



U.S. DEPARTMENT OF TRANSPORTATION  

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**OFFICE OF INSPECTOR GENERAL**

**Report on a Single Audit of the  
State of Nebraska, Lincoln, NE**

Report No. SA2019080

September 18, 2019



## Report on a Single Audit of the State of Nebraska, Lincoln, NE

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*Self-Initiated*

Federal Transit Administration and National Highway Traffic Safety Administration | SA2019080|  
September 18, 2019

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### What We Looked At

We reviewed the State of Nebraska's single audit report for the fiscal year ended June 30, 2018, in order to identify findings that affect directly awarded Department of Transportation programs. An independent auditor prepared the single audit report, dated March 19, 2019.

### What We Found

We found that the report contained two allowable costs/cost principles and subrecipient monitoring findings that need prompt action from the Federal Transit Administration's (FTA) management. We also found that the report contained an allowable costs/cost principles and subrecipient monitoring finding that needs prompt action from the National Highway Traffic Safety Administration's (NHTSA) management.

### Recommendations

We recommend that FTA ensures that the State complies with the allowable costs/cost principles and subrecipient monitoring requirements. We also recommend that NHTSA ensures that the State complies with the allowable costs/cost principles and subrecipient monitoring requirements. In addition, we recommend that FTA recovers \$303,917 and NHTSA recovers \$11,745 from the State, if applicable.

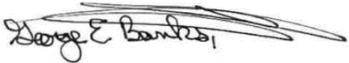


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## Memorandum

Date: September 18, 2019

Subject: ACTION: Report on a Single Audit of the State of Nebraska, Lincoln, NE | Report No. SA2019080



From: George E. Banks, IV  
Program Director

To: Regional Administrator, Federal Transit Administration (FTA), Region 7  
Regional Administrator, National Highway Traffic Safety Administration (NHTSA), Region 7

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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 audit reports are issued annually that include findings related to major programs directly funded by DOT.

We obtained the State of Nebraska's single audit report for the fiscal year ended June 30, 2018, 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

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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/>.

March 19, 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 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, FTA, TSO-30  
Audit Liaison, NHTSA, NFO-200

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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	Independent Auditor’s Findings	OIG Recommendation Codes <sup>a</sup>	OIG Recommendations
2018-067 2018-068 <sup>b</sup>	Non-compliance with the allowable costs/cost principles and subrecipient monitoring requirements, resulting in questioned costs of \$303,917.	A1	We recommend that FTA ensures the State complies with the allowable costs/cost principles and subrecipient monitoring requirements.
2018-067	Same	A2	We recommend that FTA recovers \$232,750 (2018-067) from the State, if applicable.
2018-068 <sup>b</sup>	Same	A3	We recommend that FTA recovers \$71,167 (2018-068) from the State, if applicable.
2018-070	Non-compliance with the allowable costs/cost principles and subrecipient monitoring requirements, resulting in questioned costs of \$11,745.	B4	We recommend that NHTSA ensures the State complies with the allowable costs/cost principles and subrecipient monitoring requirements.
2018-070	Same	B5	We recommend that NHTSA recovers \$11,745 from the State, 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.

<sup>b</sup> Caused a qualified opinion on the Formula Grants for Rural Areas 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.

**OFFICE OF INSPECTOR GENERAL**  
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