



Memorandum

U.S. Department of
Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Grant Disbursements and Implementation of
eInvoicing
Federal Aviation Administration
Project No. 17F3015F000

Date: May 1, 2017

From: Louis C. King 
Assistant Inspector General for Financial and
Information Technology Audits

Reply to
Attn. of: JA-20

To: Director, Audit and Evaluation

In 2012, the Department of Transportation (DOT) announced a DOT-wide effort to update financial systems, processes, and reporting. The initial phase began with the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) and the electronic reimbursement or "eInvoicing" of AIP grant disbursements (payments). The AIP is FAA's largest grant program and provides approximately \$3 billion per year to commercial and general aviation airports. Adequate oversight of AIP grant payments is critical to ensure that all available grant funding supports legitimate and intended purposes. Over the past 7 years, two of our audits have identified a combined \$17.8 million in improper payments within the AIP.¹

We are initiating this audit to ensure FAA is providing adequate oversight of AIP grant funding. Accordingly, our objectives will be to (1) assess whether AIP grant payments are supported and valid and (2) evaluate FAA's implementation of eInvoicing in AIP.

We plan to begin the audit this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FAA Headquarters, regional and district offices, and select AIP grantee locations. If you have any questions, please contact me at 202-366-1407 or Kevin Dorsey, Program Director, at 202-366-1518.

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¹ Report Number FI-2011-023, *Improper Payments Identified in FAA's Airport Improvement Program*, December 1, 2010 and Report Number AV-2013-071, *ARRA Lessons Learned: Opportunities Exist for FAA To Further Improve Its Oversight of Airport Grant Payments*, April 18, 2013. OIG reports are available on our Web site: <https://www.oig.dot.gov/>

cc: FAA Audit Liaison, AAE-100
DOT Audit Liaison, M-1