



# 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 Transbay Joint Powers  
Authority  
Report No. QC-2014-001

Date: October 24, 2013

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

Reply to  
Attn. of: JA-20

To: Regional Administrator, FRA, Region VII

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Transbay Joint Powers Authority (the Authority). This report presents the results of our Quality Control Review (QCR) on DOT's major grant programs included in the single audit of the Authority performed by Vavrinek, Trine, Day & Co., LLP (VTD) for the fiscal year ending June 30, 2012. During this period, the Authority expended approximately \$123 million from DOT grant programs, as shown on the attached Schedule of Expenditures of Federal Awards. VTD determined that DOT's major programs were the High Speed Rail Corridors and Intercity Passenger Rail Service Program and the Federal Highway Planning and Construction Program. We limited the scope of our QCR to the High Speed Rail Corridors and Intercity Passenger Rail Service Program because its expenditures were approximately 94 percent of the total DOT expenditures.

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.

VTD rendered an unqualified opinion on the Authority's financial statements and compliance with DOT's major program requirements for the High Speed Rail

Corridors and Intercity Passenger Rail Service Program and the Federal Highway Planning and Construction Program, and did not question any costs.<sup>1</sup>

## 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 the High Speed Rail Corridors and Intercity Passenger Rail Service Program.

## RESULTS

We determined that VTD's audit work was *Acceptable*, and therefore, met the requirements of the Single Audit Act, OMB Circular A-133, and the DOT major program reviewed. We found nothing to indicate that VTD's opinion on the DOT major program reviewed was inappropriate or unreliable.

However, we identified the following deficiency as part of our desk review of the Authority's Fiscal Year 2012 Single Audit Report.

- The Highway Planning and Construction Program was not identified as a major program on the Data Collection Form (DCF).

VTD and the Authority agreed to correct the DCF and submit it 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 National Single Audit Coordinator, at (410) 962-2630.

#

cc: Audit Liaison, FRA, RAD  
Audit Liaison, FHWA, HAIM-13  
Audit Liaison, OST, M-1  
Chief Financial Officer, Transbay Joint Powers Authority

---

<sup>1</sup> The single audit report issued by Vavrinek, Trine, Day & Co., LLP is available upon request sent to [singleauditrequest@oig.dot.gov](mailto:singleauditrequest@oig.dot.gov).

**TRANSBAY JOINT POWERS AUTHORITY**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2012

Program Description	Federal CFDA Number	Grant Number	Program Award	EXPENDITURES - FEDERAL SHARE			REVENUES - FEDERAL SHARE		
				Cumulative through June 30, 2011	July 1, 2011 through June 30, 2012	Cumulative through June 30, 2012	Cumulative through June 30, 2011	July 1, 2011 through June 30, 2012	Cumulative through June 30, 2012
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>									
<b>Federal Transit - Capital Investment Grants:</b>									
Federal Transit Formula Grants:									
General Capital Assistance	20.500	CA-04-0010	\$ 6,649,751	\$ 6,649,751	\$ -	\$ 6,649,751	\$ 6,649,751	\$ -	\$ 6,649,751
General Capital Assistance	20.500	CA-04-0040	7,008,960	6,762,049	87,542	6,849,591	6,762,049	87,542	6,849,591
General Capital Assistance	20.500	CA-04-0087	7,593,040	6,928,678	626,418	7,555,096	6,928,678	626,418	7,555,096
General Capital Assistance	20.500	CA-04-0140	7,885,080	1,851,733	1,444,450	3,296,183	1,851,733	1,444,450	3,296,183
Total Federal Transit - Capital Investment Grants			<u>29,136,831</u>	<u>22,192,211</u>	<u>2,158,411</u>	<u>24,350,621</u>	<u>22,192,211</u>	<u>2,158,411</u>	<u>24,350,621</u>
<b>Federal Railroad Administration (FRA) Capital Grants:</b>									
High-Speed Rail Corridors and Intercity Passenger Rail Service									
American Recovery and Reinvestment Act (ARRA)	20.319	FR-HSR-0007-10-01-00	400,000,000	79,762,395	115,086,115	194,848,510	79,762,395	115,086,115	194,848,510
Rail Line Relocation and Improvement	20.320	FR-LR1-0021-11-01-00	2,650,000	2,229,622	420,378	2,650,000	2,229,622	420,378	2,650,000
Total Federal Railroad Administration Grants			<u>402,650,000</u>	<u>81,992,016</u>	<u>115,506,494</u>	<u>197,498,510</u>	<u>81,992,016</u>	<u>115,506,494</u>	<u>197,498,510</u>
<b>Highway Planning and Construction Grant:</b>									
General Capital Assistance	20.205	CA-70-X011	24,459,002	42,290	4,882,561	4,924,851	42,290	4,882,561	4,924,851
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>456,245,833</u>	<u>104,226,517</u>	<u>122,547,466</u>	<u>226,773,983</u>	<u>104,226,517</u>	<u>122,547,466</u>	<u>226,773,983</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>									
<b>Federal Emergency Management Agency (FEMA)</b>									
Rail and Transit Security Grant Program:									
Capital Grant									
FY2009 Transit Security Grant Program	97.075	2009-RA-T9-K021	100,000	85,000	15,000	100,000	85,000	15,000	100,000
Capital Grants Passed Through from AC Transit									
FY2008 Transit Security Grant Program (F0018)	97.075	2008-RL-T8-K018	1,461,930	-	469,782	469,782	-	469,782	469,782
FY2009 Transit Security Grant Program (F0017)	97.075	2009-RA-T9-K002	1,936,142	-	1,774,716	1,774,716	-	1,774,716	1,774,716
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>3,498,072</u>	<u>85,000</u>	<u>2,259,498</u>	<u>2,344,498</u>	<u>85,000</u>	<u>2,259,498</u>	<u>2,344,498</u>
<b>TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 459,743,905</u>	<u>\$ 104,311,517</u>	<u>\$ 124,806,964</u>	<u>\$ 229,118,481</u>	<u>\$ 104,311,517</u>	<u>\$ 124,806,964</u>	<u>\$ 229,118,481</u>