



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Quality Control Review on
the Single Audit of the Niagara Frontier
Transportation Authority, Buffalo, NY
Report No. QC-2015-064

Date: July 1, 2015

From: George E. Banks, IV
Program Director for Single Audit

Reply to
Attn. of: JA-20

To: Regional Administrator, FTA, Region II

The U. S. Department of Transportation (DOT) is the oversight Federal single audit agency for the Niagara Frontier Transportation Authority (Authority), Buffalo, 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 Lumsden & McCormick, LLP (L&M) performed for the Authority's fiscal year ended March 31, 2014. During this period, the Authority expended approximately \$36 million from DOT grant programs. L&M determined that DOT's major program was the Federal Transit Cluster.

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.

L&M rendered an unmodified opinion on the Authority's financial statements and compliance with DOT's major program requirements and did not question any costs.¹

¹ A copy of L&M's single audit report is available upon request to singleauditrequest@oig.dot.gov.

SCOPE

The purpose of our QCR was to determine: (1) whether the audit work complied with the Single Audit Act of 1984, as amended, and OMB Circular A-133; and (2) the extent to which we could rely on the auditors' work on DOT's major program, the Federal Transit Cluster.

RESULTS

Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Based on our QCR, the overall rating assigned to L&M's work is a ***Pass***, and therefore, L&M met the requirements of the Single Audit Act, OMB Circular A-133, and DOT's major program. We found nothing to indicate that L&M's opinion on DOT's major program was inappropriate or unreliable.

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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cc: Audit Liaison, FTA, TSO-10
Audit Liaison, OST, M-1
CFO, Niagara Frontier Transportation Authority
Partner, Lumsden & McCormick, LLP