



**DEFENSE CONTRACT AUDIT AGENCY**  
**DEPARTMENT OF DEFENSE**  
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IN REPLY REFER TO

PPD 730.5.26.1

May 2, 2011  
11-PPD-006(R)

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

SUBJECT: Audit Guidance on the Review of Interim Public Vouchers for Department of Homeland Security (DHS) Contracts

This memorandum is being issued to provide Agency guidance on the review of interim public vouchers related to Department of Homeland Security (DHS) contracts. DCAA and DHS have revised their Memorandum of Understanding (MOU) on contract audit coverage to provide for DCAA's review of interim public vouchers submitted under DHS cost reimbursement and T&M/LH contracts.

Under these new procedures, all DHS cost reimbursement and T&M/LH contracts will require the contractor to submit copies of its interim vouchers to DCAA at the same time as the original is sent to the COTR/contracting officer. Under the terms of the MOU, the COTR/contracting officer will certify and process the interim vouchers for payment while auditors will perform their review within five (5) business days of receiving the voucher, in accordance with the following:

- Using the procedures outlined in CAM 6-1008, DCAA will review (1) all vouchers in excess of \$1 million and (2) all first vouchers under a DHS contract or delivery order.
- If the contractor is not on direct billing, DCAA will sample the remaining vouchers using the FAO-established sampling techniques consistent with the methodology used for DoD voucher review sampling. If the contractor is on direct billing, auditors should ensure that the interim vouchers related to DHS contracts are included in the universe for selection when performing its annual review of paid vouchers (Code 11015 – Review of Contractor's Continued Eligibility for Direct Billing). Auditors are reminded that as part of this review, auditors should ensure a sufficient number of paid vouchers are reviewed to provide reasonable assurance that the contractor's procedures continue to be adequate.
- A contracting officer may request a review of a specific voucher if the contracting officer has concerns.

If the auditor identifies a concern (e.g., inaccuracies, questionable or unsupported costs) with the DHS voucher selected for review, the auditor should notify the contracting officer in writing and include any suspended or disapproved costs with a recommendation that the amount questioned be deducted from the next available voucher. No notification to the contracting officer is necessary if the auditor's review disclosed no exceptions. The results of the review should be documented in accordance with the FAO's permanent file documentation for its review of selected interim vouchers.

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FAO personnel should direct questions to their regional points of contact and regional personnel should direct any questions to Policy Programs Division at (703) 767-2270 or via e-mail at [dcaa-ppd@dcaa.mil](mailto:dcaa-ppd@dcaa.mil).

/Signed/  
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