



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Quality Control Review on
the Single Audit of the South Carolina Department
of Transportation, Columbia, SC
Report No. QC-2015-075

Date: August 13, 2015

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

Reply to
Attn. of: JA-20

To: Division Administrator, FHWA, South Carolina Division Office
Regional Administrator, FTA, Region II

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the South Carolina Department of Transportation (SCDOT) Columbia, SC. This report presents the results of our Quality Control Review (QCR) on DOT's major grant programs included in the single audit of SCDOT that Scott and Company LLC (Scott) performed for SCDOT's fiscal year ended June 30, 2014. During this period, SCDOT expended approximately \$640 million from DOT grant programs. Scott determined that DOT's major programs were the Highway Planning and Construction Cluster, the Federal Transit Capital Investments Grants program, and the Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions.

The Office of Management and Budget's (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," requires the auditor 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.

Scott rendered an unmodified opinion on SCDOT's financial statements and compliance with DOT's major program requirements and did not question any costs.¹

¹ A copy of Scott and Company LLC's single audit report is available upon request to singleauditrequest@oig.dot.gov.

SCOPE

The purpose of our QCR was to determine: (1) whether the audit work complied with the Single Audit Act of 1984, as amended, and OMB Circular A-133; and (2) the extent to which we could rely on the auditors' work on DOT's major programs, the Highway Planning and Construction Cluster, the Federal Transit Capital Investments Grants program, and the Capital Assistance Program for reducing Energy Consumption and Greenhouse Gas Emissions.

RESULTS

Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*, and based on our QCR, the overall rating assigned to Scott's work is a **Pass**. Therefore, Scott met the requirements of the Single Audit Act, OMB Circular A-133, and DOT's major programs. We found nothing to indicate that Scott's opinion on DOT's major programs were inappropriate or unreliable.

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.

#

cc: Audit Liaison, FHWA, HCFB-32
Audit Liaison, FTA, TSO-10
Audit Liaison, OST, M-1
Controller, South Carolina Department of Transportation
Manger Member, Scott and Company LLC