



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 Dallas Area Rapid Transit
Report No. QC-2011-134

Date: June 27, 2011

From: *Earl C. Hedges*
Earl C. Hedges
Program Director for Single Audit

Reply To JA-20

Attn Of:

To: Regional Administrator, FTA, Region VI

The U.S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Dallas Area Rapid Transit (DART). This report presents the results of our Quality Control Review (QCR) of a single audit performed by Deloitte & Touche, LLP on DART for the fiscal year ending September 30, 2010. During this period, DART expended approximately \$198 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 DART's financial statements, and did not question any costs concerning DOT programs. Deloitte & Touche also rendered an unqualified opinion on DOT's major program, the Federal Transit Cluster.¹

SCOPE

The purpose of our QCR was to determine: (1) whether the work complied with generally accepted government auditing standards, 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 The single audit report issued by Deloitte & Touche, LLP 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 DART's financial statements or reports on DART'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

cc: Audit Liaison, FTA, TBP-11
Audit Liaison, OST, M-1
Vice President, Finance, Dallas Area Rapid Transit