



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Audit of DOT's Contract Close-Out Process
Department of Transportation
Project No: 14Z3003Z000

Date: June 10, 2014

From: Mary Kay Langan-Feirson 
Assistant Inspector General for
Acquisition and Procurement Audits

Reply to
Attn. of: JA-60

To: DOT Senior Procurement Executive
FAA Federal Acquisition Executive

From fiscal years 2009 to 2013, the Department of Transportation (DOT) spent over \$30 billion for contracts. During the same period, DOT awarded over 20,000 contracts whose period of performance ended by December 31, 2013,¹ which means that these contracts should either be closed or being considered for contract closeout. Contract closeout involves verifying that goods and services were provided as intended, validating final costs and payments, and freeing excess funds for possible use elsewhere. Timely and effective closeout ultimately protects the Government's interests and helps agencies efficiently manage remaining funds.

We are initiating an audit of DOT's contract close-out process. Our objective is to determine whether selected Operating Administrations are closing contracts in accordance with Federal and departmental regulations.

We plan to begin the audit this month. We will contact your audit liaisons to schedule an entrance conference. If you have any questions or need additional information, please contact Ken Prather, Program Director, at 202-366-1820 or Ann Wright, Project Manager, at 202-366-1433.

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¹ According to the Federal Data Procurement System-Next Generation.

cc: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100
FHWA Audit Liaison, HAIM-13
FMCSA Audit Liaison, MCPRS
FRA Audit Liaison, ROA-3
FTA Audit Liaison, TBP-2
MARAD Audit Liaison, MAR-392
NHTSA Audit Liaison, NPO-310
PHMSA Audit Liaison, PH-4
RITA Audit Liaison, RTC-1
SLSDC Audit Liaison, SLSDC