



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement –
Implementation of Single Audit Recommendations
and Cost Recovery, DOT
Project Number: 10U3003F000

Date: December 22, 2009

From: Rebecca C. Leng *Rebecca Leng*
Assistant Inspector General for Financial
and Information Technology Audits

Reply to
Attn. of: JA-20

To: Secretary of Transportation

The Office of Inspector General plans to conduct an audit of the Department's implementation of single audit recommendations. From fiscal years 2003 through 2008, the Department of Transportation (DOT) awarded an average of \$53 billion per year in grant programs. In February 2009, DOT received an additional \$48 billion to award through Federal grant programs as a result of the American Recovery and Reinvestment Act.

To ensure that grant awards to non-Federal entities are expended properly, all non-Federal entities that expend \$500,000 or more of Federal awards in a year are required to obtain an audit in accordance with the Single Audit Act Amendments of 1996; Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations;" and other guidance.

Our audit objectives will be to determine if DOT Operating Administrations have (1) issued management decisions approving grantees' corrective action plans, (2) ensured the prompt implementation of corrective actions by grantees, (3) taken timely action to recover questioned costs, and (4) used Single Audit results to identify grantees requiring close monitoring.

We plan to begin the audit the week of January 4, 2010 and will contact your audit liaison to schedule an entrance conference. We will conduct the review at DOT headquarters and selected field offices. The Program Director for this audit is Earl Hedges and the Project Manager is Ingrid Harris. If you have any questions please call me at (202) 366-1496 or Earl Hedges at (410) 926-3612.

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CC: Martin Gertel, M-1