



U.S. DEPARTMENT OF TRANSPORTATION  

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**OFFICE OF INSPECTOR GENERAL**

**Report on a Single Audit of the  
Massachusetts Bay Transportation  
Authority, Boston, MA**

Report No. SA2019028

March 25, 2019



## Report on a Single Audit of the Massachusetts Bay Transportation Authority, Boston, MA

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*Self-Initiated*

Federal Transit Administration and Office of the Secretary | SA2019028 | March 25, 2019

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### What We Looked At

We reviewed the Massachusetts Bay Transportation Authority's single audit report for the fiscal year ending June 30, 2018, in order to identify findings that affect directly awarded Department of Transportation programs. An independent auditor prepared the single audit report, dated October 5, 2018.

### What We Found

We found that the report contained equipment and real property management and reporting findings that need prompt action from the Federal Transit Administration's (FTA) and Office of the Secretary's (OST) management.

### Recommendations

We recommend that FTA ensures that the Authority complies with the equipment and real property management requirements. We recommend that FTA and OST ensure that the Authority complies with the reporting requirements.



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## Memorandum

Date: March 25, 2019

Subject: ACTION: Report on a Single Audit of the Massachusetts Bay Transportation Authority, Boston, MA | Report No. SA2019028



From: George E. Banks, IV  
Program Director

To: Regional Administrator, Federal Transit Administration (FTA), Region 1  
Deputy Assistant Secretary for Policy, Office of the Secretary of Transportation (OST)

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The Office of the Inspector General performs oversight of non-Federal auditors' single audit<sup>1</sup> reports and issues memoranda listing significant findings and recommendations requiring action by the Department of Transportation (DOT). When warranted, we also recommend that agencies recover funds that were inappropriately expended by non-Federal entities. Between 300 and 400 single audits reports are issued annually that include findings related to major programs directly funded by DOT.

We obtained the Massachusetts's Bay Transportation Authority single audit report for the fiscal year ended June 30, 2018 from the Federal Audit Clearinghouse's Image Management System.<sup>2</sup> An independent auditor performed the audit in accordance with generally accepted Government auditing standards and the Office of Management and Budget's Uniform Guidance<sup>3</sup> and issued a

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<sup>1</sup> A single audit, as required by the Single Audit Act of 1984, as amended, helps Government agencies and auditors oversee the expenditure of Federal funds by non-Federal entities.

<sup>2</sup> 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 OMB.

<sup>3</sup> 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.

report<sup>4</sup> dated October 5, 2018. See the table for the independent auditor's findings and our recommendations.

Within 30 days of this report, your Agency should identify specific actions planned or taken to resolve<sup>5</sup> the independent auditor's findings, and provide a target action date for implementation of our recommendations. We will track the recommendations until your Agency provides documentation of final action. We will consider the recommendations closed upon our review and concurrence. All actions should be coordinated through your Agency's Single Audit Liaison. If you have any questions, please email them to [singleauditrequest@oig.dot.gov](mailto:singleauditrequest@oig.dot.gov).

cc: The Secretary  
DOT Appointee for Single Audits  
DOT Single Audit Liaison  
Audit Liaison, FTA, TSO-30

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<sup>4</sup> Copies of single audit reports are available at the Clearinghouse's website, <https://harvester.census.gov/facweb/>.

<sup>5</sup> Pursuant to DOT Memorandum, *Policy and Procedures for Expediting Action on Single Audit Report Recommendations* (2009).

Table. Independent Auditor’s Findings and OIG Recommendations

Independent Auditor’s Finding Numbers	Independent Auditor’s Findings	OIG Recommendation Codes <sup>a</sup>	OIG Recommendations
2018-003	Non-compliance with the equipment and real property management requirements.	A1	We recommend that FTA ensures that the Authority complies with the equipment and real property management requirements.
2018-004	Non-compliance with the reporting requirements.	B2	We recommend that FTA ensures that the Authority complies with the reporting requirements.
2018-004	same	B3	We recommend that OST ensures that the Authority complies with the reporting requirements.

<sup>a</sup> We internally assign these codes and use them to track recommendations. We have included them as a convenience to the Department when responding to this report.

Source: Independent auditor’s report

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OIG conducts audits and investigations on behalf of the American public to improve the performance and integrity of DOT's programs to ensure a safe, efficient, and effective national transportation system.

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