



DEFENSE CONTRACT AUDIT AGENCY

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PAS 730.3.B.2.4

October 15, 2015
15-PAS-010(R)

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

SUBJECT: Audit Alert on the Supervisory Statement on Sufficiency of Evidence

Effective immediately, upon completion of their review of the final working paper package, supervisors must sign and date the Supervisory Statement on Sufficiency of Evidence statement now included on Working Paper A.

Background

The DoDIG Peer review of DCAA's quality control procedures noted the lack of a supervisory assertion for sufficiency of evidence in the working paper package and recommended that DCAA Supervisory Auditors complete and certify a checklist that demonstrates they have reviewed the project to ensure significant GAGAS requirements have been completed.

How DCAA Addressed DoDIG Recommendation on Sufficiency of Evidence

Policy did not feel that a separate checklist was necessary as supervisory auditors already perform procedures when reviewing audit working paper packages to ensure significant GAGAS requirements have been completed, and they document this review by initialing off on the lead and summary working papers. However, to meet the intent of the DoDIG recommendation (i.e., supervisors certify they have reviewed the project to ensure it meets GAGAS compliance), Policy revised all Working Paper A's to include the section now entitled Supervisory Statement on Sufficiency of Evidence. For audits, the Supervisor's signature and date certify the statement that, in the Supervisor's professional judgement, appropriate audit evidence supports the significant judgments and the conclusion reported. For agreed upon procedures assignments, the Supervisor's signature and date certify the statement that, in the Supervisor's professional judgment, the working paper documentation supports the specific procedures performed and related findings reported. The supervisor signing this statement on Working Paper A replaces the existing requirement on Working Paper A to draft a statement on the sufficiency of evidence.

Further Assistance

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

/s/ Jennifer L. Quinones
/for/ Donald J. McKenzie
Assistant Director
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