



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

IN REPLY REFER TO

PAS 730.3.B.2.4

October 1, 2015
15-PAS-009(R)

**MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
ASSISTANT DIRECTORS, HQ, DCAA**

SUBJECT: Audit Alert on Assessing Contractor Corrective Actions to Previously Reported Audit Findings

Effective immediately, audit teams must ensure that their existing audit programs include steps and documentation for assessing contractor corrective actions to previously reported audit findings. In February 2015, in response to peer review comments, we updated all standard audit programs in the risk assessment section to enhance coverage of previously reported audit findings and contractor corrective actions. The audit findings could pertain to DCAA audit findings and/or findings from audits or studies performed by other than DCAA that are relevant to the subject matter under audit. This is a requirement of GAGAS 5.06, and allows auditors to obtain an understanding of contractor corrective actions to previous audit findings in assessing risk and determining the nature, timing, and extent of current work, including potential testing of the implemented corrective actions when applicable to the audit objectives.

What Action Do I Need to Take?

If you are working on an audit package that was generated in APPS prior to February 2015, you must add the necessary steps to your audit program. Audit teams should review the current version of the audit program available on the DCAA intranet under the "Audit Programs (AP), Audit Report (AR) Shells, Other Audit Guidance (OAG) Documents and Administrative Forms" page and incorporate the updated audit steps into the existing audit program.

Questions and Further Information

FAO personnel should direct questions regarding this memorandum to their regional offices and regional personnel should direct any questions to Policy Auditing Standards Division at (703) 767-3274 or e-mail at DCAA-PAS@dcaa.mil.

/Signed/
Donald J. McKenzie
Assistant Director
Policy and Plans

DISTRIBUTION: E