



NORTHERN VIRGINIA TRANSPORTATION COMMISSION

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NEWS

August 12, 2015

WMATA FY2014 Audit Accepted

The WMATA Board of Directors on Thursday accepted the external audit of its FY2014 financial statement. As a result, the FY2013 audit has been restated. The independent auditor’s opinion is qualified with respect to Metro’s restricted net position (i.e. total funds remaining after all expenses paid). Some federal capital costs may shift to nonfederal sources and vice versa as WMATA management and the FTA work to conclude ongoing grant analyses, accounting and reconciliations for unreimbursed costs. This was identified in the FTA’s 2014 Financial Management Oversight Report. In accordance with a budget amendment adopted by the Virginia General Assembly, WMATA’s Interim General Manager Jack Requa has forwarded the audit to the Director of DRPT and Chairmen of the Senate Finance, House Appropriations, and both Senate and House Transportation committees. WMATA will provide a plan to remedy the one material weakness identified in the audit within 30 days.

[Audit Firm’s Opinion](#)

WMATA Completes Corrective Actions

WMATA completed three remaining corrective actions, identified in the FTA’s Financial Management Oversight Report, prior to the June 30th deadline. FTA is testing WMATA’s new financial practices reflected in the responses. The FTA identified 25 material weaknesses and 31 significant deficiencies requiring corrective action in a report issued in June 2014.

See WMATA CAPs Page 2

		Completion Risk				TOTAL
		Complete	Significantly Complete	In Progress	Extended	
Financial Controls Risk ↑	Material Weaknesses (MW)	25	0	0	0	25
	Significant Deficiencies (SD)	31	0	0	0	31
	Total CAPs	56	0	0	0	56
	Advisory Comments (AC)	9	0	0	0	9

WMATA Info & Update Links

- [Audit Firm’s Opinion](#)
- [Safety and Security Update](#)
- [FTA Safety Inspection Report](#)
- [FTA Administrator’s Presentation](#)
- [WMATA Response](#)
- [NTSB Safety Investigation](#)
- [NTSB Safety Recommendation R-15-008](#)
- [NTSB Safety Recommendation R-15-009](#)
- [NTSB Safety Recommendation R-15-010](#)
- [NTSB Safety Recommendation R-15-025](#)
- [GAO Report](#)

As a result, FTA limited WMATA's authority to draw down federal funds under its existing grants without prior written approval, as is the general practice for FTA grantees. The restriction created a cash-flow problems for WMATA, forcing it to rely on lines of credit to fund expenses.

WMATA Safety Update

On June 17, FTA released a [*Safety Management Inspection Report*](#) documenting 54 findings (44 for Metrorail and 10 for Metrobus) and requiring WMATA to respond to 91 actions. WMATA must prioritize corrective actions by risk and identify resources – reallocation of budget line items or new revenue – to implement those actions.

[*Three key areas of concern*](#), according to FTA Acting Administrator Therese McMillan, are:

- lack of compliance with WMATA's own safety program
- lack of adequate/timely safety training and certification for WMATA employees
- need to balance safety-critical track work with demand for passenger service.

By mid-September, WMATA must provide a response that includes a tracking matrix identifying specific actions that will be performed to address each element in the safety directive and the parties responsible for their implementation, the milestone schedule, and a verification strategy for completing the work. WMATA is already addressing many of the findings.

WMATA Addressing NTSB Recommendations. The NTSB investigation into the smoke and electrical arcing accident at WMATA's L'Enfant Plaza Station is ongoing. The federal agency, at its [*June 23-24 hearing*](#), shared information about the fatal incident with the public. Following the January accident involving a Metrorail train, the NTSB issued four recommendations – [*R-15-008*](#), [*R-15-009*](#), [*R-15-010*](#) and [*R-15-025*](#) – asking WMATA to assess its tunnel ventilation system, develop and train staff in emergency tunnel ventilation procedures, and ensure that all power cable connector assemblies are properly constructed and installed in accordance with engineering design specifications. WMATA is addressing all of the current recommendations.

Virginia Must Act on Metro Safety Commission.

To comply with federal requirements, Virginia, along with Maryland and the District, must pass a bill in its upcoming legislative session to establish and fund a new state safety oversight agency, known as the Metro Safety Commission (MSC). This new entity, which will replace the Tri-State Oversight Commission, will be financially independent of WMATA and have investigative and enforcement authority. Establishment of the MSC is essential if the region is to receive \$4.5 million in federal grants.

Cellular Access in Metro Tunnels Limited.

Testing by the Metropolitan Washington Council of Governments earlier this year found that 90 percent of cellular calls from station platforms went through but only 28 percent of calls made from tunnels were successful. Improved cellular access depends on implementation of an agreement, known as the Neutral Host Project, between WMATA and four major cellular carriers. A contractor hired by the wireless companies filed bankruptcy in 2013 before completing its work in Metro's tunnels.

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