

2.40 PROJECT REVIEW AND AUDITS

2.41 RESERVED FOR FUTURE USE

2.42 PROJECT ENGINEER'S PRE-AUDIT

Finalization of a contract requires many separate facets (both field and office work) to meld together. One phase of this process is a project engineer's pre-audit (PEP). A PEP is not necessarily an individual step, but part of an ongoing process culminating with a request for District audit. However, a PEP must be completed prior to requesting a District audit.

Generally the PEP process revolves around the following responsibilities:

- project inspector - field documentation
- project manager - reviews and checks these records for completeness and accuracy
- engineering technician - independent office audit of all documentation while preparing for a District audit
- documentation resolution of any outstanding noncompliance issues

Most offices have developed "Checklists" to assist in the PEP process. These lists need to be reviewed and updated periodically to stay current with the District's audit procedure, specifications, and Construction Manual revisions. For county or city projects, refer to the pre-audit checklist included as part of Local Systems I.M. 3.910, Final Review, Audit, and Close-out Procedures for Federal-aid Projects.

Project Related Emphasis Areas

- Storm Water
Be sure project records contain copies of the Iowa DOT Storm Water Permit, Notice of Discontinuation if the corridor work is completed, Co-Permittee Certifications, and weekly inspection reports. Project records also need to have copies of any storm water permits required for contractor's operations.
- Terminology Clarification
PLEASE NOTE: Project files and correspondence "**shall not**" use or refer to the term "hazardous waste" or "hazardous materials" unless analytical results conclusively indicate the material is indeed "hazardous." Typical Iowa DOT work rarely involves a material which is classified "hazardous." However, many materials are "regulated" by Iowa DNR or EPA for various reasons.
- Therefore, use the phrase "regulated materials" for project records and correspondence. The phrase is more correct, always applicable, and broader in scope when relating to materials generated from operations such as:
 - a. Removal of Leaking Underground Storage Tanks (LUST) which contained fuel or a petroleum derivative
 - b. Material generated during paint removal
 - c. Asbestos abatement
- Documentation of Regulated Materials
 - a. Project records must contain copies of tank closure reports and any other relevant information pertaining to Underground Tank

Removals. This includes locations and any data about locations where contaminated soil may have been taken for remediation.

b. Project records must contain copies of any shipping manifests. Manifests (either Iowa DOT, Iowa DNR, or EPA) are required for shipping materials such as asbestos and residue from paint removal.

2.43 DISTRICT OFFICE AUDIT

District Office audits are conducted after a contract is completed, a project engineer's pre-audit has been completed, and the final voucher is ready to be forwarded for processing. Generally, these audits will examine project records in the following areas:

- Internal office controls, procedures, and documentation
- Material certifications and test approvals
- Field documentation
- Internal office audit
- Final pay quantities

Form No.	Description	Quantity Needed by District Office	Quantity Needed by Office of Construction
830436	Final Payment (C.M. 2.37)	1	1
None	*Statement of Noncomplying Test of Measurement of Materials Incorporated into the Project (C.M. 2.37)	2	1
FHWA-47	*Statement of Materials & Labor (C.M. 2.29) (Required for NHS contracts greater than \$1,000,000)	2	4
181321	*Contractor's Statement of Sales or Use Tax (C.M. 2.29)	2	2
830235	Interest Payment Information (C.M. 2.55)	2	1
181013	*Contract Construction Progress Voucher (May be Universal Payment Voucher Form 181001 on certain types of projects)	Copies 1, 2 & 4	Copies 1 & 2
830301	*Audit of Final Pay Estimate (C.M. 2.43)	2	1
None	*Summary of City or County Reimbursement for Reimbursement Work (C.M. 2.74)	1	1
None	*Statement of Salvage Material (C.M. 3.05)	1	1
102116	*Certification of DBE	2	1

	Accomplishment (C.M. 2.25)		
518002	Certification of Subcontractor Payments (C.M. 2.25)	2	1
None	*List of Non-substantial Contract Modifications on FHWA Oversight Contracts (C.M. 2.36)	4	4

Audit of Final Pay Estimate (Form 830301)

Form 830301 may be used by District Office staff for reporting any deficiencies or errors found. Upon completion of the audit, the District Office staff shall keep one copy and leave the original with the project engineer. The project engineer shall note corrections or action taken in regard to the deficiencies, sign the original form, and forward a copy to the District Office.

2.44 MANUAL OF OFFICE PROCEDURES

Refer to [Construction Manual 1.34](#).

2.45 FORMS FOR FINAL PAYMENT PACKET

The following packet of completed forms should be sent from the project engineer to the District Construction Engineer (DCE). After review, the DCE should submit the final payment packets to the Office of Construction.

NOTE: For county or city projects, the final payment packet shall be submitted in accordance with Local Systems I.M. 3.910, Final Review, Audit, and Close-out Procedures for Federal-aid Projects.

*When applicable

NOTE:

- Force account statements should not be forwarded with the final voucher.
- Refer to [C.M. 2.74](#) for municipal project agreement costs.