



U.S. DEPARTMENT OF TRANSPORTATION  
**OFFICE OF INSPECTOR GENERAL**

**Quality Control Review on a Single Audit  
of the Metropolitan Transportation  
Commission, San Francisco, CA**

**FTA**

Report No. QC2019016

February 13, 2019





## Quality Control Review on a Single Audit of the Metropolitan Transportation Commission, San Francisco, CA

---

*Self-Initiated*

Federal Transit Administration | QC2019016 | February 13, 2019

### What We Looked At

We performed a quality control review (QCR) on the single audit that PricewaterhouseCoopers LLP (PwC) performed for the Metropolitan Transportation Commission's fiscal year that ended June 30, 2017. During this period, the Commission expended approximately \$75.7 million from the U.S. Department of Transportation's (DOT) grant programs. PwC determined that DOT's major programs were the Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program, the Federal Transit Cluster, and the Transit Services Program Cluster.

Our QCR objectives were to determine whether (1) the audit work complied with the Single Audit Act of 1984, as amended, the Office of Management and Budget's Uniform Guidance, and the extent to which we could rely on the auditors' work on DOT's major programs, and (2) the Commission's reporting package complied with the reporting requirements of the Uniform Guidance.

### What We Found

PwC's audit work complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT's major programs. We found nothing to indicate that PwC's opinion on each of DOT's major programs was inappropriate or unreliable. However, we identified a deficiency in the Commission's reporting package that required correction and resubmission.

---

# Contents

Memorandum	1
QCR Objectives	3
QCR Results	3

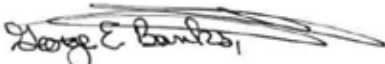


---

## Memorandum

Date: February 13, 2019

Subject: FINAL REPORT: Quality Control Review on a Single Audit of the Metropolitan Transportation Commission, San Francisco, CA | Report No. QC2019016

  
From: George E. Banks, IV  
Program Director

To: Regional Administrator, Federal Transit Administration (FTA), Region 9

---

The U.S. Department of Transportation (DOT) is the cognizant<sup>1</sup> Federal single audit<sup>2</sup> Agency for the Metropolitan Transportation Commission. PricewaterhouseCoopers LLP (PwC) performed the single audit for the Commission's fiscal year that ended June 30, 2017.<sup>3</sup> During this period, the Commission expended approximately \$75.7 million from DOT grant programs. PwC determined that DOT's major programs were the Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program, the Federal Transit Cluster, and the Transit Services Program Cluster.

PwC rendered an unmodified opinion on the Commission's financial statements and compliance with the requirements on each of DOT's major programs and did not question any costs but made recommendations<sup>4</sup> to strengthen controls to ensure compliance with Federal requirements.<sup>5</sup>

---

<sup>1</sup> A cognizant agency for audit is the Federal agency that provides the predominant amount of direct funding to a non-Federal entity that expends over \$50 million in Federal funding.

<sup>2</sup> A single audit, as required by the Single Audit Act of 1984, as amended, combines a financial statement audit with other required audit coverage. Under the Act, a single audit is required when a non-Federal entity expends more than \$750,000 of Federal funds during a fiscal year.

<sup>3</sup> Copies of single audit reports prepared pursuant to the Office of Management and Budget's (OMB) Uniform Guidance are available for download at <https://harvester.census.gov/facweb/>.

<sup>4</sup> We advised FTA of one of these deficiencies in a separate memorandum.

<sup>5</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.

We performed a quality control review (QCR) on PwC's audit work as it pertains to DOT's major programs included in the single audit and on the Commission's reporting package.<sup>6</sup>

We appreciate the courtesies and cooperation of PwC representatives during this review. If you have any questions concerning this report, please call me at (202) 420-1116, or John R. Sysak, DOT's National Single Audit Coordinator, at (443) 602-4147.

cc: The Secretary  
DOT Appointee for Single Audits  
DOT Single Audit Liaison  
Audit Liaison, FTA, TSO-30  
Partner, PricewaterhouseCoopers LLP  
CFO, Metropolitan Transportation Commission

---

<sup>6</sup> The reporting package submitted by the grantee to the Federal Audit Clearinghouse includes the financial statements, the schedule of expenditures of Federal awards, the schedule of prior audit findings (if applicable), and the auditor's report(s) on (a) the financial statements; (b) internal control over financial reporting and compliance and other matters; and (c) compliance for each major program. In addition, a data collection form is submitted to provide information about the auditee, its Federal programs, and the results of the audit.

---

## QCR Objectives

Our QCR objectives were to determine whether (1) the audit work complied with the Single Audit Act of 1984, as amended, the Office of Management and Budget's Uniform Guidance, and the extent to which we could rely on the auditors' work on DOT's major programs and (2) the Commission's reporting package complied with the reporting requirements of the Uniform Guidance.

---

## QCR Results

Our QCR entailed reviews of PwC's audit work and the Commission's reporting package.

---

### Review of Audit Work

PwC complied with the requirements of the Single Audit Act, the Uniform Guidance, and DOT's major programs, and we found nothing to indicate that PwC's opinion on each of DOT's major programs was inappropriate or unreliable. Accordingly, we assigned PwC an overall rating of *pass*.<sup>7</sup>

---

### Review of Reporting Package

In our desk review of the Commission's reporting package submitted to the Federal Audit Clearinghouse, we identified a deficiency that required correction and resubmission. A finding related to grant CA-03-0767-05 was not correctly referenced on the Data Collection Form.

After we identified this issue, PwC and the Commission jointly re-submitted a corrected reporting package to the Federal Audit Clearinghouse.

---

<sup>7</sup> The Council of Inspectors General on Integrity and Efficiency's Guide for QCRs of single audits provides a methodology for rating auditors' work with three possible ratings—pass, pass with deficiencies, and fail.

# U.S. DOT IG Fraud & Safety Hotline

[hotline@oig.dot.gov](mailto:hotline@oig.dot.gov) | (800) 424-9071

<https://www.oig.dot.gov/hotline>

## 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**  
U.S. Department of Transportation  
1200 New Jersey Ave SE  
Washington, DC 20590



[www.oig.dot.gov](https://www.oig.dot.gov)