

Master Document – Audit Program

Activity Code 23000	Forward Pricing Rate Agreement
Version 4.13, dated January 2012	
B-1	Planning Considerations
<p>Note: Portions of the audit, which are covered in other assignments (e.g. incurred cost, Disclosure Statement, and internal control audits), should be referenced at the appropriate place in the audit steps.</p>	
<p>Note: These audit steps can be used on a stand-alone basis or in conjunction with the Agency’s price proposal audit steps to evaluate the reasonableness of contractor forward pricing rates and factors. It does not replace individual audit judgment. These audit steps need to be tailored to the audit scope of the particular assignment, and when appropriately tailored, it must reflect an understanding between the auditor and supervisor as to the scope required to meet auditing standards and DCAA objectives for the current assignment.</p>	
Purpose and Scope	
<p>1. To provide general guidance for evaluating the reasonableness of the contractor's forward pricing rates. Audit results (i) may be reported separately and formally, as in the case when DCAA is requested to review a contractor's forward pricing rate agreement (FPRA) submission, or (ii) may be used to determine the recommended rates in individual price proposal review reports. Acquisition regulations covering the establishment and oversight of FPRAs are found primarily in FAR/DFARS 15.407-3 and FAR 42.1701. CAM 9-1200 covers FPRAs directly and references the other CAM sections which cover the audit of indirect costs, indirect cost estimates, and labor rates.</p>	
<p>2. Audit work packages will be set up for all effort, either requests or discretionary, related to the review of projected or forecasted bidding rates, pricing factors, and other data which will be included in subsequent price proposals. Areas covered by this guidance include reviews of labor rates, overhead rates, G&A rates (and related trend analyses), corporate and home office projected allocations, corporate or home office centrally paid or accrued costs, scrap factors, and material and labor loading factors which either lead to establishment of formal or informal forward rate agreements, or will form the basis of subsequent auditor recommendations regarding prospective costs. It also includes other types of forward pricing actions such as (i) IR&D/B&P reviews related to advance agreements, (ii) reviews of billing rates, and (iii) other reviews conducted to establish advance agreements. Segment overhead and G&A reviews will be reviewed under one assignment if presented as one submission.</p>	
<p>3. Review scope will generally depend on individual circumstances, but as a minimum, should include steps to determine that (i) rate computations are mathematically correct; (ii) projected business volume, allocation bases, and indirect costs are reasonable and in consonance with contractor's internal plans; (iii) rate data are valid and current; and (iv) estimating practices comply with disclosed cost accounting practices. Additional steps</p>	

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<p>should be added to the program based on (i) preliminary review of the contractor's rate/proposal submission; (ii) review of FAR, DFARS, CAM, etc. guidance; and (iii) contractor audit experience, as further discussed below.</p>
<p>In determining the review scope and the specific steps and extent of transaction testing to be performed, the following should be considered:</p>
<p>a. Results of prior forward pricing rate reviews and related price proposal and incurred cost audits. The incurred cost audits most likely to be applicable are those which support the completion of the following MAARs (see CAM 6-1S1), as referenced on the FAO MAARs Control Log (DCAA Form 7640-24a or 7640-24b):</p>
<ul style="list-style-type: none">• MAAR 1 -- Update Internal Control Survey.
<ul style="list-style-type: none">• MAAR 7 -- Changes in Direct/indirect Charging.
<ul style="list-style-type: none">• MAAR 14 -- Pools/Bases Reconciliation to Books.
<ul style="list-style-type: none">• MAAR 15 -- Indirect Cost Comparison with Prior Years and Budgets.
<ul style="list-style-type: none">• MAAR 18 -- Indirect Allocation Bases
<ul style="list-style-type: none">• MAAR 19 -- Indirect Rate Computations.
<p>b. Results of the contractor's billing system and related internal controls (CAM 5-1100), estimating system internal control reviews (CAM 5-1200), compensation internal control reviews (CAM 5-800), planning and budgeting internal control reviews (CAM 5-500). The results of these reviews are summarized on the related Internal Control Audit Planning Summary (ICAPS).</p>
<p>c. Materiality of bases, pools, and rates.</p>
<p>d. Mix of Government/commercial business and the extent/types of Government contracts.</p>
<p>e. Adequacy of the Disclosure Statement and outstanding CAS noncompliances.</p>
<p>f. Increases or decreases in the contractor's business volume and allocation bases.</p>
<p>g. Changes in contractor's organization, operations and accounting practices.</p>
<p>h. History of differences between (i) proposed forward pricing rates, (ii) negotiated forward pricing rates, (iii) final rates (claimed, estimated final, and audit-determined) and (iv) the rates actually experienced during contract performance.</p>
<p>i. Adequacy of the contractor's internal controls, based on substantive testing. The auditor should review the related ICAPS (or the ICQ for FYs 1994 and prior) to obtain an understanding of these controls and the potential impact on the scope of this audit.</p>
<p>j. Results of tours of the manufacturing floor (CAM 5-108d).</p>
References
<p>1. FAR/DFARS 15.407--FPRAs, FAR 15.408, FAR Table 15-2, and FAR 42.1701.</p>

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2. FAR/DFARS Parts 30 and 31, and CAM 6-600, 6-700, and 8-000 -- Indirect Cost Accounting (Allowability, Allocability, Reasonableness, and CAS).
3. CAM 5-500 -- Audit of Contractor Budget and Planning System Internal Controls.
4. CAM 6-400 -- Audit of Incurred Labor Costs.
5. CAM 7-1705 -- Asset Valuation and Revaluation Under the Purchase Method of Accounting for Business Combinations
6. CAM 8-000 -- Cost Accounting Standards.
7. CAM 9-500 -- Evaluating Direct Labor Cost Estimates.
8. CAM 9-300 -- General Evaluation Procedures for Estimates
9. CAM 9-700 -- Evaluating Indirect Cost Estimates.
10. CAM 9-1200 -- Forward Pricing Rate Agreements.
11. CAM 14-800 – Advanced Cost Management Systems (ACMS)
12. CAM Appendix D -- Technical Specialist Assistance.
13. CAM Appendix E -- Graphic and Computational Analysis Techniques.
14. DCAA Management Information System (DMIS) User Guide.
15. DCAAP 7641.74 -- Use of Economic Indexes in Contract Audits.

B-1	Preliminary Steps	WP Reference
Version 4.13, dated January 2012		
1.	Preliminary Coordination Effort	
	a. Review the audit request to determine the nature and objective of the audit. Note any specific information requested and, if necessary, contact the requestor to obtain clarifications of the request. Add audit steps to this program where necessary to comply with the request. Acknowledge the request.	
	b. If this audit is self initiated, notify the contracting officer of the commencement of the audit and expected completion date (CAM 4-103). Discuss any concerns that the contracting officer might have and the planned audit steps that address the concerns, if applicable.	
2.	If the contractor's organization under review is a joint venture, teaming arrangement, or special business unit (SBU), read CAM 7-1800.	
3.	If the contractor underwent business reorganization through a merger, consolidation, acquisition, or divestiture, read CAM 7-1700.	
4.	Review the following from the FAO work paper files/permanent files	

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(see CAM 4-405):	
a. Prior forward pricing rate reviews, related price proposals, defective pricings, incurred cost audits, advance agreements, tours of manufacturing facilities (CAM 5-108d), and system surveys. See Audit Planning Considerations 3.a. and 3.b. for the audits most likely to be applicable.	
b. Outstanding estimating system deficiencies.	
c. CAS Disclosure Statement, if applicable, and outstanding CAS noncompliances for items affecting the forward pricing rates and factors.	
d. ICAPS/ICQ	
(1) The latest Internal Control Audit Planning Summaries (ICAPS), if the contractor is classified as “major” or if the contractor is a non-major and an ICAPS has been prepared. Otherwise review the Internal Control Questionnaire (ICQ). The purpose of the review is to determine if internal control deficiencies have been identified that impact this audit	
(2) If the contractor is classified as non-major (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:	
(a) The audit assignment(s) where the reliability of the data was sufficiently established in other DCAA audits,	
(b) 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	
(c) The tests that will be performed in this audit that will be specifically designed to test the reliability of the computer-based data.	
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 10-210.4a and 10-304.4a.	
e. Prior FAO use of graphic and computational analysis techniques to evaluate proposed overhead costs and proposed labor rates (CAM Appendix E). Be alert to new applications.	
f. Applicable portions of the Board of Directors' minutes for major decisions, which affect the contractor's organization and operations (see CAM 3-104.14c(1)).	

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<p>g. Applicable portions of contractor internal audit reports.</p>	
<p>h. Operations audit recommendations. Assess each cost avoidance recommendation to determine if there is a significant impact on the proposal (CAM 9-308).</p>	
<p>5. Review the contractor's rate submission for general adequacy. That is, does the submission include the contractor's methodology and rationale for future business bases, sales forecasts, facilities requirements, identification of costs allocated from home offices of other segments, and bases of estimate for indirect expenses? (See CAM 9-200 for related guidance.) If not already provided, request the contractor to submit its proposal and supporting data in electronic media, (e.g., CD-ROM, on-line access). The data should be in an acceptable format for processing on DCAA computers (e.g., Microsoft Office products).</p>	
<p>a. Check the mathematical accuracy of the contractor's computations.</p>	
<p>b. If the submission is determined to be significantly inadequate, discuss this matter with your supervisor to determine if the contracting officer should be notified and a recommendation made that the submission be returned to the contractor (CAM 9-205).</p>	
<p>6. Review the data submitted considering the guidance presented in CAM Appendix D to determine (i) what specific steps you need to perform with regard to quantitative and qualitative aspects of the data, and (ii) whether it is necessary to request technical specialist assistance. (See CAM D-100 for specific guidance on determining the need for specialist assistance and D-200 for specific procedures on requesting the assistance).</p>	
<p>7. Determine the need for assist audits. For example, review the materiality of forecasted corporate and home office expenses to determine what form of audit assistance, if any, is needed from the corporate audit office (see CAM 6-804 and 9-703.14). Also coordinate, as necessary, with the Field Detachment in those instances where the base verification cannot be completely accomplished without Field Detachment assistance.</p>	
<p>8. Reconcile contractor cost and rate projections with the contractor's budgetary data (i.e., operating budgets, sales forecasts, programs budgets, long range plans, etc.), and determine compatibility (CAM 5-500).</p>	
<p>a. Determine if the data supporting the rate estimates agree with the general conditions, standards, staffing tables, and other criteria used for planning and budgeting purposes. For example, verify whether the forecasted business base used in preparing the rates is compatible with the business volume estimates used in overall management planning.</p>	

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<p>b. If applicable, select some large existing programs comparing the estimated rate (base and pool) values with the contractor's latest internal program budgets and completion estimates in EVMS and other management reports.</p>	
<p>c. Ascertain the reasons for any major differences between the data submitted in support of the contractor's forward pricing rates and the data supporting the contractor's budgets. If the budgetary data is judged more accurate, be sure to include the reason(s) for your conclusion in the report. Merely citing that the contractor's proposed rate data differs from what has been budgeted is not sufficient basis for questioning costs (see CAM 5-500).</p>	
<p>9. In planning and performing the examination, review the fraud risk indicators specific to forward pricing. 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 III, (IGDH 7600.3, APO March 31, 1993) located at http://www.dodig.mil/PUBS/igdh7600.doc (To access the handbook, copy and paste the web address shown above into the address block in Internet Explorer.) • CAM Figure 4-7-3. <p>Document in working paper B, section 4 any identified fraud risk indicators and your response/actions to those 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, section 4.</p>	
<p>10. From the information gathered in the preceding steps, assess the Government's risk associated with specific rates and rate determinations and tailor your audit scope accordingly. Be alert to apparent inconsistencies or noncompliances with established accounting and estimating practices.</p>	
<p>a. Consider contractor compliance with the applicable CAS requirements in all subsequent steps in this audit program.</p>	
<p>b. Notify your supervisor whenever your audit discloses potentially significant CAS noncompliances, estimating system deficiencies, internal control weaknesses, etc.</p>	
<p>(1) Refer to CAM guidance covering the separate pursuit and</p>	

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reporting of estimating deficiencies (5-1212), CAS noncompliances (8-302.7), and significant internal control weaknesses.	
(2) Establish how the findings are to be incorporated into your rate review and resulting audit report.	
11. Arrange and conduct an entrance conference with the contractor personnel who developed the rates and factors. Obtain supporting data necessary to do the audit (notify supervisor if unable to obtain sufficient supporting data). Make sufficient inquiries to fully understand the bases/mechanics of the contractor’s rates and factors.	

C-1	Direct Labor Rates	WP Reference
Version 4.13, dated January 2012		
1.	Review the basis for the proposed labor rates.	
2.	Ensure the rates are consistent with past forecasting methodology and disclosed practices. Have the contractor explain significant differences. Determine if proposed labor rates are accumulated and reported in greater detail in the actual accounting of labor costs. (CAS 401)	
3.	Verify that base labor rates agree with current payroll data.	
4.	If not covered in a current audit or in the audit steps of the section entitled “Review of Indirect Rates,” review the contractor's classification of direct vs. indirect labor. Determine if the classifications are consistent with the contractor's disclosed procedures and practices, and with applicable CAS/FAR requirements. (CAS 401 and CAS 402/FAR 31.202 and 31.203(a))	
5.	Analyze the projected pay rates by specific labor classification, and compare the projected rates with historical experience and trends, obtaining reasons for significant increases or decreases. Repeat this step for all significant rate determining factors, such as:	
	a. Staffing increases and decreases resulting from changes in business volume, operation, etc.;	
	b. Wage rate agreements and COLAs;	
	c. General/merit pay raises; and	
	d. Shift/overtime differentials.	
6.	If average labor rates are being developed for a specific proposal, ensure that the rates and rate increases are appropriately weighted over the period of performance.	

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<p>7. Determine from past reviews and observations whether the proposed rates reflect the total hours that salaried employees are expected to work during period of contract performance (i.e., whether salaried employees generally work in excess of 8 hours per day and 40 hours per week). If an "uncompensated overtime" issue exists and has a significant impact, discuss the impact with your supervisor, and add review steps, as appropriate. (See CAM 6-410.)</p>	
<p>8. Review the basis for current merit increases to determine whether these increases are estimates, or are based on management approved merit guidelines or approved salary plans. Also review merit increases to determine whether the increases occur at a relatively steady rate, or are skewed; and, if skewed, escalation calculations (See audit steps in Review of Escalation Rates) should be appropriately weighted.</p>	
<p>9. Be alert to other conditions which could impact the rate computations. These conditions include:</p>	
<p>a. The bidding of individual labor rates versus average rates. (Whenever this occurs, ensure that the individual hours are excluded from average rate computations, and do not exceed the individual's total available work hours.)</p>	
<p>b. The issuance of Time and Material contracts (CAM 6-204).</p>	
<p>10. Based on the steps above, determine adjustments to the forward pricing labor rates and prepare an appropriate explanation for each adjustment for the work papers and the draft report.</p>	

D-1	Indirect Rates	WP Reference
Version 4.13, dated January 2012		
1. General		
<p>a. Determine that the contractor's forward pricing rate structure (i.e., the number, type, and manner of rate formation) is the same as its historical rate structure. If not the same:</p>		
<p>(1) Ensure that the actual costs to be allocated will be allocated in the manner proposed (i.e., in accord with CAS 401, 410 and 418).</p>		
<p>(2) Determine whether the contractor is changing its accounting system, and if so, whether the change and its cost impact are being appropriately pursued from a CAS standpoint (see CAM 9-704.3 and 8-303.3).</p>		
<p>b. Ensure that the period for the proposed rates coincides with the contractor's fiscal year or historical rate period (CAS 406/FAR</p>		

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31.203(g)). (See CAM 8-406.1 and 6-605 for exceptions to a one year rate period.)	
c. Review whether the contractor has recently automated any manufacturing processes related to costs included in the pool, or plans any automation changes during the period involved. One of the best methods to determine if manufacturing processes are evolving is periodic touring of the manufacturing facilities (CAM 3-104.14g(4)(d)). Consider the effects of technological modernization on the cost accounting system (CAM 14-800). Determine if the impact of the automation was considered in the contractor's indirect cost estimates.	
d. If a business combination has taken place, ensure that the contractor is not proposing increased costs resulting from asset revaluation. FAR 31.205-52, effective 23 July 1990, limits the amount of amortization, depreciation, and cost of money to the total amount that would have been allowable had the combination never taken place. This also applies to the business combinations that took place before 23 July 1990. The allowability of costs should be based on the acquired company's book value of the existing assets before the combination took place (CAM 7-1705.5).	
2. Indirect Rate Allocation Bases	
a. If the contractor organization under review is a joint venture, teaming arrangement, or special business unit (SBU):	
(1) Determine the actual relationship between the contracting organizations using the criteria in CAM 7-1807.	
(2) Determine if the contractor is proposing to and/or is accumulating and allocating costs consistent with the actual relationship, e.g. if the actual relationship more closely resembles that of a prime contractor/subcontractor then costs should be allocated consistent with this type of relationship.	
b. Evaluate the contractor's methodology and rationale for establishing past indirect rate allocation bases and for including future business in the allocation bases. Compare this with the methodology and rationale applied to determine the proposed rate allocation bases.	
c. Have the contractor explain and support:	
(1) All significant variances between the base amounts currently proposed and those previously proposed for the same period.	
(2) Significant variances between the proposed and incurred base amounts.	
d. Evaluate whether the contractor is being reasonable in determining its probability of obtaining additional work. Ask the contractor if there	

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are any new programs that they may get which were not considered in the base. Coordinate, as necessary, the potential for additional awards with the ACO/acquisition offices.	
e. Determine whether the bases proposed for allocating the indirect "pool" costs are equitable and in compliance with FAR/CAS.	
f. Based on the steps above, determine adjustments to the proposed allocation bases and prepare an appropriate explanation for each adjustment for the work papers and the draft report.	
3. Indirect Cost Estimates	
a. Review past submissions and audit files on both forward pricing and incurred cost rates to obtain pertinent history and trend data on total indirect costs by indirect pool. Compare the historical costs with the projected costs under review.	
b. Identify significant increases/decreases in the total pool cost estimates. Determine and evaluate the contractor's rationale for the increases/decreases.	
c. Review the cost classification (direct vs. indirect) of the estimates.	
(1) Determine if the classifications are consistent with the contractor's established/disclosed procedures and practices, and with applicable CAS/FAR requirements. (CAS 401 and CAS 402/FAR 31.202 and 31.203(a))	
(2) Isolate those accounts or costs which should be reclassified and adjust the base and pool amounts accordingly.	
d. Determine if the indirect costs are appropriately classified by characteristic (i.e., variable, semi-variable, and non-variable). See CAM 9-703.2 and E-403.	
e. Analyze estimated costs by specific cost account and element of cost. Compare estimates with historical experience and trends, obtaining reasons for significant increases or decreases. Select significant or problematic accounts and elements for further review and analyses. CAM 9-703.5 lists selection criteria for the auditor to consider. Some of the accounts/elements which commonly meet these criteria are indirect labor, indirect material, payroll costs, plant rearrangement, depreciation, rent, occupancy, corporate and home office allocations, and IR&D/B&P.	
f. Consider segregating the various cost pools into variable and semi-variable costs. Where appropriate, use regression analysis to correlate variable costs to the appropriate base and to project costs for the forecasted period. Adjust pools as necessary for problematic accounts and forecast them separately.	
g. Review proposed indirect expense accounts by nomenclature to	

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ensure that the estimated account costs do not include unallowable costs per FAR Part 31 (CAS 405/FAR 31.201-2 and 31.201-6). Common unallowable costs which some contractors neglect to delete from claimed costs are:	
(1) Advertising (except for help wanted, procurement of scarce items and disposal of scrap or supplies) - FAR 31.205-1.	
(2) Bad debts - FAR 31.205-3.	
(3) Entertainment - FAR 31.205-14.	
(4) Insurance covering the loss of profit under a business interruption policy - FAR 31.205-19(e)(2)(ii).	
(5) Interest - FAR 31.205-20.	
(6) Organization costs - FAR 31.205-27.	
(7) Difference between cost of first class and less than first class accommodations - FAR 31.205-46(b).	
(8) IR&D/B&P exceeding FAR 31.205-18 provisions (CAM 7-1500).	
h. Based on the steps above, determine adjustments to the indirect cost estimates and proposed base and pool amounts and prepare an appropriate explanation for each adjustment for the work papers and draft report.	

E-1	Escalation Rates	WP Reference
Version 4.13, dated January 2012		
1.	Review and evaluate the contractor's methodology for determining escalation amounts.	
2.	Determine whether the contractor has grouped its costs into logical categories to which escalation rates can be applied.	
3.	Review whether the contractor has distributed the costs in each category to the periods in which they expected to be incurred (i.e., is the time phasing reasonable in the circumstances). Ensure the time phasing is consistent with the performance periods to be used.	
4.	Where locally developed information (such as, labor union agreements, rental agreements, and depreciation schedules) is available, determine reasonableness and accuracy of using this information to project escalation.	
5.	For each cost category, evaluate whether the contractor selected the most appropriate locally developed or general economic escalation index.	

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6. Determine whether the indices and time periods used are consistent with the economic forecasts made by Global Insight. If different, consider whether any differences should be questioned. (See DCAAP 7641.74.)	
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F-1	Other Rates and Factors	WP Reference
Version 4.13, dated January 2012		
	1. Determine the types and quantities of the other rates and factors proposed. If appropriate, compare to prior history.	
	2. Verify and evaluate the basis for each item and determine whether it is reasonable in the circumstances. Expand the audit steps in this section as necessary to determine reasonableness.	

G-1	Cost of Money	WP Reference
Version 4.13, dated January 2012		
	1. Read the contractor's CAS Disclosure Statement, if applicable. Review the actual cost accounting practices used by the contractor in preparing the COM submission and determine if the practices are consistent with disclosed/ established practices (CAS 401/FAR 31.201-1). Determine if the accounting period used to develop the rates is appropriate (CAM 9-704.2 and CAS 406/FAR 31.203(g)).	
	2. Verify that the contractor used the correct Treasury rate (CAM 8-414.1).	
	3. Verify the net book values (CAS 414) and the representative investment (CAS 417) used by comparing the values to the asset records/general ledger.	
	4. Review whether the net book values of the assets are correctly divided between distributed and undistributed. (CAM 8-414.1c(2)).	
	5. Determine that undistributed assets are allocated to the appropriate indirect expense pools on a basis that approximates the actual absorption of depreciation/amortization of the assets. Under the alternate method provided for in CAS 414, undistributed assets may be allocated to the G&A expense pool.	
	6. Verify that the allocation base is the same as used for the overhead claim and/or submission for billing rates (CAS 401).	
	7. If the net book values of the assets reflect asset write-ups resulting from the purchase method of accounting, cost of money applicable to the increase in the net book values is unallowable (FAR 31.205-10 (b) (2)).	

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A-1	Concluding Steps	WP Reference
Version 4.13, dated January 2012		
1.	If assist audits or technical specialist assistance has been requested, review and incorporate the results as appropriate.	
2.	Summarize the results of the audit.	
3.	If the contractor has EVMS covered contracts, provide comments in the audit report on whether any findings are likely to impact on the contractor's EVMS (10-1204.5b). Discuss findings and recommendations relating to the EVMS with the Contract Administration Office EVMS Monitor prior to issuance of the report. Immediately evaluate the impact of these findings on specific EVMS covered contracts and provide the details in flash EVMS surveillance reports (11-203.5d).	
4.	Arrange and hold exit conference with contractor representatives (CAM 4-304).	
5.	If your findings affect other review areas (e.g., CAS, estimating system, compensation, or postaward reviews) prepare the appropriate lead sheet(s) or noncompliance/system review report(s). (See CAM 8-302.7 and 10-808 for the reporting of CAS noncompliances, and 5-1213 for the reporting alternatives on estimating system deficiencies.)	
6.	Compare the recommended/negotiated rates for the current contractor fiscal year (CCFY) with the CCFY billing rates and determine need for revision of billing rates (CAM 6-705).	
7.	Prepare draft audit report and coordinate with supervisory auditor (CAM 10-200 and 10-300).	
8.	Update the permanent files and ICAPS.	
9.	Coordinate with the procurement officer responsible for negotiating the rates and, if necessary, arrange to attend negotiation conference (CAM 15-402).	
10.	Compute "questioned cost" and "questioned cost sustained" rates for use in DMIS reporting.	