



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
FHWA’s Oversight of State Transportation
Improvement Programs
Project No. 15S3001S000

Date: March 24, 2015

From: Thomas E. Yatsco
Assistant Inspector General
for Surface Transportation Audits

Reply to
Attn. of: JA-30

To: Federal Highway Administrator

The Federal Highway Administration (FHWA) annually provides more than \$37 billion of Federal funding to States to construct and improve highways and bridges. To ensure States appropriately budget and plan for the use of Federal funds on transportation projects, Congress requires them to submit, and FHWA to approve, State Transportation Improvement Programs (STIP). States develop STIPs in coordination with metropolitan planning organizations (MPO) and non-metropolitan local officials and include projects planned for implementation over a 4-year period. FHWA also reviews the STIPs to determine project eligibility for Federal funds, State compliance with Federal requirements, and fiscal constraint—meaning the STIPs must demonstrate that program funding is reasonably available.

The objective of this self-initiated audit is to assess FHWA policies, procedures, and guidance for ensuring that STIPs receive comprehensive, consistent reviews and meet Federal requirements, including coordination with the Federal Transit Administration. We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at (202) 366-5630 or Gary Middleton, Program Director, at (202) 366-0625.

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cc: DOT Audit Liaison, M-1
FHWA Audit Liaison, HAIM-13
FTA Audit Liaison, TBP-30