



# 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 King County, Washington  
Report No. QC-2014-091

Date: August 26, 2014

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

Reply to  
Attn. of: JA-20

To: Regional Administrator, FTA, Region X

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for King County, Washington (County). This report presents the results of our Quality Control Review (QCR) on DOT's major grant programs included in the County's single audit performed by the Washington State Auditor's Office (State Auditor) for the County's fiscal year ended December 31, 2012. During this period, the County expended approximately \$161 million from DOT grant programs. The State Auditor determined that DOT's major programs were the Federal Transit Cluster and the Highway Planning and Construction Cluster. However, we limited our review's scope to the Federal Transit Cluster because its funds were directly awarded to the County. No funds from the Highway Planning and Construction Cluster were directly awarded to the County.

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.

The State Auditor rendered an unmodified opinion on the County's financial statements and compliance with DOT's major programs requirements for the Federal Transit Cluster and the Highway Planning and Construction Cluster and did not question any costs.<sup>1</sup>

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<sup>1</sup> The single audit report issued by the Washington State Auditor's Office is available upon request to [singleauditrequest@oig.dot.gov](mailto: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 the Federal Transit Cluster.

## RESULTS

We determined that the State Auditor's audit work was *Acceptable*, and therefore, met the requirements of the Single Audit Act, OMB Circular A-133, and the DOT major program reviewed. We found nothing to indicate that the State Auditor's opinion on DOT's major program was inappropriate or unreliable.

However, as part of our desk review, we identified the following deficiencies on the Data Collection Form (DCF).

- A finding that affected the Environmental Protection Agency's Capitalization Grants for Clean Water State Revolving Funds was incorrectly identified as Allowable Cost/Cost Principles (Compliance Requirement B). It should have been the Davis-Bacon Act (Compliance Requirement D).
- The Highway Planning and Construction was incorrectly identified as a direct award to King County.

King County and the State Auditor have made the revisions to the DCF and resubmitted it 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 National Single Audit Coordinator, at (410) 962-2630.

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cc: Audit Liaison, FTA, TPM-2  
Audit Liaison, OST, M-1  
Chief Accountant, King County, Washington  
Audit Manager, Washington State Auditor's Office  
National Single Audit Coordinator, EPA