



Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Quality Control Review of
Single Audit on the Utah Transit Authority
Report No. QC-2012-085

Date: April 9, 2012

From: 
Earl C. Hedges
Program Director for Single Audit

Reply To JA-20

Attn Of:

To: Regional Administrator, FTA, Region VIII

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Utah Transit Authority (Utah Transit). This report presents the results of our Quality Control Review (QCR) of a single audit performed by Deloitte & Touche, LLP on Utah Transit for the fiscal year ending December 31, 2010. During this period, Utah Transit expended approximately \$215 million from DOT grant programs, as shown on the attached Schedule of Expenditures of Federal Awards (SEFA). The DOT program determined to be major by Deloitte & Touche, LLP was the Federal Transit Cluster.

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.

Deloitte & Touche, LLP rendered an unqualified (clean) opinion on Utah Transit's financial statements, did not question any costs concerning DOT's grant program, and rendered an unqualified opinion on DOT's major program, the Federal Transit Cluster.¹

SCOPE

The purpose of our QCR was to determine: (1) whether the audit work complied with generally accepted Government auditing standards, the Single Audit Act of 1984, as amended (the Act), and OMB Circular A-133, and (2) the extent to which we can rely on the auditor's work.

¹ The single audit report issued by the Deloitte & Touche, LLP is available upon request sent to singleauditrequest@oig.dot.gov.

RESULTS

We determined that Deloitte & Touche, LLP's work was *Acceptable*, and therefore met the requirements of generally accepted Government auditing standards, the Act, and OMB Circular A-133. We found nothing to indicate that Deloitte & Touche, LLP's opinion on Utah Transit's reports on internal control and compliance were inappropriate or unreliable.

However, we identified the following deficiencies as part of our desk review of the Utah Transit's Fiscal Year 2010 Single Audit Report.

- Utah Transit's SEFA did not include the "ARRA prefix" for grant number UT-96-X002 as part of the Federal Transit-Formula Grant Program and for grant number 10-020JL as part of the Utah Clean Cities Coalition Program title description. During our QCR, we reviewed the audit documentation and Utah Transit's Data Collection Form and confirmed that the ARRA prefix was included for both programs. However, while the audit documentation was correct, the SEFA was not.
- Utah Transit's SEFA did not identify the correct Catalog of Federal Domestic Assistance (CFDA) number for the Federal Transit-Transit in the Parks Program.

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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Distribution:

cc: Audit Liaison, FTA, TPM-2
Audit Liaison, OST, M-1
Chief Financial Officer, Utah Transit Authority
National Single Audit Coordinator, Department of Energy, OIG