



U.S. DEPARTMENT OF TRANSPORTATION  

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**OFFICE OF INSPECTOR GENERAL**

**Report on a Single Audit of the  
Municipality of Anchorage,  
Anchorage, AK**

Report No. SA2019061

July 31, 2019



## Report on a Single Audit of the Municipality of Anchorage, Anchorage, AK

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*Self-Initiated*

Federal Aviation Administration and Federal Transit Administration | SA2019061 | July 31, 2019

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### What We Looked At

We reviewed the Municipality of Anchorage'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 January 22, 2019.

### What We Found

We found that the report contained a special tests and provisions finding that needs prompt action from the Federal Aviation Administration's (FAA) management and an activities allowed or unallowed and an equipment and real property management finding that need prompt action from the Federal Transit Administration's (FTA) management.

### Recommendations

We recommend that FAA ensures that the Municipality complies with the special tests and provisions requirements. We also recommend that FTA ensures that the Municipality complies with the activities allowed or unallowed and equipment and real property management requirements, and recovers \$64,371 from the Municipality, if applicable.

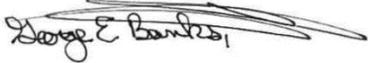


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## Memorandum

Date: July 31, 2019

Subject: ACTION: Report on a Single Audit of the Municipality of Anchorage, Anchorage, AK | Report No. SA2019061



From: George E. Banks, IV  
Program Director

To: Regional Administrator, Federal Aviation Administration (FAA), Alaskan Region  
Regional Administrator, Federal Transit Administration (FTA), Region 10

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The Office of the Inspector General performs oversight of non-Federal auditors' single audit<sup>1</sup> 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 audits reports are issued annually that include findings related to major programs directly funded by DOT.

We obtained the Municipality of Anchorage's single audit report for the fiscal year ended December 31, 2017 from the Federal Audit Clearinghouse's Image Management System.<sup>2</sup> An independent auditor performed the audit in accordance with generally accepted Government auditing standards and the Office of Management and Budget's Uniform Guidance<sup>3</sup> and issued a report<sup>4</sup> dated January 22, 2019. See the table for the independent auditor's findings and our recommendations.

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

Within 30 days of this report, your Agency should identify specific actions planned or taken to resolve<sup>5</sup> 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](mailto:singleauditrequest@oig.dot.gov).

cc: The Secretary  
DOT Appointee for Single Audits  
DOT Single Audit Liaison  
Audit Liaison, FAA, ACO-100  
Audit Liaison, FTA, TSO-30

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<sup>5</sup> 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 <sup>a</sup>	OIG Recommendations
2017-006	Non-compliance with the special tests and provisions requirements.	A1	We recommend that FAA ensures that the Municipality complies with the special tests and provisions requirements.
2017-007	Non-Compliance with the activities allowed or unallowed requirements, resulting in questioned costs of \$151.	B2	We recommend that FTA ensures that the Municipality complies with the activities allowed or unallowed requirements.
2017-007	Same	B3	We recommend that FTA recovers \$151 from the Municipality, if applicable.
2017-008	Non-Compliance with the equipment and real property management requirements, resulting in questioned costs of \$64,220.	C4	We recommend that FTA ensures that the Municipality complies with the equipment and real property management requirements.
2017-008	Same	C5	We recommend that FTA recovers \$64,220 from the Municipality, if applicable.

<sup>a</sup> 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.

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.

**OFFICE OF INSPECTOR GENERAL**  
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