The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Metropolitan Transportation Authority (Authority) of New York, NY. This report presents the results of our Quality Control Review (QCR) on DOT’s major grant program included in the single audit of the Authority that Deloitte & Touche LLP (Deloitte) performed for the Authority’s fiscal year ended December 31, 2015. During this period, the Authority expended approximately $1.6 billion from DOT grant programs. Deloitte determined that DOT’s major program was the Federal Transit Cluster.

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.

Deloitte rendered an unmodified opinion on the Authority’s financial statements and compliance with DOT’s major program requirements. However, Deloitte questioned over $129,000 affecting the Federal Transit Cluster and made a recommendation to strengthen controls to ensure compliance with Federal requirements.  

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1 We advised FTA of this deficiency in a separate memorandum. A copy of Deloitte’s single audit report is available by request to singleauditrequest@oig.dot.gov.
SCOPE

The purpose of our QCR was to determine (1) whether the audit work and reporting package complied with the Single Audit Act of 1984, as amended, and Uniform Guidance and (2) the extent to which we could rely on the auditors’ work on DOT’s major program, the Federal Transit Cluster.

RESULTS

Audit Work

Firms can receive a rating of pass, pass with deficiency(ies), or fail. Based on our QCR, we assigned an overall rating of pass to Deloitte’s work. Therefore, Deloitte met the requirements of the Single Audit Act, Uniform Guidance, and DOT’s major program. We found nothing to indicate that Deloitte’s opinion on the Federal Transit Cluster was inappropriate or unreliable.

Reporting Package

During our desk review of the Authority’s fiscal year 2015 single audit reporting package that was submitted to the Federal Audit Clearinghouse, we identified the following items:

- Deloitte did not identify certain program funds as American Recovery and Reinvestment Act funds on the Data Collection form.

- In the Schedule of Findings and Questioned Cost, Deloitte did not include the basis of accounting as required by § 200.515 of the Uniform Guidance.

Deloitte coordinated with the Authority and corrected the reporting package.

If you have any questions concerning this report, please call me at (410) 962-1729, or John R. Sysak, DOT’s National Single Audit Coordinator, at (410) 962-2630.

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c: The Secretary
   Audit Liaison, FTA, TSO-10
   Audit Liaison, OST, M-1
   Partner, Deloitte & Touche LLP
   Comptroller, Metropolitan Transit Authority