Hotline Complaint Regarding the Defense Contract Audit Agency Examination of a Contractor’s Subcontract Costs
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Results in Brief

Hotline Complaint Regarding the Defense Contract Audit Agency Examination of a Contractor’s Subcontract Costs

Objective
We evaluated a DoD Hotline complaint alleging that a Defense Contract Audit Agency (DCAA) field audit office did not comply with professional auditing standards or agency policy when it questioned a DoD contractor’s subcontract costs.

Findings
We substantiated the complaint. In Audit Report No. 3311-2009W10170001, the DCAA field audit office did not comply with generally accepted government auditing standards (GAGAS) or agency policy when it questioned $6.6 million in contractor-claimed subcontract costs. The auditor did not obtain sufficient evidence to conclude that the subcontract costs were unsupported, as GAGAS Chapter 5, “Standards for Attestation Engagements,” requires. In addition, the field audit office applied an arbitrary and unsupported 20-percent decrement factor to calculate the questioned costs. Use of the decrement was inconsistent with DCAA policy, and we noted that other DCAA auditors could be using the decrement inappropriately at other field audit offices.

In addition to substantiating the allegation, we noted that the auditor made significant errors on the DCAA Form 1, “Notice of Contract Costs Suspended and/or Disapproved,” that was attached to the DCAA report. These errors resulted in DCAA disallowing incorrect amounts on contractor billings and could have led the contracting officer to make an inappropriate final determination.

Recommendations
DCAA should supplement Audit Report No. 3311-2009W10170001 to remove the $6.6 million in questioned subcontract costs and consider reevaluating subcontract costs that are not covered by assist audit requests. Also we recommend that DCAA determine the extent to which other DCAA offices are inappropriately using the 20-percent decrement to question costs. Finally, DCAA should consider revising its policies to clarify that the DCAA Form 1 must exclude qualified and nonreimbursable contract costs.

Management Comments
Comments from the Director of the Defense Contract Audit Agency addressed all the specifics of the recommendations, and no further comments are required.
## Recommendations Table

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MEMORANDUM FOR DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY


We are providing this report for your information and use. We performed this evaluation based on a DoD Hotline complaint. We substantiated the complaint alleging that a Defense Contract Audit Agency (DCAA) field office did not obtain sufficient evidence to question $6.6 million in subcontract costs and inappropriately applied an arbitrary 20-percent decrement as the basis for questioning the costs.

We considered management comments on a draft of this report when preparing the final report. Comments from DCAA conformed to the requirements of DoD Directive 7565.3; therefore, we do not require additional comments.

We appreciate the courtesies extended to our staff. Please direct any questions to Ms. Carolyn R. Davis at (703) 604-8877 (DSN 664-8877), Carolyn.Davis@dodig.mil.

Randolph R. Stone
Deputy Inspector General
Policy and Oversight
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Introduction

Objective

We conducted an evaluation to determine the validity of a DoD Hotline complaint alleging that Defense Contract Audit Agency (DCAA) did not comply with professional auditing standards or DCAA policy when it questioned $6.6 million of a contractor's claimed subcontract costs for FY 2008.

See the Appendix for details of our scope and methodology.

Background

Defense Contract Audit Agency

DCAA operates under the direction, authority, and control of the Under Secretary of Defense (Comptroller)/Chief Financial Officer. The primary mission of DCAA is to perform contract audits for DoD.

DCAA maintains a headquarters, a field detachment (for audits involving DoD classified programs), and five regional offices (Northeastern, Mid-Atlantic, Eastern, Central, and Western). Each region maintains several field audit offices (FAOs). Currently, DCAA operates 140 FAOs and employs approximately 4,847 personnel. DCAA performs several different types of audit assignments. The most common DCAA assignment involves the audit of an incurred cost proposal submitted by a DoD contractor. In conducting an incurred cost audit, DCAA examines the contractor's proposed costs incurred on flexibly priced contracts for compliance with the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement, and Cost Accounting Standards. DCAA questions any claimed incurred costs that, in its opinion, do not comply with these regulations and standards.

Generally Accepted Government Auditing Standards

DoD Instruction 7600.02, “Audit Policies,” April 27, 2007, requires that DCAA conduct its audits in accordance with generally accepted government auditing standards (GAGAS). GAGAS provides professional standards for financial audits, attestation engagements, and performance audits. Most DCAA audits (including incurred cost audits) qualify as attestation engagements. For attestation engagements, GAGAS generally incorporates the American Institute of Certified Public Accountants (AICPA) standards and related Statements on Standards for Attestation Engagements.
Finding A

The Auditor Did Not Comply With Professional Auditing Standards or Agency Policy

We substantiated the allegation that the FAO did not comply with GAGAS because it did not obtain sufficient evidence to question $6.6 million in subcontract costs. In addition, the auditor applied an arbitrary 20-percent decrement factor as the basis for calculating the questioned subcontract costs. Therefore, DCAA did not comply with GAGAS Chapter 5, “Standards for Attestation Engagements,” requiring that the auditor obtain sufficient evidence to provide a reasonable basis for findings and conclusions. DCAA should supplement its report to remove the questioned subcontract costs of $6.6 million and consider reexamining the subcontract costs not covered by assist audit requests.

Allegation

The complainant alleged that a DCAA Central Region FAO did not comply with GAGAS or DCAA policy when it questioned $6.6 million of a DoD contractor's claimed FY 2008 subcontract costs. Specifically, the complainant alleged that the FAO:

- failed to comply with GAGAS when the auditor concluded that the contractor did not adequately support its claimed subcontract costs, and
- inappropriately applied a 20-percent decrement as a basis for questioning subcontract costs.

DCAA Audit of Subcontract Costs

In May 2012, a DCAA FAO located in the DCAA Central Region issued Audit Report No. 3311-2009W10170001 on a contractor's FY 2008 incurred cost proposal. DCAA concluded that the contractor could not adequately support its claimed subcontract costs of approximately $33 million, as FAR 52.216-7, “Allowable Cost and Payment,” requires. DCAA based its conclusion on a statistical sample of 70 subcontract invoices, which comprised $13.5 million of the $33 million in claimed subcontract costs. DCAA found that the contractor did not provide adequate documentation to support the allowability of any of the 70 invoices.

Rather than question all $33 million in subcontract costs based on the statistical sample, the FAO elected to question 20 percent (about $6.6 million) of those costs based on its consideration of contractor performance and product delivery.
FAO Did Not Comply With Generally Accepted Government Auditing Standards

Chapter 5 of GAGAS incorporates AICPA Standard AT\(^1\) 101.51, which states in part, “The practitioner must obtain sufficient evidence to provide a reasonable basis for the conclusion that is expressed in the report.” Our evaluation disclosed that DCAA failed to comply with chapter 5 of GAGAS and the AICPA standard by not obtaining adequate evidence to support its conclusion that $33 million in subcontract costs were unsupported. Specifically, the auditor’s failure to obtain adequate evidence was due, at least in part, to the auditor not considering all information provided by the contractor. For each of the 70 selected transactions, the auditor documented in the working papers her reasons for concluding that the contractor did not adequately support the claimed costs. Then, according to the working papers, the contractor provided a rebuttal to each of the auditor’s conclusions and, in many cases, the rebuttal indicates the contractor provided the auditor with additional information or explanations to support the allowability of the claimed cost. However, we found no evidence suggesting that the auditor appropriately considered the additional information or explanations included in the rebuttal.

For example, for one of the invoices (number 3 of 70), the auditor concluded that the contractor did not adequately support the subcontractor rates or fee because the contractor’s records did not include a copy of a negotiated agreement or any other evidence showing that the contractor had verified the allowability of the rates and fee. According to the auditor’s working papers, the contractor provided a rebuttal stating that it supplied the auditor with a copy of the negotiated rate and fee agreement, which proved the allowability of the claimed costs. The working papers do not reflect whether the auditor had considered the contractor rebuttal or received a copy of the negotiated agreement.

In 12 additional examples (invoice numbers 54 through 65), the auditor concluded that the contractor could not provide any support for the subcontractor’s invoiced costs. According to the auditor’s working papers, the contractor explained that it could not obtain support for the invoices because the subcontractor did not give the contractor access to the books and records. The auditor’s notes also indicated the contractor would request that the Government audit the invoiced costs as a result of not having access to the subcontractor’s books and records. The auditor did request an assist audit\(^2\) of the invoiced subcontractor costs. However, the

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\(^1\) The AICPA uses the “AT” designation to reference the various attestation standards.

\(^2\) A DCAA assist audit involves one DCAA FAO requesting audit assistance from another FAO. In this case, the FAO requested assist audits on a majority of the claimed subcontract costs from other FAOs that have primary audit responsibility over the subcontractors.
working papers did not indicate if the auditor had appropriately considered the contractor’s explanation, or why the auditor questioned the invoiced costs before receiving the assist audit results.

The FAO could not confirm if the auditor had considered any of the contractor’s rebuttals or received additional support noted in those rebuttals. The auditor who examined the 70 invoices has since left DCAA. Because the working papers do not reflect an appropriate consideration of the additional information contained in the rebuttals, the FAO did not obtain sufficient evidence to conclude that all claimed subcontract costs were unsupported based on FAR 52.216-7.

**Use of the 20-Percent Decrement Was Inappropriate**

In the audit report, the FAO included the following explanation for applying the 20 percent decrement to total subcontract costs of $33 million in order to calculate questioned subcontract costs of $6.6 million:

> nothing has come to our attention related to subcontractor inadequate performance and product delivery. Therefore, we did not question the full amount . . . . Historically, DCAA has applied a 20 percent decrement to total unsupported contract costs (direct and indirect) for any physically complete or active contracts for the subject CFY. These decrement factors are commonly imposed upon contractors who have not complied with contract clause FAR 52.216-7 which requires contractors to submit an adequate final indirect cost rate proposal . . . .

We disagree with the DCAA FAO’s use of the 20-percent decrement for several reasons. First, the use of the 20-percent decrement in this case was not consistent with the FAR. FAR 31.201-2(d) states that the contractor is responsible for maintaining records, including supporting documentation, adequate to demonstrate that costs claimed have been incurred, are allocable to the contract, and comply with applicable cost principles. Notwithstanding the auditor’s failure to obtain sufficient evidence in this case, auditors should normally question all costs when the contractor fails to adequately support those costs in accordance with the FAR. Then, in accordance with FAR 31.201-2(d), the contracting officer may use discretion to ultimately disallow all or part of a claimed cost that is inadequately supported.

Second, use of the 20-percent decrement in this instance was not consistent with DCAA policy. DCAA Contract Audit Manual 6-707.2b(2) recommends the use of a 20-percent decrement only when a contractor has failed to submit an adequate incurred cost proposal and relevant audit history does not exist with a particular contractor. The Manual advises the auditor to apply the 20-percent decrement
in order to recommend unilateral rates for the contracting officer. In this case, however, the FAO determined that the contractor's incurred costs proposal was adequate. The FAO also had an extensive history of auditing incurred cost proposals submitted by this contractor.

Third, the 20-percent decrement is arbitrary because DCAA lacked a legal, regulatory, or other appropriate basis for establishing the amount of questioned costs it reported and included in the accompanying Form 1. The decrement also failed to provide the contracting officer a rational or otherwise justifiable basis for limiting the potential disallowance to only 20 percent of what DCAA considered to be inadequately supported costs. Thus, the FAO should not have used the decrement to either question the subcontract costs or recommend that the contracting officer disallow them in accordance with FAR. Questioning costs in this manner did not serve a useful purpose to the contracting officer in negotiating a fair and reasonable settlement on the claimed subcontract costs.

Fourth, we question DCAA's consideration of subcontractor performance and product delivery as a basis for not questioning the full amount of costs that the auditor deemed unsupported. The DCAA audit objective should be focused on whether a contractor's claimed costs are allowable, allocable, and reasonable in accordance with the FAR, irrespective of contractor performance and delivery history.

Therefore, we substantiated the allegation that DCAA inappropriately applied a 20-percent decrement to calculate questioned subcontract costs. We do not know the extent to which DCAA has applied the 20-percent decrement under similar circumstances, contrary to Agency guidance. However, we are concerned that other FAOs might be using the decrement because the FAO's report indicates that DCAA has “historically” applied the decrement to total unsupported contract costs. DCAA should canvas FAOs to determine whether the 20-percent decrement is being used inappropriately and take corrective action with respect to both existing and future audit efforts.

**The Contracting Officer Did Not Sustain the Questioned Costs**

We learned that the contracting officer responsible for negotiating the contractor's claimed incurred costs (including the subcontract costs) did not uphold the DCAA questioned subcontract costs of $6.6 million. However, the contracting officer left open the possibility of future negotiations based on the results of DCAA assist audits or other audits on subcontract costs. Because the subcontract costs are subject to future negotiations, the FAO should supplement the report to remove the questioned costs. In addition, DCAA should consider reexamining the allowability of subcontract costs that are not covered under assist audit requests.
Recommendations, Management Comments, and Our Response

**Recommendation A.1**
We recommend that the Regional Director, DCAA Central Region, instruct the Field Audit Office Manager to:

a. Supplement Audit Report No. 3311-2009W10170001 to remove the $6.6 million in questioned subcontract costs.

b. Consider reexamining the allowability of subcontract costs that are not covered under assist audit requests.

**Director, Defense Contract Audit Agency Comments**
The Director agreed and stated the FAO will review all documentation the contractor provided. Based on that review, the FAO will determine if the data supports the allowability, allocability, and reasonableness of the claimed subcontract costs. Finally, the FAO will supplement the report to incorporate the results of the review. DCAA anticipates completing this action by March 31, 2015.

**Our Response**
Comments from the Director, Defense Contract Audit Agency, are fully responsive, and no additional comments are required.

**Recommendation A.2**
We recommend that the Director, Defense Contract Audit Agency:

a. Evaluate the extent to which field audit offices are using the 20-percent decrement inappropriately.

b. Take any necessary corrective action based on the results of the evaluation.

c. Provide a copy of the results to the Assistant Inspector General for Audit Policy and Oversight.

**Director, Defense Contract Audit Agency Comments**
The Director, Defense Contract Audit Agency, agreed and stated DCAA has researched this issue at each of the regional offices and did not find any similar uses of the 20-percent decrement factor.

**Our Response**
Comments from the Director, Defense Contract Audit Agency, are fully responsive, and no additional comments are required.
Finding B

DCAA Overstated Disallowed Costs on DCAA Form 1

During our evaluation of the subject complaint, we noted that the FAO made significant errors on DCAA Form 1, "Notice of Contract Costs Suspended and/or Disapproved," which was attached to the audit report. The DCAA Form 1 inappropriately included qualified costs of $3.9 million and costs associated with nonreimbursable contract costs of approximately $288,000. This resulted in DCAA overstating disallowed costs on contractor billings and could have caused the contracting officer to make an inappropriate or premature final determination.

DCAA Form 1 on Questioned Subcontract Costs

As a result of DCAA questioning the subcontract costs of $6.6 million, the FAO prepared a Form 1 and attached it to the audit report in order to: 1) notify the contracting officer that DCAA is disapproving the costs on contractor billings, and 2) request that the contracting officer render a final decision on the disapproved costs. The accuracy of the DCAA Form 1 is important because errors could result in DCAA disapproving improper amounts on contractor billings and a contracting officer making an unintended or premature final determination. As discussed in the following sections, we discovered two errors on the DCAA Form 1 prepared by the FAO.

Qualified Costs

Of the $6.6 million in costs included on the DCAA Form 1, $3.9 million were also qualified by DCAA. DCAA qualifies proposed costs when, at the time of report issuance, the auditor is unable to provide a definitive conclusion on the allowability, allocability, and reasonableness of the costs. In this case, DCAA qualified a portion of the subcontract costs because the FAO had not yet received the results of assist audits requested from other DCAA offices having audit cognizance over the subcontractors. Because the assist audits were still in process, we consider it inappropriate for DCAA to include the qualified costs on the Form 1 and request that the contracting officer make a final determination. If the contracting officer had upheld the DCAA questioned costs, the contracting officer could have made a premature final determination on the subcontract costs before considering the

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3 Nonreimbursable contracts refer to contracts administered by Government agencies other than DoD for which the agency has not granted audit authority to DCAA or agreed to reimburse DCAA for the cost of auditing the contracts.

4 The $6.6 million amount represents the combination of costs included both on DCAA Form 1 and National Aeronautics and Space Administration (NASA) Form 456. NASA Form 456 is equivalent DoD Form 1 and is used for NASA contracts. For simplicity, we refer only to DCAA Form 1 in Finding B.
assist audit results. In addition, the inclusion of qualified costs resulted in DCAA overstating disallowed costs on contractor billings. Our review of existing DCAA policy did not disclose any guidance addressing the treatment of qualified costs when the auditor prepares a DCAA Form 1. DCAA should consider the need to modify its policy to reflect that a DCAA Form 1 must exclude qualified costs.

**Nonreimbursable Contract Costs**

According to DCAA Contract Audit Manual 6.903, a DCAA Form 1 should include only DoD contracts and non-DoD contracts where the auditor has been granted audit authority (also referred to as reimbursable contracts). In this instance, the DCAA Form 1 included costs for 13 nonreimbursable contracts belonging to Government agencies other than DoD that had not granted DCAA the authority to audit the proposed costs. As a result, we estimate that the FAO overstated DCAA disallowed costs on DCAA Form 1 by approximately $288,000.

**Recommendations, Management Comments, and Our Response**

**Recommendation B.1**

We recommend that the Director, Defense Contract Audit Agency, consider modifying Agency guidance to clarify that auditors should not include qualified costs in the DCAA Form 1.

**Director, Defense Contract Audit Agency Comments**

The Director agreed and stated that DCAA considered a modification but concluded that the present guidance is clear, and no guidance changes are required. The Director also stated that if the FAO had correctly reported the qualified and questioned cost in the DCAA audit report, the amounts on the DCAA Form 1 would have been correct.

**Our Response**

Comments from the Director, Defense Contract Audit Agency, are fully responsive, and no additional comments are required.
**Recommendation B.2**

We recommend that the DCAA Regional Director, Central Region, provide the field audit office with comprehensive training on the proper preparation of DCAA Form 1, in part emphasizing that the auditor must exclude qualified costs and nonreimbursable contract costs.

**Director, Defense Contract Audit Agency Comments**

The Director, Defense Contract Audit Agency, agreed and stated that DCAA will provide training to the FAO by March 31, 2015. In addition, DCAA will revise the Form 1 attached to the report based on the results of its review of contractor documents. (See the Director’s comments addressing Recommendation A.1.)

**Our Response**

Comments from the Director, Defense Contract Audit Agency, are fully responsive, and no additional comments are required.
Appendixes

Appendix

Scope and Methodology
We conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency “Quality Standards for Inspection and Evaluation.” To determine the validity of the complaint addressed in this report, we:

- interviewed DCAA personnel involved in the audit of the contractor’s fiscal year 2008 incurred cost proposal,
- examined DCAA files and correspondence involving the audit of the contractor’s FY 2008 incurred cost proposal, and
- evaluated DCAA actions for compliance with regulations, generally accepted government auditing standards, and DCAA policies applicable to the stated allegations.

We recorded the interviews and we obtained a transcription of them. We performed the review between September 25, 2013 and August 30, 2014.

Use of Computer-Processed Data
We did not rely on computer-processed data as part of our evaluation.

Prior Coverage
During the last 5 years, the DOD IG has issued seven reports related to the quality of DCAA audits. Unrestricted DoD IG reports can be accessed at http://www.dodig.mil.


Management Comments

Defense Contract Audit Agency Comments

MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR POLICY AND OVERSIGHT, OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE


Thank you for the opportunity to respond to the subject draft report provided to DCAA on November 4, 2014. Enclosed are comments to the recommendations in the draft.

We concur with your findings and recommendations related to the computation of the questioned costs and its corresponding reporting on the DCAA Form 1. We also concur that there was an incorrect application of the decrement on subcontracts with outstanding assist audits. However the use of a decrement, based on contractor history and/or relevant Agency wide historical data, will continue to be used in DCAA audits when appropriate and is compliant with GAGAS. Documented decrement factors are an important tool in providing advice and recommendations to contracting officers. See our comments relating to this issue in the attachment.

We are taking action to address each of the recommendations as detailed in the enclosure.

If you have any questions, please contact Mr. Gary Spjut, Assistant Director, Integrity and Quality Assurance at (703) 767-1066.

Anita F. Bales
Director

November 21, 2014
Defense Contract Audit Agency Comments (cont’d)

DCAA Response to Draft Report on Project No. D2013-DAPOCF-0194.000

Summary

While we generally agree with the issues associated with the subject report, it is important to understand that auditor judgment and the use of varying procedures will always be a part of GAGAS compliant engagements. For example, we believe that the auditor used professional judgment when drawing a nexus between DCAA policy on recommending a 20 percent decrement of incurred costs when the contractor has not supported its incurred costs with an adequate incurred cost claim as required and the unsupported subcontract costs.

Background

When applied to the correct universe of unsupported costs, we believe that an appropriate decrement factor provides a useful audit position to present to the contracting officer. Both the regulatory requirements for submitting an incurred cost submission in accordance with FAR 52.216-7 (allowable cost and payment) and supporting costs in accordance with FAR 31.201-2 (determining allowability) place the burden of supporting costs on the contractor. Therefore, when the auditor receives corroborating evidence that supports services or products were received but cannot verify the costs of those products or services, the application of a decrement to unsupported subcontract cost, is consistent with DCAA guidance.

In the absence of contractor specific data, which might have been available if the contractor had adequately monitored its subcontractors, we support the auditor’s use of judgment and the application of the overall Agency recommended decrement. In order to provide the contracting officer with an alternative position to disallowing all of the cost or accepting all of the cost, the Field Audit Office (FAO) considered the fact that the Government did benefit from these costs and provided an alternative recommendation. Auditors are expected to consider relevant facts in developing their recommendations in the absence of or in support of contractor data. Those factors include third party confirmations, contract performance, and product delivery or the lack of product delivery.

We recognize that in this case the FAO inappropriately applied the decrement to subcontracts that didn’t have a completed assist audit rather than only to subcontracts that did not submit incurred cost data and which the Prime contractor did not assess the reasonableness of the subcontractor cost. We will ensure that appropriate training is provided to avoid future instances of noncompliance with Agency policy.

Our specific comments to your recommendations are as follows:

DoDIG Recommendation A.1. We recommend that the Regional Director, DCAA Central Region instruct the Field Audit Office Manager to:

a. Supplement Audit Report No. 3311-2009W10170001 in order to remove the $6.6 million in questioned subcontract costs.

b. Consider reexamining the allowability of subcontract costs that are not covered under assist audit requests.
Defense Contract Audit Agency Comments (cont’d)

DCAA Response to Draft Report on Project No. D2013-DAPOCF-0194.000

DCAA Response:

Recommendations A.1a and A.1b: Concur. The FAO will review all supporting documentation provided by the contractor and determine if the data supports the allowability, allocability, and reasonableness of the subcontract costs. All conclusions regarding the information should be adequately documented. The FAO will supplement the report to incorporate the results of the review of the additional information. We expect this to be completed by March 31, 2015.

DoDIG Recommendation A.2. We recommend that the Director, Defense Contract Audit Agency:

a. Evaluate the extent to which field audit offices are using the 20-percent decrement inappropriately.

b. Take any necessary corrective action based on the results of the evaluation.

c. Provide a copy of the results to the Assistant Inspector General for Audit Policy and Oversight.

DCAA Response:

Recommendations A.2a, A.2b, and A.2c: Concur. We researched this issue at each of our regional offices and similar uses of the 20 percent decrement factor are not taking place. Therefore, we consider this recommendation to be completed.

DoDIG Recommendation B.1. We recommend that the Director, Defense Contract Audit Agency, consider modifying Agency guidance to clarify that auditors should not include qualified costs in the DCAA Form 1.

DCAA Response:

Concur. We considered modifying Agency guidance as recommended. However, we reviewed our guidance on the DCAA Form 1 and the guidance is clear regarding what costs are to be reported on the DCAA Form 1, therefore the guidance will not be modified. In this instance, had the FAO correctly reported the qualified and questioned cost in the audit report, the amounts reported on the DCAA Form 1 would have also been correct and would not have included qualified costs.

DoDIG Recommendation B.2. We recommend that the DCAA Regional Director, Central Region provide the field audit office with comprehensive training on the proper preparation of DCAA Form 1, in part emphasizing that the auditor must exclude qualified costs and nonreimbursable contract costs.

DCAA Response:

Concur. We will provide training to the office by March 31, 2015. In addition, revised Forms 1 will be prepared based on results of additional audit effort performed by March 31, 2015.
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U.S. Department of Defense

The Whistleblower Protection Enhancement Act of 2012 requires the Inspector General to designate a Whistleblower Protection Ombudsman to educate agency employees about prohibitions on retaliation, and rights and remedies against retaliation for protected disclosures. The designated ombudsman is the DoD Hotline Director. For more information on your rights and remedies against retaliation, visit www.dodig.mil/programs/whistleblower.

For more information about DoD IG reports or activities, please contact us:

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