



U.S. DEPARTMENT OF TRANSPORTATION  
**OFFICE OF INSPECTOR GENERAL**

**Report on a Single Audit of the Puerto  
Rico Metropolitan Bus Authority,  
San Juan, PR**

**FTA**

Report No. SA2019078

September 17, 2019





## Report on a Single Audit of the Puerto Rico Metropolitan Bus Authority, San Juan, PR

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*Self-Initiated*

Federal Transit Administration | SA2019078 | September 17, 2019

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### What We Looked At

We reviewed the Puerto Rico Metropolitan Bus Authority's single audit report for the fiscal year ending June 30, 2017, in order to identify findings that affect directly awarded Department of Transportation programs. An independent auditor prepared the single audit report, dated March 1, 2019.

### What We Found

We found that the report contained an equipment and real property management finding that needs prompt action from the Federal Transit Administration's (FTA) management.

### Recommendations

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

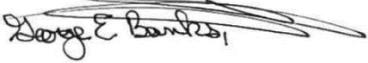


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## Memorandum

Date: September 17, 2019

Subject: ACTION: Report on a Single Audit of the Puerto Rico Metropolitan Bus Authority, San Juan, PR | Report No. SA2019078



From: George E. Banks, IV  
Program Director

To: Regional Administrator, Federal Transit Administration (FTA), Region 4

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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 audit reports are issued annually that include findings related to major programs directly funded by DOT.

We obtained the Puerto Rico Metropolitan Bus Authority's single audit report for the fiscal year ended June 30, 2017, 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 report<sup>4</sup> dated March 1, 2019. See the table for the independent auditor's finding and our recommendation.

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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.

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

Within 30 days of this report, your Agency should identify specific actions planned or taken to resolve<sup>5</sup> the independent auditor's finding, and provide a target action date for implementation of our recommendation. We will track the recommendation until your Agency provides documentation of final action. We will consider the recommendation 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>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 Number	Independent Auditor’s Finding	OIG Recommendation Code <sup>a</sup>	OIG Recommendation
2017-005 <sup>b</sup>	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.

<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.

<sup>b</sup> Caused a qualified opinion on the Formula Grants Program.

Source: Independent auditor’s report.

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