



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement -
FTA's Oversight of the National Transit Database
in Allocating Urbanized Area Formula Funding
Federal Transit Administration
Project No. 12M3004M000

Date: June 6, 2012

From: Joseph W. Comé 
Assistant Inspector General for
Highway and Transit Audits

Reply to
Attn. of: JA-40

To: Federal Transit Administrator

Congress, Federal agencies, and transit industry stakeholders rely on the data from the Federal Transit Administration's (FTA) National Transit Database (NTD) to make sound planning and investment decisions, and to determine the condition of our Nation's transit systems. FTA apportions over \$6 billion annually in formula grants to nearly 2,000 urban and rural transit agencies based on NTD data. The majority of this funding goes through the Urbanized Area Formula Program* to the 30 largest transit systems, which account for about 85 percent of the Nation's transit infrastructure. FTA's Urbanized Area Formula Program received \$4.16 billion in fiscal year 2012, in addition to \$5.44 billion in American Recovery and Reinvestment Act funds received in 2009. The NTD includes critical information such as safety, ridership, state of good repair, and fiscal well-being from each transit agency receiving Federal funds, and is intended to facilitate the uniform collection and reporting of transit agency information.

Accordingly, the objective for this audit is to evaluate FTA's oversight of NTD data to ensure that submissions from grant recipients and beneficiaries of transit funds for the Urbanized Area Formula Program are complete, accurate, and timely.

* The Urbanized Area Formula Program (49 U.S.C. 5307) makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance in urbanized areas and for transportation related planning. An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census. Funding is apportioned based on legislative formulas.

We plan to begin this audit the week of June 11, 2012. We will conduct our work at FTA Headquarters, FTA regional offices, and other sites as needed. We will contact your audit liaison to schedule an entrance conference. If I can answer any questions, please contact me at (202) 366-5630 or Gary Middleton, Program Director, at (202) 366-0625.

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cc: Angela Dluger, FTA TBP-10
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