



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Notification of Audit of Federal
Highway Administration's Oversight of State
Processes for Implementing Value Engineering
Project No. 05M3001M000

Date: October 13, 2004

From: Debra Ritt *Debra S. Ritt*
Assistant Inspector General
for Surface and Maritime Programs

Reply to
Attn. of: JA-40

To: Federal Highway Administrator

The Office of Inspector General is initiating an audit of the Federal Highway Administration (FHWA) oversight of value engineering (VE) in the Federal-aid highway program.

The objectives of this audit are to determine whether FHWA oversight and management is adequate to ensure that (1) VE studies are performed in accordance with established criteria, and (2) VE recommendations are timely and implemented to the maximum extent possible, permitting potential savings to be achieved.

We will conduct the audit at FHWA Headquarters, division offices, and state highway agencies that will be determined during the audit. We plan to begin the audit immediately, and will contact your audit liaison to schedule a formal entrance conference. The Program Director for this audit is Michael Ralph, and the Project Manager is Reginald Robinson. If you have any questions or require additional information, please contact me at (202) 366-5630 or Michael Ralph at (202)-366-1515.

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cc: Audit Liaison, OST
Audit Liaison, FHWA