



Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Quality Control Review of
Single Audit on the Port Authority of
New York and New Jersey
Report No. QC-2011-090

Date: May 23, 2011

From: 
Earl C. Hedges
Program Director for Single Audit

Reply To JA-20

Attn Of:

To: See Distribution List

The U.S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Port Authority of New York and New Jersey (Port Authority). This report presents the results of our Quality Control Review (QCR) of a single audit performed by Deloitte & Touche, LLP on the Port Authority for the fiscal year ending December 31, 2010. During this period, the Port Authority expended approximately \$311 million from DOT grant programs, as shown on the attached Schedule of Expenditures of Federal Awards.

The Office of Management and Budget's (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," requires the auditor 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 & Touche rendered an unqualified (clean) opinion on the Port Authority's financial statements, and did not question any costs concerning DOT programs. Deloitte & Touche also rendered an unqualified opinion on each of DOT's major programs (Federal Transit Cluster, Airport Improvement Program, and the Highway Planning and Construction Program). However, Deloitte & Touche made recommendations to correct internal control and compliance deficiencies that directly affect the Highway Planning and Construction Program.¹

SCOPE

The purpose of our QCR was to determine: (1) whether the work complied with generally accepted government auditing standards, as prescribed by the Comptroller General of the United States, the Single Audit Act of 1984, as amended (the Act), and OMB Circular A-133, and (2) the extent to which we could rely on the auditor's work.

¹ We advised FHWA about these deficiencies in a separate memorandum. The single audit report is available upon request. Requests should be sent to singleauditrequest@oig.dot.gov.

RESULTS

Based on our QCR, we determined that Deloitte & Touche's work was *Acceptable*, and therefore met the requirements of generally accepted government auditing standards, the Act, and OMB Circular A-133. We found nothing to indicate that Deloitte & Touche's opinion on the Port Authority's financial statements or reports on the Port Authority's internal controls and compliance were inappropriate or unreliable.

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

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Attachment

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