



## **Department of Transportation Audit Report 2012 Program Year**

### **Introduction**

The Onondaga County Comptroller's Audit Division conducted an audit of Onondaga County's Department of Transportation 2012 federal expenditures for Highway Planning and Construction. The Onondaga County Department of Transportation provides managerial engineering and technical expertise for 808 miles of County roads. The objective is to provide the traveling public with a safe, convenient and efficient network of highways and bridges.

### **Scope**

The 2012 Federal Guidelines (OMB A-133) audit procedures to test compliance for the Department of Transportation Highway Planning and Construction lists 13 types of compliance requirements that must be tested for expenditures in the 2012 fiscal year. The requirements are: Activities Allowed or Unallowed; Allowable Costs/Costs Principles; Cash Management; Davis-Bacon Act; Eligibility; Equipment and Real Property Management; Identifying Level of Effort, Earmarking; Period of Availability of Federal Funds; Procurement and Suspension and Disbarment; Program Income; Real Property Acquisition Relocation Assistance; reporting; Subrecipient Monitoring; and Special Tests and Provisions. The testing requirements were completed using a combination of expenditure testing, interviewing personnel, and observation of departmental activities

### **Objectives**

To perform tests of controls over compliance of the major program Highway Planning and Construction in order to support a low level of control risk for the compliance tested.

### **Identify the reference documents and standards against which the audit was conducted**

A sample of 40 expenditure transactions was selected from the County's financial software system to be reviewed for internal control and substantive testing. Each selection was reviewed for compliance in each of the required categories mentioned in the audit scope above. Other sources of information and documents reviewed included the Department of Transportation's master list of construction projects, consulting engineer and construction company invoices and progress reports, engineering firm's estimate of construction costs, construction bid packages, construction company contracts, construction company certified payroll reports, NYSDOT payment request forms, NYSDOT Transportation Improvement Plan, NYSDOL website for suspended or debarred companies, journal entries to record revenue recognition and cash receipts in the County's financial software system.

### **Positive areas or areas of best practice**

While conducting the audit it was noted that many members of the Department of Transportation team have been with the program for many years. Their tenure and knowledge helps the program run smoothly and effectively. In addition, with the development and maintenance of the Master List of Construction Projects, and multiple points of review and oversight of each project, the Department exhibits strong control over all departmental activities and as such greatly reduces the risk of financial misstatement of activities and fraudulent activities both internal to the department and externally with consultants and contractors.

### **Documentation of findings, what is the actual non conformity what standard was violated what was the objective evidence used to determine that nonconformity exists**

1. In one instance an expenditure was incorrectly recorded in 2012. The expenditure pertained to 2011 services and was not accrued for in 2011. This amount was found to be an isolated instance and the amount was immaterial.

There were no other findings.