Costs: \$241,474

Finding 2 of 2

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2021-005⁷

Compliance Requirement: Procurement and Suspension and Debarment

Condition: For one of the eleven samples selected which was above the Simplified Acquisition Threshold, there was no support showing cost or price analysis performed prior to receiving bids or proposal was able to be provided. The procurement totaled \$1,545,904.

Independent Auditor's Recommendations: We recommend the Nation update procurement policies and procedures to conform with requirements set forth in 2 CFR 200, Subpart D, "Procurement Standards" which includes the requirements to perform a cost price analysis on every procurement over the Simplified Acquisition Threshold. We also recommend the Nation strengthen process and internal controls to ensure that a cost or

⁷ Caused a Qualified Opinion on FHWA's Highway Planning and Construction Cluster.

price analysis is performed prior to receiving bids or proposals for all procurement actions above the Simplified Acquisition Threshold.

Questioned Costs: \$1,545,904

Exhibit D. City of Madison Port Authority, Madison, IN

Report Date: October 6, 2022

Fiscal Year Ending: December 31, 2021

Applicable DOT Operating Administration and Program: Federal Railroad Administration (FRA); Consolidated Rail Infrastructure and Safety Improvements Program

Finding Number: 2021-001⁸

Compliance Requirement: Procurement and Suspension and Debarment

Condition: The Authority had not designed and implemented an effective internal control system to ensure compliance requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The Authority did not obtain price or rate quotes for the sole vendor that was less than the simplified acquisition threshold, but exceeded the \$10,000 micro-purchase threshold. Documentation detailing the history of the procurement, which must include the reason for the procurement method used, was not available for audit. Additionally, the Authority indicated that the circumstances required a single source purchase method, which would be allowed under noncompetitive procurement. However, they did not provide documentation that would support the use of an alternative method.

Conflict of Interest Policy

The Authority's policies did not include standards of conduct covering conflicts of interest or to govern the actions of its employees engaged in selection, award and administration of contracts supported by federal awards.

Suspension and Debarment

The Authority's compliance with Suspension and Debarment requirements could not be verified. The documentation presented for audit for all three contracts selected for testing was not sufficient to determine that SAM exclusions were checked prior to entering into the covered transaction.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

⁸ Caused a Qualified Opinion in FRA's Consolidated Rail Infrastructure and Safety Improvements Program.

Independent Auditor's Recommendation: We recommended that the Authority's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Exhibit E. Bi-State Development Agency of the Missouri-Illinois Metropolitan District, St. Louis, MO

Report Date: October 25, 2022

Fiscal Year Ending: June 30, 2022

Applicable DOT Operating Administration and Program: FTA; Federal Transit Cluster

Finding Number: 2022-001 [**Repeat Finding:** 2021-002]

Compliance Requirement: Procurement and Suspension and Debarment

Condition: Prior to the execution of a contract, management should verify that the contractor has not been suspended or debarred.

Independent Auditor's Recommendation: We recommend that management review its processes and controls surrounding applicable compliance requirements to improve the existing system such that it will ensure compliance with the requirements of federal grants, and to review all current contracts to verify that required support is present.

Exhibit F. City of Manteca, Manteca, CA

Report Date: November 1, 2022

Fiscal Year Ending: June 30, 2020

Applicable DOT Operating Administration and Program: FTA; Federal Transit Formula Grants

Finding Number: 2020-001 [**Repeat Finding:** 2019-001]

Compliance Requirement: Allowable Costs/Cost Principles

Condition: We noted that the payroll costs for one employee were charged to the program based on a flat rate of 24.7% and 22.5% of the payroll costs, rather than based on the actual hours worked. Payroll costs, including salary and benefits, charged to the program during fiscal year 2020 totaled \$28,863.

Independent Auditor's Recommendation: The City should establish procedures to ensure that payroll costs charged to the program are documented in accordance with 2 CFR Part 200.430 for the Federal Transit-Formula Grants program and all federal grant programs.

Questioned Costs: \$21,032

Exhibit G. Confederated Tribes of the Colville Reservation, Nespalem, WA

Report Date: November 2, 2022

Fiscal Year Ending: September 30, 2020

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2020-002⁹ [**Repeat Finding:** 2019-003]

Compliance Requirement: Equipment and Real Property Management

Condition: 1) Management has not implemented an effective internal control system. 2) Property records were not maintained in FY 2020. 3) A physical inventory was not taken in 2019 or 2020 for all programs.

Independent Auditor's Recommendation: We recommend that the Department use the Green Book to design, implement, and operate internal controls to achieve its objectives related to operations, reporting, and compliance. In addition, we recommend that physical inventory is taken and that the results are reconciled with the property records at least once every two years.

⁹ Caused a Qualified Opinion on FHWA's Highway Planning and Construction Cluster.

Exhibit H. Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservation, Fort Washakie, WY

Report Date: November 2, 2022

Fiscal Year Ending: December 31, 2017

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-002¹⁰ [**Repeat Finding:** 2016-002]

Compliance Requirement: Allowable Costs/Cost Principles

Condition: Joint Programs' cash balance is not sufficient to cover the unearned revenue balances. The advance payments were not invested and kept available until expended for the purposes of the awards.

Independent Auditor's Recommendation: We recommend that Joint Programs obtain financing from other resources to increase the cash balance.

Questioned Costs: \$1,080,313

Finding 2 of 6

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-003¹¹ [**Repeat Finding:** 2016-003]

Compliance Requirement: Allowable Costs/Cost Principles

Condition: During transactional testing of the Highway Planning and Construction Cluster (CFDA # 20.205) program, the following were noted:

60 out of 60 transactions and 9 out of 9 individually important items had no support provided and were not given consistent treatment and were not adequately documented.

Independent Auditor's Recommendations: We recommend that the entity uses the Green Book to design, implement, and operate internal controls to achieve its objectives related

¹⁰ Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

¹¹ Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

to operations, reporting, and compliance. We also recommend all records be maintained and filed in a way that allows them to be located and reviewed at any point in time.

Questioned Costs: \$924,235

Finding 3 of 6

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-004¹² [**Repeat Finding:** 2016-004]

Compliance Requirement: Equipment and Real Property Management

Condition: 1) Management has not implemented an effective internal control system. 2) Property records were not maintained in FY 2017. 3) A physical inventory was not taken in 2016 or 2017.

Independent Auditor's Recommendations: We recommend that the entity uses the Green Book to design, implement, and operate internal controls to achieve its objectives related to operations, reporting, and compliance. In addition, we recommend that physical inventory is taken and that the results are reconciled with the property records at least once every 2 years.

Finding 4 of 6

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-005¹³ [**Repeat Finding:** 2016-005]

Compliance Requirement: Procurement and Suspension and Debarment

Condition:

- 1) Management has not implemented an effective internal control system.
- 2) For 12 out of 12 samples (including 9 out of 9 individually important items) selected for testing under the Highway Planning and Construction Cluster program, CFDA 20.205, no support was provided to perform testing. Additionally, no support was provided to support that the vendors selected for testing of suspension and debarment had been checked prior to contracting with them.

Independent Auditor's Recommendations: We recommend that the entity uses the Green Book to design, implement, and operate internal controls to achieve its objectives related

¹² Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

¹³ Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

to operations, reporting, and compliance. We also recommend that the Tribe conduct a training for staff to review the Tribe's procurement policies and procedures, and maintain all records in a way that allows them to be located and reviewed at any point in time.

Questioned Costs: \$1,698,647

Finding 5 of 6

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-006¹⁴ [**Repeat Finding:** 2016-006]

Compliance Requirement: Reporting

Condition: Management has not implemented an effective internal control system for reporting. The Tribe did not file any reports in FY 2017.

Independent Auditor's Recommendations: We recommend that the entity uses the Green Book to design, implement, and operate internal controls to achieve its objectives related to operations, reporting, and compliance. We also recommend that the Joint Programs send the funding agency the required reports in a timely manner.

Finding 6 of 6

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2017-007¹⁵ [**Repeat Finding:** 2016-007]

Compliance Requirement: Special Tests and Provisions

Condition: Management has not implemented an effective internal control system. No support was provided to test any special tests or provisions for this program.

Independent Auditor's Recommendations: We recommend that the entity uses the Green Book to design, implement, and operate internal controls to achieve its objectives related to operations, reporting, and compliance. We also recommend the Joint Programs maintain employee in records in a way that allows them to be located and reviewed at any point in time.

¹⁴ Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

¹⁵ Caused a Disclaimer Opinion on FHWA's Highway Planning and Construction Cluster.

Exhibit I. Yankton Transit, Inc., Yankton, SD

Report Date: October 10, 2022

Fiscal Year Ending: September 30, 2020

Applicable DOT Operating Administration and Program: FTA; Formula Grants for Rural Areas and Tribal Transit Program

Finding Number: 2020-001¹⁶

Compliance Requirement: Reporting

Condition: The audited financial statements were not submitted to the Federal Clearinghouse by the extended due date of December 31, 2021.

Independent Auditor's Recommendation: The management of Yankton Transit should establish a timely process to ensure completion of the audit by June 30 of each year.

¹⁶ Caused a Qualified Opinion on FTA's Formula Grants for Rural Areas and Tribal Transit Program.

Exhibit J. County of San Joaquin, Stockton, CA

Report Date: December 2, 2022

Fiscal Year Ending: June 30, 2021

Applicable DOT Operating Administration and Program: FAA; Airport Improvement Program

Finding Number: 2021-014¹⁷ [**Repeat Finding:** 2020-016]

Compliance Requirement: Special Tests and Provisions

Condition: As a result of our audit procedures, we noted certified payroll reports for 19 out of 41 contracts selected for testing were not submitted timely (weekly), ranging from 19 to 195 days past the required due date.

Independent Auditor's Recommendation: We recommend that Airport implement policies and procedures to review certified payroll reports submitted by contractors and subcontractors to ensure they are prepared properly and submitted timely.

¹⁷ Caused a Qualified Opinion on FAA's Airport Improvement Program.

Exhibit K. State of Mississippi, Jackson, MS

Report Date: November 11, 2022

Fiscal Year Ending: June 30, 2021

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2021-019¹⁸

Compliance Requirement: Subrecipient Monitoring

Condition: Based on conversations with management, MDOT is not reviewing Single Audits submitted by sub recipients within six months of acceptance to the FAC. MDOT only reviews Single Audit reports available at the time of application and awarding federal funds to LPAs.

During review of one 2019 Federal Year End submitted Single Audit Report of a subrecipient with MDOT as the PTE, we noted the Single Audit report identified a material weakness for Assistance Listing Number 20.205 due to the sub recipient requesting reimbursements prior to actual payment of project costs. MDOT did not issue a management decision regarding a material weakness noted.

Independent Auditor's Recommendation: We recommend that the Mississippi Department of Transportation strengthen controls to ensure compliance with the Sub recipient Monitoring requirements.

Finding 2 of 3

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2021-020¹⁹ [Repeat Finding: 2020-034]

Compliance Requirement: Subrecipient Monitoring

Condition: MDOT is not requiring contractors or subcontractors to submit within seven days after the regular payment date of the payroll period a statement with respect to the wages paid to each of its employees engaged in federal projects.

MDOT was unable to correct prior year finding 2020-034 due to timing of MDOT's submitted corrective action plan dated June 29, 2021. MDOT denoted in submitted corrective action plan

¹⁸ Caused a Qualified Opinion on FHWA's Highway Planning and Construction Cluster.

¹⁹ Caused a Qualified opinion on FHWA's Highway Planning and Construction Cluster.

that estimated completion of corrective action would occur by August 1, 2021. MDOT also stated in submitted summary schedule of prior federal audit findings dated June 21, 2022, that the prior year finding was fully corrected. However, due to the corrective action occurring after fiscal year 2021 year-end, Auditor was unable to determine if MDOT's corrective action was properly implemented for fiscal year 2021.

Independent Auditor's Recommendations: We recommend MDOT strengthen controls to ensure compliance with federal wage rate requirements.

Finding 3 of 3

Applicable DOT Operating Administration and Program: FHWA; Highway Planning and Construction Cluster

Finding Number: 2021-021²⁰

Compliance Requirement: Special Tests and Provisions

Condition: During review of MDOT's Quality Assurance Program, we identified the following:

- Twenty (20) instances, out of 100 sampling records selected for testing, in which the selected sample was completed, reviewed, and authorized by the same employee.
- Four (4) instances, out of fifty (50) sampling records selected for testing, in which the sample did not appear on the TMD-891 report. The TMD-891 report denotes all IAS samples taken for a project and states whether the sample was favorable or non-favorable when compared to the appropriate Job Control Acceptance sample.
- Four (4) instances, out of fifty (50) IAS sample records selected for testing, in which IAS personnel did not meet the minimum sampling guidelines.

Independent Auditor's Recommendations: We recommend MDOT strengthen controls over their Quality Assurance Program.

²⁰ Caused a Qualified Opinion on FHWA's Highway Planning and Construction Cluster.

Exhibit L. Ventura County Transportation Commission, Camarillo, CA

Report Date: November 14, 2022

Fiscal Year Ending: June 30, 2022

Applicable DOT Operating Administration and Program: FTA; Federal Transit Formula Grants

Finding Number: 2022-001

Compliance Requirement: Procurement and Suspension and Debarment

Condition: As part of compiling the Commission's population for procurements, from which a procurement sample would be selected, the Commission identified \$26,432 of expenditures charged to the grant that were erroneously included in SEFA, as the procurement methods were not eligible for federal expenditures. As a result, prior to us testing compliance related to procurement, the Commission reclassified the \$26,432 of expenditures from the federal grant, and removed from the SEFA, as of June 30, 2022.

Independent Auditor's Recommendation: We recommend that the Commission review its closing policies and procedures as well as its federal grant management procedures to ensure procurement methods are considered prior to claiming expenditures or reporting on the SEFA.

Questioned Costs: \$26,432

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