



Memorandum

Date: June 29, 2020

Subject: INFORMATION: Audit Announcement | DOT's Compliance with the Uniform Guidance Provisions on Single Audits | Project No. 20F3020F000
Office of the Secretary of Transportation

From: Louis C. King 
Assistant Inspector General for Financial Audits

To: Assistant Secretary for Administration

For fiscal year 2019, the Department of Transportation (DOT) awarded approximately \$62 billion in financial assistance to States, local and tribal Governments, universities, and other organizations. Under the Single Audit Act of 1984, as amended, DOT has oversight responsibilities for these funds. A single audit is an audit of an award recipient's financial statements and expenditures of Federal awards totaling \$750,000 or more.

The Office of Management and Budget's Uniform Guidance¹ on Federal awards requires each Federal awarding agency to establish a process that provides reasonable assurance that its recipients correct findings identified in single audit reports. Such a process should call for the agency to evaluate a recipient's single audit findings and issue a management decision that documents whether the recipient has (1) appropriately corrected the findings and (2) developed a proposed plan of action and timeline for any uncorrected findings.

We are initiating an audit of DOT's compliance with the Uniform Guidance provisions on single audits during calendar year 2019. Our audit objectives will be to evaluate DOT's processes for (1) verifying that single audits are completed and reports are submitted to the Federal Audit Clearinghouse² in the time frame

¹ 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.

² The Federal Audit Clearinghouse Image Management System is a public database of completed single audits—<http://harvester.census.gov/facweb/>—maintained by the U.S. Census Bureau on behalf of the Office of Management and Budget.

required by the Uniform Guidance, (2) issuing timely management decisions on single audit findings, and (3) performing follow-up on findings and recommendations, including high priority findings and recommendations we identify in our quarterly reports.³

We plan to begin this audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters in Washington, D.C. If you have any questions, please contact me at 202-366-1407, or George Banks, Program Director, at 202-420-1116.

cc: DOT Audit Liaison, M-1
DOT Appointee for Single Audits
Audit Liaison, FTA, TSO-30
Audit Liaison, FHWA, HCFB-32
Audit Liaison, FAA, ACO-100
Audit Liaison, NHTSA, NFO-200
Audit Liaison, FRA, ROA-2
Audit Liaison, PHMSA, E32-326
Audit Liaison, MARAD, MAR-390

³ On a quarterly basis, we review findings and recommendations in DOT-related single audits to determine which findings are most significant and should be given higher priority. We issue reports conveying this information to the Department.