



U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

**Report on a Single Audit of the
Association of Village Council Presidents,
Bethel, AK**

FHWA

Report No. SA2019071

September 10, 2019





Report on a Single Audit of the Association of Village Council Presidents, Bethel, AK

Self-Initiated

Federal Highway Administration | SA2019071 | September 10, 2019

What We Looked At

We reviewed the Association of Village Council President's single audit report for the fiscal year ending December 31, 2017, in order to identify findings that affect directly awarded Department of Transportation programs. An independent auditor prepared the single audit report, dated May 7, 2019.

What We Found

We found that the report contained a procurement and suspension and debarment finding, reporting findings, and a special tests and provisions finding that need prompt action from the Federal Highway Administration's (FHWA) management.

Recommendations

We recommend that FHWA ensures that the Council complies with the procurement and suspension and debarment, reporting, and special tests and provisions requirements.



Memorandum

Date: September 10, 2019

Subject: ACTION: Report on a Single Audit of the Association of Village Council Presidents, Bethel, AK | Report No. SA2019071



From: George E. Banks, IV
Program Director

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

The Office of the Inspector General performs oversight of non-Federal auditors' single audit¹ reports and issues memoranda listing significant findings and recommendations requiring action by the Department of Transportation (DOT). When warranted, we also recommend that agencies recover funds that were inappropriately expended by non-Federal entities. Between 300 and 400 single audit reports are issued annually that include findings related to major programs directly funded by DOT.

We obtained the Association of Village Council President's single audit report for the fiscal year ended December 31, 2017, from the Federal Audit Clearinghouse's Image Management System.² An independent auditor performed the audit in accordance with generally accepted Government auditing standards and the Office of Management and Budget's Uniform Guidance,³ and issued a report⁴

¹ A single audit, as required by the Single Audit Act of 1984, as amended, helps Government agencies and auditors oversee the expenditure of Federal funds by non-Federal entities.

² The Federal Audit Clearinghouse Image Management System is a public database of completed single audits—<http://harvester.census.gov/facweb/>—maintained by the U.S. Census Bureau on behalf of OMB.

³ 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.

⁴ Copies of single audit reports are available at the Clearinghouse's website, <https://harvester.census.gov/facweb/>.

dated May 7, 2019. See the table for the independent auditor's findings and our recommendations.

Within 30 days of this report, your Agency should identify specific actions planned or taken to resolve⁵ the independent auditor's findings, and provide a target action date for implementation of our recommendations. We will track the recommendations until your Agency provides documentation of final action. We will consider the recommendations closed upon our review and concurrence. All actions should be coordinated through your Agency's Single Audit Liaison. If you have any questions, please email them to singleauditrequest@oig.dot.gov.

cc: The Secretary
DOT Appointee for Single Audits
DOT Single Audit Liaison
Audit Liaison, FHWA, HCFB-32

⁵ Pursuant to DOT Memorandum, *Policy and Procedures for Expediting Action on Single Audit Report Recommendations* (2009).

Table. Independent Auditor’s Findings and OIG Recommendations

| Independent Auditor’s Finding Numbers | Summary of Independent Auditor’s Findings | OIG Recommendation Codes ^a | OIG Recommendations |
|--|--|---------------------------------------|--|
| 2017-006 ^b | Non-compliance with the procurement and suspension and debarment requirements. | A1 | We recommend that FHWA ensures that the Council complies with the procurement and suspension and debarment requirements. |
| 2017-007 ^b 2017-008 ^b | Non-compliance with the reporting requirements. | B2 | We recommend that FHWA ensures that the Council complies with the reporting requirements. |
| 2017-009 ^b | Non-compliance with the special tests and provisions requirements. | C3 | We recommend that FHWA ensures that the Council complies with the special tests and provisions requirements. |

^a We internally assign these codes and use them to track recommendations. We have included them as a convenience to the Department when responding to this report.

^b Caused a qualified opinion on the Highway Planning and Construction Program (Indian Reservations Roads Program).

Source: Independent auditor’s report.

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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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