Quality Control Review on the Single Audit of the Kansas City Area Transportation Authority, Kansas City, MO
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Self-Initiated
Federal Transit Administration | QC2018026 | February 28, 2018

What We Looked At
This report presents the results of our quality control review (QCR) on the U.S. Department of Transportation’s (DOT) major grant programs included a single audit that RSM US LLP (RSM) performed for the Kansas City Area Transportation Authority’s (Authority) fiscal year that ended December 31, 2016. During this period, the Authority expended approximately $18 million from DOT grant programs. RSM determined that DOT’s major programs were the Federal Transit Cluster and the Transit Services Programs Cluster.

The purpose of our QCR was to determine (1) whether the audit work and reporting package complied with the Single Audit Act of 1984, as amended, and the Uniform Guidance and (2) the extent to which we could rely on the auditors’ work on DOT’s major programs.

What We Found
Firms can receive a rating of pass, pass with deficiency(ies), or fail. Based on our QCR, we assigned an overall rating of pass with a deficiency to RSM’s work. Therefore, RSM generally met the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major programs. We found nothing to indicate that RSM’s opinion on the Federal Transit Cluster and the Transit Services Programs Cluster was inappropriate or unreliable.
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Memorandum

Date: February 28, 2018

Subject: FINAL REPORT: Quality Control Review on the Single Audit of the Kansas City Area Transportation Authority, Kansas City, MO | Report No. QC2018026

From: George E. Banks, IV
Program Director for Single Audit

To: Regional Administrator, FTA, Region 4

The U.S. Department of Transportation (DOT) is the oversight Federal single audit Agency for the Kansas City Area Transportation Authority (Authority). This report presents the results of our quality control review (QCR) on DOT’s major grant programs included in the single audit that RSM US LLP (RSM) performed for the Authority’s fiscal year that ended December 31, 2016.

We appreciate the courtesies and cooperation of RSM 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
Audit Liaison, FTA, TSO-30
Audit Liaison, OST, M-1
Vice President of Finance/CFO, Kansas City Area Transportation Authority
Partner, RSM US LLP
The Independent Auditor’s Work

During this period, the Authority expended approximately $18 million from DOT grant programs. RSM determined that DOT’s major programs were the Federal Transit Cluster and the Transit Services Programs Cluster.

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.

RSM rendered an unmodified opinion on the Authority’s financial statements and compliance with each of DOT’s major program’s requirements and did not question any costs.¹

Our QCR

The purpose of our QCR was to determine (1) whether the audit work and reporting package complied with the Single Audit Act of 1984, as amended, and the Uniform Guidance and (2) the extent to which we could rely on the auditors’ work on DOT’s major programs.

Firms can receive a rating of pass, pass with deficiency(ies), or fail. Based on our QCR, we assigned an overall rating of pass with a deficiency to RSM’s work. Therefore, RSM generally met the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major programs. While we found nothing to indicate that RSM’s opinion on each of DOT’s major programs was inappropriate or unreliable, we found the following deficiency in RSM’s work that should be corrected in future audits.

Equipment and Real Property Management. RSM’s audit documentation did not state that the Authority safeguarded and maintained the equipment it acquired with Federal funds.

¹ A copy of RSM’s single audit report is available by request to singleauditrequest@oig.dot.gov.
The Single Audit Reporting Package

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