



U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Memorandum

Subject: INFORMATION: Audit Announcement—Agency
Review of the Department of Transportation's
Acquisition Function
Project No. 10Z3001Z000

Date: October 19, 2009

From: *Mark H. Zabarsky*
Mark H. Zabarsky
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Reply to
Attn of: JA-60

To: Secretary of Administration

The Office of Inspector General is initiating an audit of the Department of Transportation's (DOT) acquisition function. We will begin work at the Office of the Secretary and may expand our work to other Operating Administrations across DOT. This effort is part of our risk-based oversight strategy developed to help DOT address management challenges in their acquisition function.

Recently, President Obama called on Federal agencies to improve the effectiveness of their acquisition practices in order to achieve better results from their contracts. With about \$6 billion of taxpayer funds spent each year on goods and services, it is essential that DOT acquisition be handled in an efficient, effective, and accountable manner.

In May 2008, the Office of Management and Budget (OMB) and the Chief Acquisition Officers Council promoted a framework to standardize the approach Federal agencies use to assess internal control over acquisition activities and programs. This framework enables high-level, quantitative assessments of the strengths and weaknesses of the acquisition function while considering four elements that are essential to an efficient, effective, and accountable acquisition process: (1) organizational alignment and leadership, (2) policies and processes, (3) human capital or acquisition workforce, and (4) knowledge and information management.

Our objective is to assess DOT's acquisition function and identify vulnerabilities that could impact DOT's ability to implement an effective and efficient approach

consistent with best practices, including OMB guidelines on conducting acquisition assessments under Circular A-123.

We will contact your audit liaisons to schedule an entrance conference. If you have any questions or need additional information, please contact Anthony Wysocki, Program Director, at 202-439-0223 or Ann Wright, Project Manager, at 202-366-1433.

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cc: Senior Procurement Executive, M-60
Martin Gertel, M-1