



U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

**Quality Control Review on a Single Audit
of the Valley Metro Regional Public
Transportation Authority, Phoenix, AZ**

FTA

Report No. QC2019085

September 25, 2019





Quality Control Review on a Single Audit of the Valley Metro Regional Public Transportation Authority, Phoenix, AZ

Self-Initiated

Federal Transit Administration | QC2019085 | September 25, 2019

What We Looked At

We performed a quality control review (QCR) on the single audit that CliftonLarsonAllen LLP (CLA) performed for the Valley Metro Regional Public Transportation Authority's (Authority) fiscal year that ended June 30, 2018. During this period, the Authority expended approximately \$51 million from the U.S. Department of Transportation's (DOT) grant programs. CLA determined that DOT's major program was the Federal Transit 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 Authority's reporting package complied with the reporting requirements of the Uniform Guidance.

What We Found

CLA'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 CLA's opinion on DOT's major program was inappropriate or unreliable. We did not identify any deficiencies in the Authority's reporting package that required correction and resubmission.

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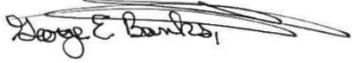
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Memorandum

Date: September 25, 2019

Subject: FINAL REPORT: Quality Control Review on a Single Audit of the Valley Metro Regional Public Transportation Authority, Phoenix, AZ | Report No. QC2019085



From: George E. Banks, IV
Program Director

To: Regional Administrator, Federal Transit Administration, Region 9

The U.S. Department of Transportation (DOT) is the cognizant¹ Federal single audit² Agency for the Valley Metro Regional Public Transportation Authority (Authority). CliftonLarsonAllen LLP (CLA) performed the single audit for the Authority's fiscal year that ended June 30, 2018.³ During this period, the Authority expended approximately \$51 million from DOT grant programs. CLA determined that DOT's major program was the Federal Transit Cluster.

CLA rendered an unmodified opinion on Authority's financial statements and compliance with DOT major program requirements and did not question any costs.⁴

¹ A cognizant agency for audit is the Federal agency that provides the predominant amount of direct funding to a non-Federal entity that expends over \$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 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.

We performed a quality control review (QCR) on CLA's audit work as it pertains to DOT's major program included in the single audit and on the Authority's reporting package.⁵

We appreciate the courtesies and cooperation of CLA 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, Federal Transit Administration, TSO-30
Principal, CLA LLP
Controller, Valley Metro Regional Public Transportation Authority

⁵ The reporting package that the grantee submits 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. A data collection form provides information about the auditee, its Federal programs, and audit results.

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 Authority's reporting package complied with the reporting requirements of the Uniform Guidance.

QCR Results

Our QCR entailed reviews of CLA's audit work and the Authority's reporting package.

Review of Audit Work

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

Review of Reporting Package

We did not identify any deficiencies in Authority's reporting package submitted 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.

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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.

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