



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement—
Audit of Federal Transit Administration Grantee:
the Metropolitan Transit Authority of Harris
County, TX
Federal Transit Administration
Project No. 16S3008S000

Date: August 25, 2016

From: Barry J. DeWeese 
Assistant Inspector General
for Surface Transportation Audits

Reply to
Attn. of: JA-30

To: Acting Federal Transit Administrator

Since fiscal year 2011, the Metropolitan Transit Authority of Harris County, TX (METRO) has been awarded approximately \$1.3 billion from the Federal Transit Administration (FTA), including nearly \$866 million in capital funding for two separate rail transit projects. The House Appropriations Committee has directed us to conduct a financial solvency audit of METRO that includes a stress test¹ to determine whether METRO has adequate finances to pay for new rail line construction as well as the operation and maintenance of existing rail lines and buses. To comply with this request, we are announcing to FTA that we will be auditing one of its grantees.

Accordingly, our objective is to evaluate METRO's financial condition and capacity, including its ability to fund new services while maintaining current operations.

We plan to begin the audit later this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FTA Headquarters, its regional office in Fort Worth, TX, and METRO in Houston, TX. If you have any questions, please contact me at 202-366-5630, or Anthony Zakel, Program Director, at 202-366-0202.

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cc: FTA Audit Liaison, TBP-30

¹ FTA describes stress tests—also known as sensitivity analyses—as a method to determine how a change to a “sensitive” or uncertain assumption can affect a financial projection.

DOT Audit Liaison, M-1