

**QUALITY CONTROL REVIEW OF  
AUDITED SPECIAL-PURPOSE FINANCIAL  
STATEMENTS FOR FY 2008 AND FY 2007**

*Department of Transportation*

*Report Number: QC-2009-010*

*Date Issued: November 17, 2008*



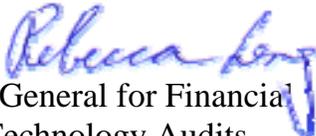
# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **ACTION:** Quality Control Review of Audited Special-Purpose Financial Statements for Fiscal Years 2008 and 2007, DOT  
Report Number: QC-2009-010

Date: November 17, 2008

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

Reply to  
Attn. of: JA-20

To: The Secretary

I respectfully submit the Office of Inspector General's (OIG) Quality Control Review report on the Department of Transportation's (DOT) audited Special-Purpose Financial Statements for Fiscal Years (FY) 2008 and 2007.

The audit of DOT's Special-Purpose Financial Statements as of and for the year ended September 30, 2008, was completed by KPMG LLP, of Washington, D.C. (see Attachment 1), under contract to OIG. We performed a quality control review of its audit work to ensure that it complied with applicable standards. These standards include Generally Accepted Government Auditing Standards and Office of Management and Budget Bulletin 07-04, "Audit Requirements for Federal Financial Statements," as amended.

KPMG concluded that the Special-Purpose Financial Statements (see Attachment 2) present fairly, in all material respects, the financial position of DOT as of September 30, 2008, and its net cost and changes in net position for the year then ended in conformity with accounting principles generally accepted in the United States, and the presentation pursuant to the requirements of *TFM Volume 1, Part 2, Chapter 4700*, as described in Additional Note No. 27. OIG audited last year's DOT Special-Purpose Financial Statements, and we also expressed an unqualified opinion on those statements.<sup>1</sup>

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<sup>1</sup> Report on Special-Purpose Financial Statements for Fiscal Years 2007 and 2006, Department of Transportation, Report Number FI-2008-012, November 15, 2007.

Further, KPMG did not identify any deficiencies in internal controls over financial reporting for the Special-Purpose Financial Statements that were considered to be material weaknesses, nor did tests of compliance with *TFM Volume 1, Part 2, Chapter 4700* disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 07-04.

In our opinion, the audit work performed by KPMG complied with applicable standards.

We have also attached the management representation letter for the DOT Special-Purpose Financial Statements (see Attachment 3).

We appreciate the cooperation and assistance of representatives of the Office of Financial Management and KPMG. If we can answer any questions, please call me at (202) 366-1407 or Earl Hedges, Program Director, at (410) 962-1729.

Attachments (3)

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cc: Office of Management and Budget, Office of Federal Financial Management  
Department of the Treasury, Financial Management Service  
U.S. Government Accountability Office