The U. S. Department of Transportation (DOT) is the oversight Federal single audit agency for Southwest Ohio Regional Transit Authority (Authority) of Cincinnati, OH. This report presents the results of our Quality Control Review (QCR) on DOT’s major grant program included in the single audit of the Authority that CliftonLarsonAllen LLP (CLA) performed for the Authority’s fiscal year ended December 31, 2015. During this period, the Authority expended approximately $44 million from DOT grant programs. CLA determined that DOT’s major program was the Federal Transit 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.

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

¹ A copy of CLA’s single audit report is available by request to singleauditrequest@oig.dot.gov.
SCOPE

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 Uniform Guidance, and (2) the extent to which we could rely on the auditors’ work on DOT’s major program, the Federal Transit Cluster.

RESULTS

Audit Work

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 deficiencies to CLA’s work. Therefore, CLA generally met the requirements of the Single Audit Act, the Uniform Guidance, and DOT’s major program. While we found nothing to indicate that CLA’s opinion on the Federal Transit Cluster was inappropriate or unreliable, we found the following deficiencies in CLA’s work that should be corrected in future audits.

Internal Controls Related to Special Tests & Provisions (Wage Determination). CLA’s audit documentation did not support that it (1) obtained an understanding of the internal controls, (2) planned its testing of the internal controls, or (3) tested the internal controls in order to support a low assessed level of control risk.

Evaluation of Sample Selection Used for Contract Testing. CLA did not evaluate the composition of the sample it used to test contracts. As a result, CLA did not test compliance requirements for the Americans with Disabilities Act of 1990, Disadvantaged Business Enterprises, Buy America, and the Special Tests and Provisions—Wage Determination.

Reporting Package

We did not identify any deficiencies applicable to the Authority’s reporting package submitted to the Federal Audit Clearinghouse.

If you have any questions concerning this report, please call me at (410) 962-1729, or John R. Sysak, DOT’s National Single Audit Coordinator, at (410) 962-2630.

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cc: The Secretary
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   Audit Liaison, OST, M-1
   Managing Principal, CliftonLarsonAllen LLP
   Accounting Manager, Southwest Ohio Regional Transit Authority