

GAO Highlights

Highlights of [GAO-23-104624](#), a report to congressional committees

Why GAO Did This Study

Consolidating and sharing services within and among agencies is one way agencies can operate more efficiently. Such shared services may be financed or supported through a centralized WCF to conduct business-like activities within and between federal agencies.

The Joint Explanatory Statement for the Consolidated Appropriations Act, 2020, includes a provision for GAO to review Commerce's WCF. This report examines (1) how the WCF and the services it supports have changed since GAO's last review in 2011, including any changes related to the COVID-19 pandemic; and (2) the extent to which Commerce is applying key operating principles for effective WCF management.

GAO reviewed Commerce policies, documents, and budget data, and interviewed Commerce officials. GAO also interviewed selected service providers and officials from the Census Bureau, the National Oceanic and Atmospheric Administration, and the International Trade Administration about their experiences as WCF customers. GAO selected these customers and service providers because they represented the largest share of the WCF's total activity.

What GAO Recommends

GAO is making four recommendations to Commerce, including that Commerce more clearly document certain policies, create additional performance measures, and create a process to regularly review performance measures. Commerce agreed with the recommendations and plans to implement them.

View [GAO-23-104624](#). For more information, contact Jeff Arkin at (202) 512-6806 or ArkinJ@gao.gov.

December 2022

COMMERCE WORKING CAPITAL FUND

Policy and Performance Measure Enhancements Could Help Strengthen Management

What GAO Found

Created in 1944, the Department of Commerce's Working Capital Fund (WCF) supports services that are performed more efficiently when centralized. WCFs may also allow agencies to benefit from economies of scale and take advantage of specialized expertise. Since GAO's last review in 2011, obligations in Commerce's WCF have increased from \$145 million in fiscal year 2011 to \$269 million in fiscal year 2021.

The funding increase reflects the 2016 creation of a new Enterprise Services office to consolidate certain shared services (such as acquisitions and human capital), increased information technology spending (for cybersecurity, labor, and products), and inflation. Officials said the COVID-19 pandemic had a minimal effect on WCF spending.

Commerce has taken many steps to incorporate GAO's key operating principles for effective WCF management, but opportunities exist to further strengthen its management in some areas (see table).

Commerce's Implementation of Key Operating Principles for Effective Working Capital Fund (WCF) Management

Key Principle	Summary of Commerce's Implementation
Clearly delineate roles and responsibilities	Commerce has defined most of the key roles and responsibilities involved with managing the fund, but has not documented the process for determining how a particular activity is funded. Commerce officials said they have an informal process for deciding what activities Commerce funds through the WCF. However, clearly documenting that process would promote greater transparency and consistency over time.
Ensure self-sufficiency by recovering the agency's actual costs	Commerce generally has a transparent rate-setting and billing process to recover its actual costs, but has not documented its process for managing the WCF's unexpended balance. Commerce officials stated that they have not documented this process because they want to maintain flexibility in operating the fund. However, clearly documenting it would promote greater transparency and consistency, and help ensure the self-sufficiency of the fund.
Measure performance	Commerce has performance measures for many of its WCF services. However, Commerce does not have performance measures for the overall management of the WCF. There is also inconsistent monitoring of existing performance measures for WCF services. Commerce officials said they believe the existing performance measures for specific WCF services are sufficient to evaluate the performance of the fund. However, additional performance measures and more consistent monitoring of performance would give Commerce a fuller picture and clearer understanding of the WCF's effectiveness and help identify potential improvements.
Build in flexibility to obtain customer input and meet customer needs	All three WCF customers GAO interviewed—the Census Bureau, the National Oceanic and Atmospheric Administration, and the International Trade Administration—stated that they have opportunities to provide input about services in a timely manner.

Source: GAO. | [GAO-23-104624](#)