



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

PPS 710.7

July 25, 2012  
12-PPS-018(R)

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

SUBJECT: Audit Guidance – Denial of Access to Records Due to Contractor Assertion of Attorney-Work-Product Doctrine or Attorney-Client Privilege

The purpose of this memorandum is to inform auditors that CAM 1-504.4g has been updated to expand guidance on the procedures to follow when a contractor asserts attorney-client privilege, or attorney-work-product doctrine. In these circumstances, our audit objective remains the same, to determine the contractor's compliance with contractual requirements (e.g., to determine if the claimed costs are allowable, allocable and reasonable in accordance with applicable audit criteria). Therefore, if a contractor denies access to the requested information and does not provide alternative, non-privileged information, the FAO should pursue access to records until such time as a high-level executive from the company asserts the privilege, in writing. Upon receipt of the written assertion, the issue should be elevated to the Regional office for coordination with top-level contractor management.

As a reminder, general guidance and procedures on denial of access to records are included in CAM 1-504, "Access to Records of Contractor"; DCAA Instruction No. 7640.17, "Formal Reporting Procedures For Denial of Access To Contractor's Records"; and MRD 08-PAS-042(R) "Audit Guidance on Denial of Access to Records Due to Contractor Delays," dated December 19, 2008.

Auditors with questions on whether the contractor's assertion of attorney-client privilege or attorney-work-product doctrine is appropriate in their specific situation should contact [DCAA-DL@dcaa.mil](mailto:DCAA-DL@dcaa.mil) for assistance. If the efforts outlined in CAM 1-504.4g prove unsuccessful for obtaining the data needed to establish allowability, allocability or reasonableness, coordinate with [DCAA-PPS@dcaa.mil](mailto:DCAA-PPS@dcaa.mil) so that Policy may review the access to records issue with DCAA counsel.

FAO personnel should direct questions regarding this memorandum to their regional offices. Regional offices should direct their questions to Policy Publications and Systems Division, at (703) 767-3274, or by e-mail at [DCAA-PPS@dcaa.mil](mailto:DCAA-PPS@dcaa.mil).

/Signed/  
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