

DEFENSE CONTRACT AUDIT AGENCY	
RISK DETERMINATION FOR CONTRACTOR YEARS WITH \$15 MILLION OR LESS ADV	
Version No. 1.1	October 2003

CONTRACTOR _____ CFY _____

PRIOR CFY AUDITED _____ AUDIT REPORT NO. _____

DATE CONTRACTOR'S SUBMISSION RECEIVED _____

IF THIS IS A REIMBURSABLE CONTRACTOR, DO WE HAVE AN AUDIT REQUEST? YES _____ NO _____

(If not, obtain request before further processing)

WERE DESK REVIEW PROCEDURES USED TO CLOSE TWO PRIOR CFYs (i.e., THIS IS THE THIRD UNAUDITED YEAR)? *(A "YES" response indicates proposal must be placed in the high-risk pool).*

YES _____ NO _____

AMOUNT OF ADV _____ (000) *(If less than \$500K go to Section 1. If \$500K or more go to Section 2.)*
(per incurred cost submission)

CRITERIA	YES	NO
Section 1 (ADV < \$500K)		
1. There are audit leads with a high probability of significant questioned costs <i>(See guidelines for determining significance of questioned costs.) *</i>	_____	_____
2. We have no audit experience with contractor (preaward accounting, proposal, etc.) <i>(If we have any audit experience, check "NO")</i>	_____	_____

With a "YES" response to either question, place proposal in the high-risk pool.

Section 2 (ADV \$500K - \$15M)		
1. There were significant questioned costs in prior audit. * Amount of Questioned Costs \$ _____	_____	_____
2. There are audit leads with a high probability of significant questioned costs. *	_____	_____
3. There is a contracting officer request identifying significant risk. <i>(If request does not identify apparent risk, the auditor must contact the requester to understand the basis for the request. If, after discussing with the contracting officer, there is no risk identified, check "NO")</i>	_____	_____
4. We have no incurred cost experience with the contractor. <i>(If we have any incurred cost experience, check "NO")</i>	_____	_____

With a "YES" response to ANY of these questions, place proposal in the high-risk pool.

ASSIGNED TO: LOW-RISK POOL _____ HIGH RISK POOL _____

LOW RISK CLASSIFICATION COORDINATED WITH ACO _____ DATE _____

SUPERVISORY REVIEW: _____
(Supervisor's Signature and Date)

* **Guideline for determining significance:** (a) questioned costs with an impact of less than \$10,000 on flexibly-priced contracts (using DMIS reporting rules) are generally not material and (b) questioned costs with an impact of \$10,000 or more may be immaterial in certain circumstances (isolated and nonrecurring).