



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General

Subject: ACTION: Notification of Audit of Coast Guard's
Capital Investments
Project Number: 03M3001M000

Date: October 17, 2002

From: Debra S. Ritt
Assistant Inspector General
for Transit, Rail Safety, and Maritime Programs

Reply to
Attn of: JA-40

To: Chief of Staff
United States Coast Guard

The Office of Inspector General (OIG) is initiating an audit of the United States Coast Guard's (Coast Guard) capital investments, focusing on the Integrated Deepwater Systems acquisition project and the Acquisition, Construction, and Improvements (AC&I) budget. We will evaluate progress and management controls for the Integrated Deepwater Systems project and evaluate capital investment plans, funding requirements, and the AC&I budget. Our objectives are to determine: (1) whether the Coast Guard's fiscal year 2004 budget request for Deepwater is based on a reliable cost estimate and reasonable assessment of needs; (2) whether the financial and management controls over the Deepwater project are adequate to ensure the effective use of funds and monitoring of progress; and (3) the extent to which Deepwater funding requirements may impact the Coast Guard's capital investment plans and priorities.

The audit will be conducted at Coast Guard Headquarters, Area, and District Commands, and other offices to be selected during the review. We will arrange an entrance conference with your audit liaison.

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