



# 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 Central Puget Sound Regional  
Transit Authority  
Report No. QC-2014-063

Date: July 15, 2014

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

Reply to  
Attn. of: JA-20

To: Regional Administrator, FTA, Region X

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Central Puget Sound Regional Transit Authority (Sound Transit). This report presents the results of our Quality Control Review (QCR) on DOT's major grant programs included in the single audit of Sound Transit performed by KPMG LLP (KPMG) for Sound Transit's fiscal year ended December 31, 2012. During this period, Sound Transit expended approximately \$128 million from DOT grant programs, as shown on the attached Schedule of Expenditures of Federal Awards. KPMG determined that DOT's major programs were the Federal Transit Cluster and Clean Fuels.

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.

KPMG rendered an unmodified opinion on Sound Transit's financial statements and compliance with DOT's major program requirements for the Federal Transit Cluster and Clean Fuels and did not question any costs.<sup>1</sup>

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<sup>1</sup> The single audit report issued by KPMG LLP is available upon request at [singleauditrequest@oig.dot.gov](mailto: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 programs, the Federal Transit Cluster and the Clean Fuels.

## RESULTS

We determined that KPMG's audit work was *Acceptable*, and therefore, met the requirements of the Single Audit Act, OMB Circular A-133, and DOT's major programs. We found nothing to indicate that KPMG's opinion on each of DOT's major programs was 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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cc: Audit Liaison, FTA, TPM-2  
Audit Liaison, OST, M-1  
Controller, Central Puget Sound Regional Transit Authority  
Partner, KPMG

## CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

### SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2013

Federal Grantor / Pass Through Grantor / Program Title	CFDA Number	Federal Award Expended
<b>Federal Transit Cluster</b>		
<b>U.S. Department of Transportation:</b>		
Federal Transit Administration, Capital Improvement Grants	20.500	\$ 93,414,775
Federal Transit Administration, Operating and Capital Assistance Formula Grants	20.507	43,637,023
ARRA-Federal Transit Administration, Operating and Capital Assistance Formula Grants	20.507	812,221
Subtotal: 20.507		44,449,244
<b>Total U.S. Department of Transportation</b>		137,864,019
<b>Total Federal Transit Cluster</b>		137,864,019
<b>Highway Planning and Construction</b>		
<b>U.S. Department of Transportation:</b>		
Federal Transit Administration, Highway Planning and Construction (Flexible Funds from Federal Highway Administration to Federal Transit Administration)	20.205	283,085
<b>Total U.S. Department of Transportation</b>		283,085
<b>Total Highway Planning and Construction</b>		283,085
<b>Transit Services Program</b>		
<b>U.S. Department of Transportation:</b>		
Federal Transit Administration, Job Access-Reverse Commute	20.516	1,841
Federal Transit Administration, Alternative Analysis	20.522	574,715
<b>Total U.S. Department of Transportation</b>		576,556
<b>Total Transit Services Program</b>		576,556
<b>Other Federal Awards</b>		
<b>U.S. Department of Homeland Security:</b>		
Federal Emergency Management Agency, Transit Security Grant Program	97.075	1,013,347
<b>Total U.S. Department of Homeland Security</b>		1,013,347
<b>U.S. Department of Transportation:</b>		
Federal Transit Administration, Federal Railroad Administration (Passed-Through WA State Military Department)	20.317	1,958,882
Federal Transit Administration, Public Transportation Research	20.514	79,581
Federal Transit Administration, Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523	553,094
Office of the Secretary (OST) Administration Secretariate, National Infrastructure Investments	20.933	4,470,559
<b>Total U.S. Department of Transportation</b>		7,062,116
<b>Total Other Federal Awards</b>		8,075,463
<b>Total Expenditures of Federal Awards</b>		\$ 146,799,123

*See accompanying notes to supplemental schedule*