



DEFENSE CONTRACT AUDIT AGENCY
DEPARTMENT OF DEFENSE
8725 JOHN J. KINGMAN ROAD, SUITE 2135
FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

PAC 730.3.B.01/2009-06

June 17, 2009
09-PAC-010(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
DIRECTOR, FIELD DETACHMENT, DCAA
HEADS OF PRINCIPAL STAFF ELEMENTS, DCAA

SUBJECT: Audit Alert on Issuing Audit Reports When a CAS Noncompliance Is Found during Normal Audit Functions

This audit alert is being issued to emphasize the reporting requirement at CAM 8-302.7c. when a CAS noncompliance is found during normal audit functions (e.g., price proposal evaluations, audits of incurred costs, and system audits).

Noncompliance audit reports should be issued as the auditor discovers instances of CAS noncompliance during normal audit functions. Regardless of the type of audits under which CAS noncompliance issues are identified, the auditor will report noncompliance issues in a separate report (Activity Code 19200). Reports on CAS noncompliance will be prepared and distributed in accordance with CAM 10-808. As required for all audit assignments, the auditor must ensure that the audit working papers document sufficient evidence to support the audit opinion before issuing the noncompliance audit report.

Field audit office personnel should direct questions regarding this memorandum to their regional offices. Regional offices should direct their questions to Accounting and Cost Principles Division, at (703) 767-3250, or via e-mail at DCAA-PAC@dcaa.mil.

/Signed/
Kenneth J. Saccoccia
Assistant Director
Policy and Plans

DISTRIBUTION: C