In FY 2010, the Department of Transportation (DOT) obligated approximately $5.8 billion on contracts for goods and services, a significant pool of contracts that may require careful contract closeout. Effective contract closeout processes protect the Government’s interests, minimize administrative costs for both Government and the contractor, and free excess funds for possible use elsewhere. Failure to effectively close out contracts hinders an Agency’s ability to manage and effectively utilize remaining funds.

The Office of the Inspector General is initiating an audit of DOT’s contract closeout processes to determine whether DOT’s Office of the Secretary and DOT Operating Administrations (OAs) are closing contracts efficiently and effectively, including deobligating excess funds on completed contracts.

We plan to begin the audit in October 2011. We will contact your audit liaisons to schedule an entrance conference. If you have any questions or need additional information, please contact Anthony Wysocki, Program Director, at 202-493-0223 or Gary Fishbein, Project Manager, at 202-366-1451.

cc: Anthony Williams, FAA, Audit Liaison
   Martin Gertel, M-1

1 Based on DOT data from the Federal Procurement Data System-Next Generation.