Quality Control Review on a Single Audit of the Delaware Valley Regional Planning Commission, Philadelphia, PA

Report No. QC2020034

May 6, 2020
What We Looked At
We performed a quality control review (QCR) on the single audit that Baker Tilly Virchow Krause, LLP (Baker Tilly) performed for the Delaware Valley Regional Planning Commission’s (Commission) fiscal year that ended June 30, 2018. During this period, the Commission expended approximately $19.2 million from the U.S. Department of Transportation’s (DOT) grant programs. Baker Tilly determined that DOT’s major program was the Highway Planning and Construction Cluster.

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

What We Found
Baker Tilly’s audit work complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major program. We found nothing to indicate that Baker Tilly’s opinion on DOT’s major program was inappropriate or unreliable. However, we identified deficiencies in the Commission’s reporting package that required correction and resubmission.
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Memorandum

Date: May 6, 2020


From: George E. Banks, IV
Program Director

To: Division Administrator, Federal Highway Administration (FHWA), Pennsylvania Division Office

The U.S. Department of Transportation (DOT) is the oversight Federal single audit Agency for the Delaware Valley Regional Planning Commission (Commission). Baker Tilly Virchow Krause, LLP (Baker Tilly) performed the single audit for the Commission’s fiscal year that ended June 30, 2018. During this period, the Commission expended approximately $19.2 million from DOT grant programs. Baker Tilly determined that DOT’s major program was the Highway Planning and Construction Cluster.

Baker Tilly rendered an unmodified opinion on the Commission’s financial statements and compliance with the requirements of the DOT major program and did not question any costs. We performed a quality control review (QCR) on

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/.
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.
Baker Tilly’s audit work as it pertains to DOT’s major program included in the single audit and on the Commission’s reporting package.\(^5\)

We appreciate the courtesies and cooperation of Baker Tilly 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, FHWA, HCFB-32
Partner, Baker Tilly Virchow Krause, LLP
Comptroller, Delaware Valley Regional Planning Commission

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\(^5\) 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 QCR objectives were to determine (1) whether the audit work complied with the Single Audit Act of 1984, as amended, and the Office of Management and Budget’s Uniform Guidance, and the extent to which we could rely on the auditors’ work on DOT’s major program, and (2) whether the Commission’s reporting package complied with the reporting requirements of the Uniform Guidance.

QCR Results

Our QCR entailed reviews of Baker Tilly’s audit work and the Commission’s reporting package.

Review of Audit Work

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

Review of Reporting Package

In our desk review of Commission’s reporting package submitted to the Federal Audit Clearinghouse, we identified the following deficiencies that required correction and resubmission.

On the Schedule of Expenditures of Federal Awards, two programs were listed with the incorrect titles.

- A Federal Transit Administration program was listed as “Federal Transit Technical Studies Grant,” but the correct title is “Metropolitan Transportation Planning and State and Non-metropolitan Planning and Research.”

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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.
• An Environmental Protection Administration program was listed as “Mid-Atlantic Ports,” but the correct title is “Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act.”

After we identified these issues, Baker Tilly and the Commission jointly re-submitted a corrected reporting package to the Federal Audit Clearinghouse.
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.