



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 Greater Richmond
Transit Company, Richmond, VA
Report No. QC-2015-074

Date: August 13, 2015

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

Reply to
Attn. of: JA-20

To: Regional Administrator, FTA, Region III

The U. S. Department of Transportation (DOT) is the oversight Federal single audit agency for the Greater Richmond Transit Company (GRTC), Richmond, VA. This report presents the results of our Quality Control Review (QCR) on DOT's major grant program included in the single audit of GRTC that L.P. Martin & Company, P.C. (Martin) performed for GRTC's fiscal year ended June 30, 2014. During this period, GRTC expended approximately \$27 million from a DOT grant program. Martin determined that DOT's major program was the Federal Transit Formula Grants program.

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.

Martin rendered an unmodified opinion on GRTC's financial statements and compliance with DOT's major program requirements and did not question any costs.¹

¹ A copy of Martin'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 Formula Grants program.

RESULTS

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

During our desk review, however, we found that Martin did not compute the Type A and Type B threshold correctly in the Schedule of Findings and Questioned Costs (SFQC) and the Data Collection Form (DCF). Martin reported that the Type A and Type B threshold was \$300,000, but the correct threshold was \$795,776. Martin has corrected the SFQC and the DCF and resubmitted both to the Federal Audit Clearinghouse.

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, Greater Richmond Transit Company
Partner, L.P. Martin & Company, P.C.