




## Memorandum

Date: November 29, 2022

Subject: INFORMATION: Audit Announcement | DOT's Working Capital Fund IT Services | Project No. 22F3016F000  
Office of the Secretary of Transportation

From: Dormayne "Dory" Dillard-Christian   
Assistant Inspector General for Financial Audits

To: Assistant Secretary for Administration

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The Department of Transportation's (DOT) Working Capital Fund (WCF) provides technical and administrative services to DOT's Operating Administrations (OA). These services allow the OAs to focus on their core missions and reduce costs by consolidating their administrative management functions. Information technology (IT) services—one of the administrative services covered by the WCF—is managed by the Office of the Chief Information Officer, which falls under the Office of the Secretary of Transportation. The WCF is required to be fully self-sustaining and must achieve full cost recovery. It does not receive an appropriation to cover costs and is sustained through fee-for-service customer agreements. DOT's fiscal year 2023 budget estimates included \$271.4 million for IT services.

A prior OIG audit<sup>1</sup> identified inconsistencies in the WCF's billing procedures; as a result, customers received bills for services outside the scope and period of the purchase agreement. Given those findings, we are initiating this audit. Our audit objective will be to assess whether the Department's WCF billing-rate methodologies for IT services achieve cost recovery.

We will begin this audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at DOT Headquarters in Washington, DC, and other sites as needed.

If you have any questions, please contact me or Lisa Williams, Program Director.

cc: DOT Audit Liaison, M-1

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<sup>1</sup> *Cybersecurity Planning Weaknesses May Hinder the Efficient Use of Future Resources* (OIG Report No. FI2017066), August 7, 2017. OIG reports are available on our website: <https://www.oig.dot.gov/>.