



FAA

Report QC2023021
March 13, 2023

Quality Control Review on a Single Audit of the Indianapolis Airport Authority, Indianapolis, IN



Quality Control Review on a Single Audit of the Indianapolis Airport Authority, Indianapolis, IN

Self-Initiated

Federal Aviation Administration | QC2023021 | March 13, 2023

What We Looked At

We performed a quality control review (QCR) on the single audit that FORVIS, LLP performed for the Indianapolis Airport Authority's (IAA) fiscal year that ended December 31, 2021. During this period, IAA expended approximately \$48.5 million from a U.S. Department of Transportation (DOT) grant program, the Federal Aviation Administration's Airport Improvement Program, which FORVIS determined was a major program.

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

What We Found

In our QCR, we determined that FORVIS' 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 FORVIS's opinion on DOT's major program was inappropriate or unreliable. In addition, we did not identify deficiencies in IAA's reporting package that required correction and resubmission.

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Memorandum

Date: March 13, 2023

Subject: FINAL REPORT: Quality Control Review on a Single Audit of the Indianapolis Airport Authority, Indianapolis, IN | Report No. QC2023021

From: Ingrid Harris, Program Director *AIH*

To: Financial Management Analyst, Federal Aviation Administration

The U.S. Department of Transportation (DOT) is the oversight¹ Federal single audit² Agency for the Indianapolis Airport Authority (IAA). FORVIS, LLP³ performed the single audit for IAA's fiscal year that ended December 31, 2021.⁴ During this period, IAA expended approximately \$48.5 million from a DOT grant program, the Federal Aviation Administration's Airport Improvement Program, which FORVIS determined was a major program.

FORVIS rendered an unmodified opinion on IAA's financial statements and compliance with the requirements of the major grant program, and did not question any costs.⁵ We performed a quality control review (QCR) on FORVIS's audit work as it pertains to DOT's major program included in the single audit and on IAA's reporting package.⁶

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 BKD, LLP performed the single audit then merged with DHG, effective June 1, 2022, resulting in the creation of FORVIS, LLP. In this report, we refer to BKD as FORVIS.

⁴ Copies of single audit reports prepared pursuant to the Office of Management and Budget's Uniform Guidance are available for download at <https://facdissem.census.gov/>.

⁵ 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.

⁶ 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.

We appreciate the courtesies and cooperation of FORVIS representatives during this review. If you have any questions concerning this report, please contact me, or Matthew Straw, DOT's National Single Audit Coordinator.

cc: The Secretary
DOT Appointee for Single Audits
DOT Single Audit Liaison
Audit Liaison, Federal Aviation Administration
Partner, FORVIS
CFO, Indianapolis Airport Authority

QCR Objectives

Our QCR objectives were to determine whether (1) the 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' work on DOT's major program, and (2) IAA's reporting package complied with the reporting requirements of the Uniform Guidance.

QCR Results

Our QCR entailed reviews of FORVIS's audit work and IAA's reporting package.

Review of Audit Work

FORVIS complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT's major program. We found nothing to indicate that FORVIS' opinion on DOT's major program was inappropriate or unreliable. Accordingly, we assigned FORVIS an overall rating of *pass*.⁷

Review of Reporting Package

In our desk review⁸ of IAA's reporting package submitted to the Federal Audit Clearinghouse, we did not identify any deficiencies that required correction and resubmission.

⁷ 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.

⁸ The objectives of this desk review include determining whether the audit report is acceptable under the Uniform Guidance's reporting requirements and identifying any quality issues that may warrant follow up audit work and/or revision to the reporting package.

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