

Master Document – Audit Program

Activity Code 17870		CCDR
Version 2.0, dated April 2004		
B-1	Planning Considerations	
Purpose and Scope		
<p>This program provides a logical sequence to the audit effort and should reflect a mutual understanding between the auditor and supervisor as to the scope required to meet auditing standards and DCAA objectives for the current assignment. The audit steps in the program are general guidance and should be modified as considered necessary to fit the current audit. Those steps not required should be marked “not applicable” (N/A), lined through, or deleted as appropriate for your FAO. Portions of the audit which are covered in other assignments (e.g., review of accounting system, estimating system, earned value management system) should be referenced at the appropriate place in the program.</p>		
<p>The primary objectives of the Contractor Cost Data Reports (CCDRs) are to collect projected and actual cost data on selected contracts within acquisition programs to assist DoD procurement activities to: (1) prepare program cost estimates for major system acquisitions reviewed by the Defense Acquisition Board (DAB) and/or DoD Component Acquisition Executive (CAE)); (2) develop independent Government contract cost estimates in support of cost and price analyses; and (3) develop estimates to support Analysis of Alternatives (AoAs), Cost as an Independent Variable (CAIV), and long range planning efforts. The Defense Cost and Research Center (DCARC) is the DoD organization responsible for collecting CCDR data and, as such, is the primary customer for audits of contractor CCDRs.</p>		
<p>DoD policy, as set forth in DoDI 5000.2, <i>Operation of the Defense Acquisition System</i>, and DoD 5000.4-M-1, <i>Contractor Cost Data Reporting (CCDR) Manual</i>, specifies the CCDR requirements based on a program's designated acquisition category (ACAT). For ACAT ID and IC programs, CCDRs are required on all major contracts and subcontracts, regardless of contract type, that are valued at more than \$50 million (FY 2002 constant dollars). CCDR reporting is not required for contracts priced below \$7 million. The CCDR requirement on high-risk or high-technical interest contracts priced between \$7 and \$50 million is left to the discretion of the Cost Working-Level Integrated Product Team (CWIPT). CCDR reporting may be waived, at the discretion of the Chair, Cost Analysis Improvement Group, for procurement of commercial systems, or for non-commercial systems bought under competitively awarded, firm fixed price contracts, as long as competitive conditions continue to exist. For ACAT II and III, CCDR reporting requirements are left to the discretion of the DoD components.</p>		
<p>While DoDI 5000.2 designates guidelines specifying which contracts should be covered by CCDR, the CCDR requirement must be included in the contract for CCDR to apply. The CCDR</p>		

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requirement is incorporated into the contract through the identification of the CCDR reports in the contract data requirements list (CDRL). Review the contract terms, and specifically the CDRL, to determine if a contract is subject to CCDR and to determine which of the CCDR reports the contractor is required to submit.

DoD 5000.4-M-1 provides detailed guidance related to CCDRs. Chapter 4 of the CCDR Manual provides instructions for contractor preparation of CCDRs, and should be utilized as a reference throughout the audit. The CCDR Manual provides detailed instructions for the contractor relative to reporting requirements for subcontract costs, recurring and nonrecurring costs, and reporting of costs by functional area. Although the substance of the requirements has been incorporated into the audit steps, refer to chapter 4 of the CCDR Manual for the detailed requirements. In addition, the CCDR manual requires contractors to annotate various data in the "Remarks" section of the CCDR forms. Consider this data in the performance of the audit.

Consider the following general guidelines set forth in paragraph C4.2 of the CCDR Manual:

- Contractors must report all actual and estimated costs, regardless of contract ceiling or contract type (e.g., firm fixed price). This requirement may result in reported costs being higher than costs actually paid for by the Government.
- All contractor data sources should be used. However, there will be occasions when the contractor cannot, without a major effort or major change to its accounting system, provide the data in the requested format. Under these circumstances (e.g., when a contractor's accounting system does not aggregate to a specified cost category), the contractor should provide a best estimate. The contractor should provide the basis for the estimate in the "Remarks" section of the appropriate report.

The purpose of the audit is to evaluate the effectiveness of the contractor's policies, procedures, and practices to produce data compatible with the objectives of CCDR, and make selective tests of reported data. This audit program may be used to perform the annual evaluation of the effectiveness of the contractor's policies and procedures for accumulating data and preparing CCDRs (see CAM 11-306.8) or other audits as requested by the DCARC. Included are audit steps for evaluation of the contractor's policies and procedures and audit steps pertaining to each of the three CCDR reports (DD Forms 1921, 1921-1 and 1921-2). Use those sections of the audit program appropriate for the nature of the audit being performed.

The scope of a CCDR audit depends on how much reliance can be placed on the contractor's CCDR-related accounting and estimating system internal controls. If the results of prior audits and the preliminary steps indicate low audit risk, audit scope should be reduced accordingly. This decision must reflect a mutual understanding between the auditor and supervisor as to the scope required to meet auditing standards and DCAA objectives for the current assignment. This program does not replace individual auditor judgment and may be supplemented to satisfy the needs of a particular assignment.

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References
1. CAM 11-306 – Contractor Cost Data Report (CCDR)
2. CAM 10-1200 – Audit Reports on Other Areas
3. DoD 5000.4-M-1 – Contractor Cost Data Reporting (CCDR) Manual (located at the CCDR homepage at http://dcarc.pae.osd.mil/)
4. DoDI 5000.2 - Operation of the Defense Acquisition System

B-1	Preliminary Steps	WP Reference
	Version 2.0, dated April 2004	
	1. Review permanent files and prior audit files for background information and any audit leads or prior findings that would impact the current audit. Determine whether the contractor’s CCDR policies and procedures have previously been evaluated.	
	2. Understanding and Evaluating the Contractor's Internal Control Structure	
	a. Review the Internal Control Audit Planning Summaries (ICAPS) (or ICQ for nonmajor contractor where ICAPS have not been completed) to obtain and document an understanding of the estimating system and any other applicable internal control systems the contractor may have (e.g., labor, MMAS). Identify any deficiencies which would impact the audit and document their potential impact on each significant cost element contained in the CCDR.	
	b. If the contractor is classified as nonmajor (where ICAPS have not been completed) and if the evidential matter to be obtained during the audit is highly dependent on computerized information systems, document on working paper B-2 the audit work performed that supports reliance on the computer-based evidential matter. Specifically, document or reference one or more of the following in working paper B-2:	
	(1) the audit assignment(s) where the reliability of the data was sufficiently established in other DCAA audits,	
	(2) the procedures/tests that will be performed in this audit to evaluate the incurred costs that will also support reliance on the evidential matter, and/or	

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<p>(3) the tests that will be performed in this audit that will be specifically designed to test the reliability of the computer-based data.</p>	
<p>When sufficient work is not performed to determine reliability (i.e., reduce audit risk to an acceptable level), qualify the audit report in accordance with CAM 10-210.4 and 10-1204.4.</p>	
<p>3. For demand audits, coordinate with the requester to identify any areas of specific concern.</p>	
<p>4. For the annual audit of the effectiveness of the contractor's system and related policies and procedures for preparing CCDRs, select a sample of the contractor's CCDR-covered contracts for testing of report data. Coordinate with the DCARC to identify any high risk or sensitive contracts to include in the sample.</p>	
<p>5. In planning and performing the examination, consider the fraud risk indicators specific to the audit. The principal sources for the applicable fraud risk indicators are:</p> <ul style="list-style-type: none"> • Handbook on Fraud Indicators for Contract Auditors, Section IV. (IGDH 7600.3, APO March 31, 1993) located at www.dodig.osd.mil/PUBS/index.html • CAM Figure 4-7-3 	
<p>Document in working paper B any identified fraud risk indicators and your response/actions to the identified risks (either individually or in combination). This should be done at the planning stage of the audit, as well as during the audit if risk indicators are disclosed. If no risk indicators are identified, document this in working paper B.</p>	
<p>6. Brief the contract(s), including the Contract Data Requirements List (DD Form 1423-1) and the approved CCDR plan, to determine the specific CCDR requirements that have been incorporated into the contract(s). If the contract does not include the approved CCDR plan, contact the DCARC to obtain a copy of the approved contract CCDR plan.</p>	
<p>7. Perform a preliminary review of the CCDR forms to determine whether the contractor has complied with the contract, including the approved contract CCDR plan, and CCDR Manual (paragraph C2.2.3.12) requirements regarding timing of submittal, which reports to submit, and format for the required reports.</p>	
<p>8. Determine if a technical evaluation of the contractor's reported incurred cost or estimate at completion is required. For example, a technical evaluation may be required to analyze the reported classification of recurring and nonrecurring costs, classification of cost by functional area, calculation of equivalent units, or the contractor's</p>	

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estimate at completion. If required, request assistance and coordinate with the contracting officer to determine whether the results will be available for incorporation into the audit.	
9. Arrange for and conduct an entrance conference with the contractor representative(s) responsible for CCDRs. (Note: The DCARC would like to be invited to the entrance conference; however, the auditor should not delay the entrance conference based on the availability of the DCARC representative.) Obtain the data necessary to begin the audit, including:	
a. Copies of the contractor's CCDR policies and procedures.	
b. Identification of any changes in the contractor's CCDR system since the last evaluation.	
c. Status of corrective actions taken on prior reported deficiencies.	
d. Job cost ledgers/reports covering the same time period as the CCDR reports.	
e. Supporting documentation for the estimated breakout of costs by recurring/non-recurring, estimated breakout of costs by functional category, and estimates of unit costs, if applicable.	
f. Supporting documentation for reported subcontract costs, if applicable.	
g. Other contract management reports (e.g., CPR, C/SSR, etc.) covering the same time period as the CCDR reports on the same contract.	
10. If there are any subcontract costs included in the contractor's CCDR reports, determine the status of the subcontractor(s) in terms of CCDR reporting in order to identify the source of subcontract cost data and identify the potential need for assist audit. Subcontractor reporting status may be classified as follows:	
<ul style="list-style-type: none"> • Reporting - provides CCDR reports to the prime contractor; 	
<ul style="list-style-type: none"> • Direct report - provides CCDR reports directly to the DCARC; or 	
<ul style="list-style-type: none"> • Non-reporting - no CCDR reporting requirement 	
11. Summarize the results of the risk assessment and preliminary audit steps and document the scope of audit.	

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C-1	CCDR System Policies And Procedures	WP Reference
Version 2.0, dated April 2004		
1.	Have the contractor provide an overview of its CCDR system and related policies and procedures, including any changes since the last evaluation.	
2.	Evaluate the contractor's corrective actions taken on any prior reported deficiencies.	
3.	Evaluate the adequacy of the contractor's policies and procedures. The CCDR policies and procedures should provide for:	
	a. A system to identify contracts that contain CCDR requirements.	
	b. Compliance with contractual and CCDR Manual requirements regarding timing, content, format, and submission of CCDRs.	
	c. Preparation of CCDRs by appropriate contractor personnel.	
	d. Review and approval of CCDRs by an appropriate level of contractor management.	
	e. Flowdown of CCDR requirements to subcontractors, as appropriate, including the frequency, timing, content, and submission of subcontractor CCDR reporting consistent with the prime contract requirements.	
	f. Accumulation of incurred cost by recurring and nonrecurring, as defined in chapter 5 of the CCDR Manual and the contract WBS dictionary, as applicable. If the contractor's system cannot accumulate cost by recurring and nonrecurring without major effort or major change, the contractor's policies and procedures should provide a reasonable and consistent method for estimating the breakout of costs between recurring and nonrecurring.	
	g. Accumulation of incurred cost by functional area, as defined in chapter 5 of the CCDR Manual. If the contractor's system cannot accumulate cost by functional area without major effort or major change, the contractor's policies and procedures should provide a reasonable and consistent method for estimating the breakout of costs by functional area.	
	h. Accumulation of cost by unit or lot. If the contractor's system cannot accumulate cost by unit or lot without major effort or major change, the contractor's policies and procedures should provide a reasonable and consistent method for estimating the unit or lot costs.	
	i. Incorporation of subcontractor data in accordance with the requirements of chapter 4 of the CCDR Manual.	

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j. Preparation of Estimates to Complete (ETCs) and Estimates at Completion (EACs) consistent with established estimating system policies and procedures and the requirements of chapter 4 of the CCDR Manual.	
4. Test the contractor's implementation of CCDR policies and procedures and related internal controls using the audit steps in sections D through F.	
5. Determine if additional audit steps or an increase in substantive testing are required as a result of the evaluation of the contractor's CCDR policies and procedures and related internal controls. Adjust the scope of the remainder of the audit as appropriate.	
6. Document any noted deficiencies and discuss with the contractor. Provide the contractor with a draft statement of condition and recommendation and obtain the contractor's corrective action.	

D-1	Cost Data Summary Report - DD Form 1921	WP Reference
Version 2.0, dated April 2004		
1.	Reconcile the amounts reported in column F, total incurred cost to date, to the contractor's job cost ledger or other relevant accounting data.	
2.	Verify the contractor has complied with the instructions in paragraph C4.3.1.15 of the CCDR Manual pertaining to reporting of recurring and non-recurring costs:	
	<ul style="list-style-type: none"> • When the total recurring cost on a contract is estimated to be 95 percent or more of the total estimated cost, all costs are reported as recurring. 	
	<ul style="list-style-type: none"> • When the total nonrecurring cost on a contract is estimated to be 95 percent or more of the total estimated cost, all costs are reported as nonrecurring. 	
	<ul style="list-style-type: none"> • When neither the recurring nor nonrecurring cost on a contract is estimated to be 95 percent or more of the total estimated cost, the breakout between recurring and nonrecurring must be reported. 	
3.	If the contractor's accounting system accumulates incurred costs by recurring and nonrecurring, trace the amounts to the accounting system and selectively verify to source documentation. Request technical assistance as necessary.	
4.	If the contractor's accounting system does not accumulate cost by recurring and nonrecurring	
a.	Verify the reported split between recurring and nonrecurring to the	

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contractor's supporting documentation.	
b. Ensure the contractor has estimated the split between recurring and nonrecurring cost in accordance with its established policies and procedures and the contract specific WBS dictionary, as applicable.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
5. Evaluate the contractor's inclusion of subcontract costs, if applicable, for compliance with the requirements of paragraph C4.3.1.15 of the CCDR manual:	
<ul style="list-style-type: none"> Where the subcontractor reports CCDR data to the prime contractor, the prime contractor must incorporate the subcontractor data in its report, including the recurring/nonrecurring split if the prime contractor is required to breakout recurring and nonrecurring costs. 	
<ul style="list-style-type: none"> Where the subcontractor reports CCDR data directly to the DCARC, the prime contractor is only required to report the subcontractor's total costs incurred and estimates at completion. 	
<ul style="list-style-type: none"> Where the subcontractor is not required to submit CCDR data, the prime contractor is required to report the subcontractor's total costs incurred and estimate at completion, and estimates of the breakout between recurring and nonrecurring if the prime contractor is required to breakout recurring and nonrecurring costs. 	
6. Verify the reported subcontract costs to the contractor's supporting documentation.	
7. Evaluate the contractor's estimate at completion:	
a. Determine the contractor's methodology for preparing its EAC.	
b. Verify the EAC was prepared in accordance with the contractor's established policies and procedures.	
c. Verify the EAC reflects total estimated cost without regard for contract ceilings or contract price (i.e., firm fixed price).	
d. Verify the EAC reflects the contractor's best estimate for performing currently authorized work plus any additional directed work for which execution or negotiation of amendments is pending. This also includes work not formally included in the contract price.	
e. Selectively test the EAC amounts for reasonableness.	
f. Request technical assistance as necessary.	
8. Ensure the contractor has reported total contract software cost to date and at completion, if applicable, in the "Remarks" section, as required	

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by paragraph C4.3.1.18 of the CCDR Manual. Verify the reported cost to the contractor's accounting system and any other relevant supporting documentation.	
9. Compare the reported costs incurred to date and estimate at completion to other contract management reports (e.g., CPR, C/SSR, etc.) covering the same time period as the CCDR reports and have the contractor explain any significant differences.	
10. Ensure all incurred and estimated costs have been included in the CCDR.	

E-1	Functional Cost-Hour Report - DD Form 1921-1	WP Reference
Version 2.0, dated April 2004		
1.	The functional cost-hour report may be required for both the total contract and for selected WBS elements. Review the contract, including the approved contract CCDR plan, to determine the level of reporting required. Verify that the contractor has complied with the contractual requirement.	
2.	Verify that the contractor has complied with the instructions in paragraph C4.3.2.1.6 of the CCDR Manual pertaining to reporting of recurring and non-recurring costs:	
	<ul style="list-style-type: none"> When the total recurring cost on a contract, or on a WBS element subject to separate reporting, is estimated to be 95 percent or more of the total estimated cost, the contractor is required to submit one report showing total costs, marking Form 1921-1, Item 6, as "recurring" and annotating the "Remarks" section of the form to indicate that the data reflects total costs. 	
	<ul style="list-style-type: none"> When the total nonrecurring cost on a contract, or on a WBS element subject to separate reporting, is estimated to be 95 percent or more of the total estimated cost, the contractor is required to submit one report showing total costs, marking Form 1921-1, Item 6, as "nonrecurring" and annotating the "Remarks" section of the form to indicate that the data reflects total costs. 	
	<ul style="list-style-type: none"> When neither the recurring nor nonrecurring cost on a contract, or on a WBS element subject to separate reporting, is estimated to be 95 percent or more of the total estimated cost, the contractor must submit separate reports for recurring and nonrecurring costs. 	
3.	Evaluate any adjustments to previous reporting period totals (reported in "column a" and explained in the "Remarks" section) for reasonableness and appropriateness. Request technical assistance as necessary.	

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4. Reconcile the total (recurring and nonrecurring) reported incurred cost to date and incurred labor hours to date to the contractor's job cost ledger or other relevant accounting data. Request technical assistance as necessary.	
5. Reconcile the total reported incurred cost to date and at completion to the amounts reported on Form 1921, if applicable.	
6. If the contractor's accounting system accumulates incurred costs and incurred labor hours by functional area, trace the amounts to the accounting system and selectively verify to source documentation. Request technical assistance as necessary.	
7. If the contractor's accounting system does not accumulate cost and hours by functional area:	
a. Verify the reported split by functional area to the contractor's supporting documentation.	
b. Ensure the contractor has estimated the split between functional areas in accordance with its established policies and procedures.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
8. If the contractor's accounting system accumulates incurred costs and labor hours by recurring and nonrecurring, trace the amounts to the accounting system and selectively verify to source documentation. Request technical assistance as necessary.	
9. If the contractor's accounting system does not accumulate cost and labor hours by recurring and nonrecurring:	
a. Verify the reported split between recurring and nonrecurring to the contractor's supporting documentation.	
b. Ensure the contractor has estimated the split between recurring and nonrecurring cost in accordance with its established policies and procedures and WBS dictionary, as applicable.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
10. Evaluate the contractor's inclusion of subcontract costs, if applicable, for compliance with the requirements of paragraph C4.3.2.2.12 of the CCDR manual:	
• Where the subcontractor reports CCDR data to the prime contractor, the prime contractor must incorporate the subcontractor data in its report.	
• Where the subcontractor reports CCDR data directly to the DCARC, the prime contractor is only required to report the subcontractor's total costs incurred and estimates at completion.	

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The data is reported in the “remarks” section of Form 1921-1.	
<ul style="list-style-type: none"> Where the subcontractor is not required to submit CCDR data, the prime contractor is required to report the subcontractor’s total costs incurred and estimates at completion, and estimates of the total costs by functional area. For nonreporting Airframe subcontractors, the prime contractor is also required to estimate the subcontractor’s costs by element within the functional categories. (Note: Refer to the contract CCDR plan and contract WBS dictionary to identify Airframe WBS elements.) 	
11. Verify the reported subcontract costs to the contractor’s supporting documentation.	
12. Evaluate the contractor’s estimate at completion:	
a. Determine the contractor’s methodology for preparing its EAC.	
b. Verify the EAC was prepared in accordance with the contractor’s established policies and procedures.	
c. Verify the EAC reflects total estimated cost without regard for contract ceilings or contract price (i.e., firm fixed price).	
d. Verify the EAC reflects the contractor’s best estimate for performing currently authorized work plus any additional directed work for which execution or negotiation of amendments is pending. This also includes work not formally included in the contract price.	
e. Selectively test the EAC amounts for reasonableness.	
f. Request technical assistance as necessary.	
13. Compare the reported costs incurred to date and estimate at completion to other contract management reports (e.g., CPR, C/SSR, etc.) covering the same time period as the CCDR reports and have the contractor explain any significant differences.	
14. Ensure all incurred and estimated costs have been included in the CCDR.	

F-1	Progress Curve Report - DD Form 1921-2	WP Reference
Version 2.0, dated April 2004		
1.	The progress curve report shows only actual and estimated to complete recurring costs and hours by unit or lot for selected reporting elements. Review the contract, including the approved contract CCDR plan, to determine the specific reporting requirements.	
2.	If the contractor's accounting system accumulates incurred cost by unit or lot, trace the reported incurred hours and cost for accepted units or	

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lots to the accounting system and selectively verify to source documentation.	
3. If the contractor's accounting system does not accumulate cost by unit or lot:	
a. Verify the estimated unit or lot cost and labor hours to the contractor's supporting documentation.	
b. Ensure the contractor has estimated the unit or lot cost in accordance with its established policies and procedures.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
4. If the contractor's accounting system accumulates incurred costs by recurring and nonrecurring, trace the reported recurring amounts for accepted units or lots to the accounting system and selectively verify to source documentation. Request technical assistance as necessary.	
5. If the contractor's accounting system does not accumulate cost by recurring and nonrecurring:	
a. Verify the reported recurring cost and labor hours to the contractor's supporting documentation.	
b. Ensure the contractor has estimated the recurring cost in accordance with its established policies and procedures and the WBS dictionary, as applicable.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
6. If the contractor's accounting system accumulates incurred costs by functional area, trace the reported amounts for accepted units or lots to the accounting system and selectively verify to source documentation. Request technical assistance as necessary.	
7. If the contractor's accounting system does not accumulate cost and labor hours by functional area:	
a. Verify the split by functional area to the contractor's supporting documentation.	
b. Ensure the contractor has estimated the split between functional areas in accordance with its established policies and procedures.	
c. Selectively test the contractor's estimates for reasonableness. Request technical assistance as necessary.	
8. Evaluate the contractor's inclusion of subcontract costs, if applicable, for compliance with the requirements of paragraph C4.3.3.2.6 of the CCDR manual:	
<ul style="list-style-type: none"> • Where the subcontractor reports CCDR data to the prime contractor, the prime contractor must incorporate the subcontractor data in its report. 	
<ul style="list-style-type: none"> • Where the subcontractor reports CCDR data directly to the DCARC, the prime contractor is only required to report the subcontractor's total costs incurred and estimates at completion. 	

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The data is reported in the "remarks" section of Form 1921-2.	
<ul style="list-style-type: none"> Where the subcontractor is not required to submit CCDR data, the prime contractor is required to report the subcontractor's total costs incurred and estimates at completion, and to estimate the distribution of the costs across each of the line items in the subcontractor section of Form 1921-2. 	
9. Verify the reported subcontract costs to the contractor's supporting documentation.	
10. Evaluate the contractor's estimate to complete (ETC) for the next unit or lot to be accepted (column F) and the remaining units (column G):	
a. Determine the contractor's methodology for preparing its ETC.	
b. Verify the ETC was prepared in accordance with the contractor's established policies and procedures.	
c. Verify any incurred recurring cost included in the ETCs to the accounting system or other relevant supporting documentation (as described in steps 2 through 9, above).	
d. Verify that the ETC reflects total estimated cost without regard for contract ceilings or contract price (i.e., firm fixed price).	
e. Verify that the ETC reflects the contractor's best estimate for performing currently authorized production units.	
f. Selectively test the ETC amounts for reasonableness	
g. Request technical assistance as necessary.	
11. Reconcile the sum of columns A through E to the amounts reported as incurred to date recurring cost for the reporting element on Form 1921, if applicable. Have the contractor reconcile any significant variances.	
12. Reconcile the sum of columns A through G to the amounts reported as estimated recurring cost at completion for the reporting element on Forms 1921 and 1921-1, if applicable. Have the contractor reconcile any significant variances.	
13. Ensure all incurred and estimated recurring costs have been included in the CCDR.	

A-1	Concluding Steps	WP Reference
	Version 2.0, dated April 2004	
	1. Summary Steps	
	a. Discuss the audit findings with the supervisor.	
	b. Prepare a draft report in accordance with CAM 10-1200 and 11-306.	

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c. Conduct an exit conference with the contractor in accordance with CAM 4-304.	
d. Finalize the audit report incorporating the contractor’s response, if applicable, and audit rejoinder.	
e. Update the permanent file in accordance with CAM 4-405.1b (MAAR #3).	
f. If the auditor has encountered information that constitutes evidence or raises suspicion that fraud or other illegal acts have occurred, refer such suspicion by completing a DCAA Form 2000 (see CAM 4-702.4 and 5).	
2. Closing Actions	
Closing actions should be performed in accordance with FAO procedures. These procedures may require either auditors or administrative personnel to perform various closing steps. Completion of these closing actions should be documented (e.g., by initials and date on the CD or working paper folder, etc.) and should include:	
a. The title, author, and keywords fields of the file properties in the audit report must be completed (for the audit report only) prior to final filing.	
b. Review the APPS exe file for size. APPS-generated executable files that are over 10 megabytes in size should be reviewed to ensure that the format and content justify the size. Supervisors are responsible for reviewing or designating someone to review these files for content and format.	
c. Review the APPS exe file for temporary files. These files can be recognized by the “~\$” or “~WRL” at the beginning of the file name. Once the APPS exe file is complete and there is NO ACTIVITY to be completed on any of the files contained within the exe file, any temporary files should be deleted so there are no unintentional versions of working papers and/or reports. NOTE: This should be done prior to invoking the Export/Archive Option in APPS.	
d. Once an audit report is signed, the electronic document should immediately be modified to indicate who signed it, and it should be password protected. The electronic file should then be renamed according to the convention “01 DCAA Report [RORG-ASSIGNMENT NO.] – Final.doc” and changed to a read-only file. Only this file should be stored, transmitted, or otherwise used for official purposes. For Memorandums the word “Report”	

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<p>would be replaced by “MFF” or “MFR” in the naming convention as appropriate.</p>	
<p>e. When the audit report is transmitted electronically to the requestor, the transmission email should be saved as a txt file (this will ensure the attachments are not saved again). Saving delivery or read receipts is optional. If saved, the naming convention should distinguish them from transmittal emails.</p>	
<p>f. Once the report is signed, the signature page of the audit report must be scanned in accordance with Agency standard scanning instructions. For audit packages, the scanned signature page file should be named the same as the audit report (see above) with “-sig” added (i.e., 01 DCAA Report 01101-2002X10100389-Final-sig.pdf). There is no requirement to make the file a part of the APPS generated executable file and it must be included separately in the iRIMS folder. There is no need to scan the signature page of a Memorandum unless it is distributed outside of DCAA.</p>	
<p>g. Ensure an electronic copy of the final draft audit report containing the supervisory auditor’s initials and date, cross-referenced to the working papers, is included in the working paper package. The final draft report should include all substantive changes made to the original draft, with cross-referencing updated as necessary. It should differ from the final report only due to minor administrative changes (spelling, format, etc.) made during final processing.</p>	
<p>h. Ensure all working paper files are "read only" and, if necessary, compressed for final storage. Generally, current Agency software should be used to automatically modify all electronic files for storage.</p>	
<p>i. Two complete sets of electronic working papers should be filed. One set (official) will be filed in iRIMS. A second set (backup) will be stored on removable media in the hard copy working paper folder. The new APPS naming convention (ex: 01701_2003A10100001_Archive_093003.exe) will be used for both. If there will be a short-term need to access the working papers, a third, or "working" set should be stored so as to be available for reference, generally on the LAN. This set should be deleted when no longer needed.</p>	
<p>j. Verify using a separate machine, that electronic files stored on removable media are not corrupted and can be unarchived. Indicate the test was successful by placing tester initials and date prominently on the CD label.</p>	
<p>k. Securely enclose the “backup” set of electronic files (CD) and any “official” set of hard copy in the hard copy folder.</p>	

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l. File the “official” set of electronic files in iRIMS (see iRIMS User Guide).	
m. <u>Do Not File Sensitive Audits in iRIMS</u> : Sensitive audits include but are not limited to classified work, suspected irregular conduct, hotline or DCAA Form 2000 related files. These audits should not be filed in iRIMS at this time. See CAM 4-407f for filing instructions.	