

MASTER PROGRAM

Activity Code 15400	Final Voucher Advisory Services
C-1 Planning Considerations	Version 4.1, dated November 2020

Type of Engagement – Advisory Service
Purpose and Scope
<p>It is the responsibility of the ACO to approve all completion/final vouchers and to complete all closeout procedures on contracts. (FAR 4.804-5 / DFARS 242.803(b)(ii)(A). This Final Voucher Advisory service is performed only when a request is received from the ACO.</p>
<p>1. The purpose of this advisory service is to compile and consolidate the direct and indirect cost information on the contract/task order for the ACO (or PCO if not delegated to ACO) to consider in their determination of approval of a final voucher. This service is based on previous audit results of DCAA incurred cost audits; DCAA low-risk or risk-based sampling memorandums (LRMs and RSMs respectively); and/or contracting officer negotiations (PNMs). The auditor must not perform audit steps as part of this advisory service.</p>
<p>2. The service is performed only upon request of a specific ACO. The auditor should inquire:</p> <ul style="list-style-type: none">• Is the contractor required to update Schedule I per the Allowable Cost and Payment Clause (FAR 52.216-7(2)(d)(v), effective for contracts as of June 2011? If yes, the service may not be necessary and the contractor should update the Schedule I.• Does the contractor audit report or LRMs/RSMs have a CACWS? If yes, the service might not be necessary.• Are there complex circumstances for this contractor (e.g. undergone multiple reorganizations or have a complex rate structure)? If yes, then this service could be appropriate. The audit team could also work with the contracting officer to find an alternate solution (worksheets, training) that would be useful for multiple contracts.• Are there audits or LRMs/RSMs for each year of the contract? (For any audit issued as a Disclaimer of Opinion, do we have the Price Negotiation Memorandum (PNM) where the contracting officer settled the indirect rates and direct costs for the year?)
<p>3. The scope of work performed in this advisory service does not constitute an audit or attestation engagement in accordance with GAGAS. We will not be testing for compliance to contract terms/regulations or providing verification of contractor amounts to books and records.</p>
<p>4. This program may be used when:</p> <ul style="list-style-type: none">• All costs incurred on the (sub)contract:<ul style="list-style-type: none">○ have been closed by an audit, or○ have been closed by a LRM or RSMs, or○ there is a PNM for audits closed with a Disclaimer of Opinion• Any audit findings, direct and indirect cost issues, and DCAA Form 1 issues, were finalized by the ACO, or• Final rates are audit determined in accordance with FAR 42.705-2 and DFARS 242.705-2, and the contractor has accepted and signed the indirect rate letter(s).

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Type of Engagement – Advisory Service
Other Planning Considerations
Prior to commencing the final voucher service, review guidance relative to advisory services that may impact the service provided and adjust the scope and steps appropriately. Guidance to review includes CAM, open MRDs, FAQ training material, etc. available on the DCAA intranet.
References
CAM 6-1007 - Processing of Completion / Final Vouchers

C-1 Detailed Steps	WP Reference
Version 4.1, dated November 2020	
1. Document receipt of the request for advisory services received from the ACO (or PCO if not delegated to the ACO).	
2. Contact the ACO to discuss the request for DCAA assistance to ensure a final voucher service will meet the ACO's needs. <i>(Note: An audit would not be performed under the 15400 activity code. If an audit is required, the FAO should cancel the 15400 and use the 17900 activity code to perform the audit of the final voucher.)</i>	
a. If the objectives of the current service will meet the ACO's needs:	
(1) Document the discussions with the ACO.	
(2) Prepare an acknowledgement memorandum and obtain supervisory review and approval.	

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C-1 Detailed Steps	WP Reference
<p>3. Perform a search of the FAO files to obtain the following information:</p> <ul style="list-style-type: none"> • The contract brief to obtain information on the contract period of performance • The incurred cost audit reports or low-risk memorandums issued on the contractors incurred cost proposal for the years of contract performance including any supplemental audit reports • Schedules H, I, K, O and, if applicable J, of the contractors certified indirect cost proposals • Any assist audit requests on subcontracts, intercompany sales/transfers, or direct costs that are associated with the contract; including those received after report issuance • Any assignment activity 17900 audits performed on the contract • Any DCAA Form 1 issued on the contract • Contracting Officer or Auditor Determined Final rate letters signed by the contractor • Contracting Officer Negotiation Memorandum's related to the settlement of direct and indirect costs (PNMs) • Contracting Officer Negotiated Quick Closeout Rates in accordance with FAR 42.708, Quick closeout procedures and any current DCMA Quick Closeout deviations 	
<p>4. Read the incurred cost audit reports for the contract period of performance and document the audit results pertinent to the final voucher contract. If any of the audit reports disclaimed an opinion, or if the ACO settled rates that are different than those included in the audit report, obtain the PNM from the contracting officer to determine what costs were allowable.</p>	
<p>5. Read the audit reports pertaining to the contract or the incurred cost proposals for the contract period of performance and scan for:</p> <ul style="list-style-type: none"> • reservation about the engagement regarding subcontract assist audits, corporate audit, shared services audits, audits on intercompany work, etc. and • reservation about the subject matter regarding direct costs. <p><i>Note: The prime contractor should not submit final vouchers until all subcontracts are settled by the prime. DCAA expects that there should be no incomplete open assist audits.</i></p>	
<p>a. If such reservations about the engagement are present in the report(s), document the basis for the conclusion reached and go to step 6.</p>	

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C-1 Detailed Steps	WP Reference
<p>b. If such reservations are not present in the report(s) document the basis for the conclusion reached and go to step 7.</p>	
<p>6. Using the information from the FAO incurred cost services files, ascertain if requested subcontract assist audit request(s) and other requests for assist audits associated with audits of this contract or the incurred cost proposal audits for the contract period of performance were received or are outstanding.</p>	
<p>a. If assist audits are still outstanding, contact the FAO in receipt of the request and document the reasons why assist the audits have not been received.</p>	
<p>(1) Compute the financial impact on the final voucher, if any. Inform the supervisory auditor of the reasons for the non-receipt of the requested assist audit and the impact to the final voucher. Determine whether it is appropriate to continue the final voucher service.</p>	
<p>(a) If the service continues, the amounts pertaining to the outstanding assist audits should be shown on the schedule of the calculation of direct and indirect costs for informational purposes.</p>	
<p>i. If it is determined that the service should not continue, inform the requestor that there are outstanding assist audit requests pertaining to the audit report(s) which are relevant to the contract or the contract period of performance. Prepare a draft memorandum documenting the cancellation of the assignment, the reasons for the cancellation, any work completed to the date of cancellation, and the expected assist audit report date.</p>	
<p>ii. If assist audits received after the issuance of the audit report were incorporated and the FAO issued supplemental audit report(s) based on the guidance in CAM 10-213, continue to step 7.</p>	
<p>b. If assist audits received after the issuance of the audit report(s), were not incorporated and the FAO did not issue supplemental audit report(s), the auditor should contact the contracting officer to determine whether or not a supplemental audit report would serve a useful purpose. For example, a supplemental may need to be issued if the contractor has additional contracts to close and the results of the assist audit has a significant impact on the audit findings. See CAM 10-213.</p>	
<p>7. Using the information obtained in step 3 calculate the direct and indirect costs for the contract using the results of the previous DCAA services and the negotiated rates and direct costs by year.</p>	

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A-1 Concluding Steps	WP Reference
Version 4.1, dated November 2020	
1. Prepare a consolidated schedule of the relevant contract cost information from the audit reports, low-risk memos and indirect rate letters or supervisory review.	
2. Prepare the draft memorandum, to include the consolidated schedule, for the ACO.	
3. Obtain supervisory review of the draft memorandum, schedule and supporting documentation.	
4. After obtaining supervisory review and approval finalize the memorandum, including all documentation, and provide the memorandum to the ACO.	
5. If applicable, update permanent file.	