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DOT Receives Third Consecutive "Clean" Audit of Annual Financial Statements

U.S. Transportation Secretary Norman Y. Mineta today announced that the U.S. Department of Transportation (DOT) received its third consecutive unqualified, or "clean," audit opinion on its consolidated financial statements. The audit opinion is from the DOT Inspector General on the fiscal year 2003 statements.

Consolidated financial statements show how the department is accountable for its total budgetary resources of \$128 billion provided by American taxpayers for federal transportation activities. DOT has received an unqualified opinion on its financial statements for four of the last five years.

"We have an absolute obligation to be good stewards of the taxpayers' money," Secretary Mineta said. "When it comes to the Department of Transportation, taxpayers are getting their money's worth."

"Given the fact that DOT's financial operations—including assets, liabilities, and program costs – are comparable in size to a Fortune 100 company, ensuring the Department's financial statements are in order is particularly important," DOT Inspector General Kenneth M. Mead said. "Additionally, most of DOT's financial outlays are not included as assets on DOT's books because they are in the form of grants to states and localities for highways, transit systems, and airport runways."

"The Department made a concerted effort this year to overcome significant financial and accounting hurdles, enabling us to render a 'clean' opinion for the third year in a row," Mead said. "Certain DOT operating administrations, however, will need to make major improvements in their accounting policies and procedures for DOT to be able to complete its FY 2004 financial statements by the accelerated OMB deadline of Nov. 15, 2004. We recommend that the DOT Chief Financial Officer ensure that each operating administration implements disciplined processes needed to strengthen their accounting practices, reconciling major accounts during the year, keeping better track of transactions with other federal agencies, and improving information about loan receivables."

In addition to the department-wide audit, individual audits were conducted on the Federal Aviation Administration and the Highway Trust Fund. These both received unqualified opinions. The audits for all DOT organizations were conducted under the leadership of DOT's Office of Inspector General (OIG). The audits were performed by OIG staff, KPMG LLP, and Clifton Gunderson LLP. The audits were transmitted to the Office of Management and Budget on Jan. 30.