

Master Documents – Audit Program

Activity Code 17900		Other Transactions (OT)
Version 2.1, dated May 2004		
C-1	OT Procedures	WP Reference
Version 2.1, dated May 2004		
	1. Verify incurred cost (including contractor's cost share) to the contractor's books and records. Verify that claimed costs were not incurred prior to OT, unless pre-agreement costs were authorized.	
	2. If the OT allows the contractor to make other than cash contributions, determine if these contributions are being provided. Evaluate valuation of in-kind contributions and determine if reasonable. Verify that the in-kind was used on the OT.	
	3. Determine that basis for the indirect expense rates applied. Consider status of final incurred cost audits. If DoD provisionally approved rates or final negotiated rates were not used, calculate a general dollar magnitude of the difference.	
	4. Determine if the contractor applied its normal accounting practices used for DoD contracts or IR&D projects to the OT. If not, determine what practices were used. If possible, determine cost impact of not using normal accounting practices.	
	5. Consider any potential CAS 402 noncompliance issues relative to contractor's accounting treatment of OT. Follow CAM 8-302.7 when deciding whether to issue a CAS 402 noncompliance.	
	6. Determine if billings were prepared in accordance with the terms of the OT.	
	7. If OT is accounted for as an IR&D project, determine if Government payments are credited to an IR&D account.	
	8. Compare billed costs, incurred costs, and those costs reported in the various required OT reporting documents.	

A-1	Concluding Steps	WP Reference
Version 2.1, dated May 2004		
	1. Summarize the results of the performance of the agreed-upon-procedures and prepare the draft report. Discuss results with supervisor and obtain final supervisory review. Coordinate significant issues with the requestor.	
	2. Hold an exit conference with the contractor in accordance with CAM	

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<p>4-304. Provide the draft report and discuss each exception/finding with the contractor and request a response for inclusion in the final report. Incorporate contractor’s response and prepare the final report.</p>	
<p>3. If the evaluation discloses information that raises reasonable suspicion of fraudulent or other illegal acts, refer the matter by completing DCAA Form 2000 (see CAM 4-702).</p>	
<p>4. Update permanent files as needed.</p>	
<p>5. 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:</p>	
<p>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.</p>	
<p>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.</p>	
<p>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.</p>	
<p>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” 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>	

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<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>	
<p>l. File the “official” set of electronic files in iRIMS (see iRIMS User Guide).</p>	
<p>m. Do Not File Sensitive Audits in iRIMS: 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.</p>	