Quality Control Review on the Revised Fiscal Year 2017 Single Audit of the City of Riverton, Riverton, WY

Report No. QC2018103
September 25, 2018
Quality Control Review on the Revised Fiscal Year 2017 Single Audit of the City of Riverton, Riverton, WY

Self-Initiated

Federal Aviation Administration | QC2018103 | September 25, 2018

What We Looked At
In our original quality control review (QCR), report number QC2018077, dated August 27, 2018, we found Anton Collins Mitchell LLP’s (ACM) audit work did not comply with the requirements of the Single Audit Act, the Uniform Guidance, and the U.S. Department of Transportation’s (DOT) major programs. We found that ACM’s audit documentation contained audit quality deficiencies that affected the reliability of the audit results applicable to both of DOT’s major programs. These audit quality deficiencies required correction for the City’s fiscal year 2017 single audit.

We performed a follow-up QCR on the revised single audit that ACM performed for the City of Riverton’s fiscal year that ended June 30, 2017. During this period, the City expended approximately $1.9 million from DOT grant programs. ACM determined that DOT’s major programs were the Airport Improvement Program and the Small Community Air Service Development Program.

Our follow-up QCR objectives were to determine whether (1) the revised audit work complied with the Single Audit Act of 1984, as amended, the Office of Management and Budget’s Uniform Guidance, and the extent to which we could rely on the auditors’ revised work on DOT’s major programs, and (2) the City’s revised reporting package complied with the reporting requirements of the Uniform Guidance.

What We Found
ACM’s revised audit work complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major programs. We found nothing to indicate that ACM’s opinion on each of DOT’s major programs was inappropriate or unreliable. However, we identified a deficiency in the City’s revised reporting package that required correction and resubmission.

All OIG audit reports are available on our website at www.oig.dot.gov.

For inquiries about this report, please contact our Office of Legal, Legislative, and External Affairs at (202) 366-8751.
Memorandum

Date: September 25, 2018

Subject: FINAL REPORT: Quality Control Review on the Revised Fiscal Year 2017 Single Audit of the City of Riverton, Riverton, WY | Report No. QC2018103

From: George E. Banks, IV
Program Director

To: Regional Administrator, Federal Aviation Administration (FAA), Northwest Mountain Region

The U.S. Department of Transportation (DOT) is the oversight\(^1\) Federal single audit\(^2\) Agency for the City of Riverton (City). In our original quality control review (QCR), report number QC2018077, dated August 27, 2018, we found Anton Collins Mitchell LLP’s (ACM) audit work did not comply with the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major programs. We found that ACM’s audit documentation contained audit quality deficiencies that affected the reliability of the audit results applicable to both of DOT’s major programs. These audit quality deficiencies required correction for the City’s fiscal year 2017 single audit.

Accordingly, ACM performed a revised single audit for the City’s fiscal year that ended June 30, 2017.\(^3\) During this period, the City expended approximately $1.9 million from DOT grant programs. ACM determined that DOT’s major programs were the Airport Improvement Program and the Small Community Air Service Development Program.

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\(^1\) An oversight agency is the Federal agency that provides the predominant amount of direct funding to a non-Federal entity that expends less than $50 million in Federal funding.

\(^2\) A single audit, as required by the Single Audit Act of 1984, as amended, combines a financial statement audit with other required audit coverage. Under the act, a single audit is required when a non-Federal entity expends more than $750,000 of Federal funds during a fiscal year.

\(^3\) Copies of single audit reports prepared pursuant to the Office of Management and Budget’s (OMB) Uniform Guidance are available for download at https://harvester.census.gov/facweb/.
ACM rendered an unmodified opinion on the City’s financial statements and compliance with the requirements on each of DOT’s major programs and did not question any costs.4 We performed a follow-up QCR on ACM’s revised audit work as it pertains to DOT’s major programs included in the single audit and on the City’s revised reporting package.5

We appreciate the courtesies and cooperation of ACM representatives during this review. 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 (443) 602-4147.

cc: The Secretary
DOT Appointee for Single Audits
DOT Single Audit Liaison
Audit Liaison, FAA, ACO-100

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4 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.

5 The reporting package submitted by the grantee to the Federal Audit Clearinghouse includes the financial statements, the schedule of expenditures of Federal awards, the schedule of prior audit findings (if applicable), and the auditor’s report(s) on (a) the financial statements; (b) internal control over financial reporting and compliance and other matters; and (c) compliance for each major program. In addition, a data collection form is submitted to provide information about the auditee, its Federal programs, and the results of the audit.
QCR Objectives

Our follow up QCR objectives were to determine whether (1) the revised audit work complied with the Single Audit Act of 1984, as amended, the Office of Management and Budget’s Uniform Guidance, and the extent to which we could rely on the auditors’ revised work on DOT’s major programs, and (2) the City’s revised reporting package complied with the reporting requirements of the Uniform Guidance.

QCR Results

Our follow-up QCR entailed reviews of ACM’s revised audit work and City’s revised reporting package.

Review of Revised Audit Work

ACM complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major programs, and we found nothing to indicate that ACM’s opinion on each of DOT major programs was inappropriate or unreliable. Accordingly, we assigned ACM an overall rating of pass.6

Review of Revised Reporting Package

In our desk review of the City’s revised reporting package submitted to the Federal Audit Clearinghouse, we identified a deficiency that required correction and resubmission. ACM reissued its Single Audit report but did not re-date7 it. After we identified this issue, ACM re-dated the report and coordinated with the City to jointly re-submit the corrected reporting package to the Federal Audit Clearinghouse.

6 The Council of Inspectors General on Integrity and Efficiency’s Guide for QCRs of single audits provides a methodology for rating auditors’ work with three possible ratings—pass, pass with deficiencies, and fail.
7 When the auditor performs additional procedures to obtain sufficient evidence for all of the Government programs being reported on, the auditor should re-date the report so that it reflects when sufficient evidence was obtained.
Our Mission

OIG conducts audits and investigations on behalf of the American public to improve the performance and integrity of DOT’s programs to ensure a safe, efficient, and effective national transportation system.