




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
FHWA’s Oversight of Unexpended ARRA
Obligations
Federal Highway Administration
Project Numbers 12U3001M000 (Audit #1) and
12U3002M000 (Audit #2)

Date: June 21, 2012

From: Joseph W. Comé 
Assistant Inspector General for
Highway and Transit Audits

Reply to
Attn. of: JA-40

To: Federal Highway Administrator

The American Recovery and Reinvestment Act of 2009 (ARRA) established tight timeframes for the use of over \$27 billion invested in highway infrastructure projects. Currently, over \$2 billion, or 8 percent, of the ARRA funds that States obligated to projects have not been expended. Because a main goal of ARRA is to stimulate the U.S. economy, the Federal Highway Administration (FHWA) must actively identify and appropriately use or return any unexpended ARRA funds. Accordingly, we plan to conduct two related audits of FHWA’s unexpended ARRA funds.

- The objectives of the first audit are to (1) assess FHWA’s controls for monitoring unexpended ARRA obligations and (2) identify unexpended ARRA funds at risk of not being expended before final deadlines.
- The objective of the second audit is to determine whether FHWA’s policies, procedures, and management activities result in the prompt and appropriate use or return of unexpended ARRA funds.

We anticipate beginning the two audits, with separate teams, during the week of June 25, 2012. We will conduct the audits at FHWA Headquarters and Division Offices, and selected State departments of transportation. We will contact your audit liaison to schedule an entrance conference. If I can answer any questions or be of

further assistance, please contact me at (202) 366-5630 or David Pouliott, Program Director, at (202) 366-1844.

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cc: Arthur Jacobs, FHWA, HAIM-13
Martin Gertel, OST, M-1