

## MASTER AUDIT PROGRAM

<b>Activity Code 17920</b>	<b>Contractor Disclosures</b>
<b>B-1 Planning Considerations</b>	<b>Version 4.3, dated Dec 2025</b>

<b>Type of Service - Attestation Examination Engagement</b>
<b>Auditor Independence</b>
<p>Members of the audit team and internal specialists consulting on this audit must complete the Audit Specific Independence Determination (WP 34) prior to starting any work on this assignment.</p> <p><i>(Note: Because staff is sometimes added to on-going audits, supervisors should ensure that all individuals who are directing, performing audit procedures, or reporting on this audit as a member of the audit team who are performing as a consultant have signed this working paper. For example, an FAO may add additional auditors (e.g., technical specialists) to the audit assignment or may need to consult with an internal specialist (e.g., industrial engineers, and operations research specialists) as the audit progresses.)</i></p>
<p>The auditor should consider the procedures in CAM 4-707.7d when initiating a disposition analysis. A disposition analysis is not an audit risk assessment; it is less comprehensive in nature. An auditor may conclude after completing a disposition analysis that a detailed examination of the contractor disclosure is not necessary and that no further action is required based on the risk of the disclosure.</p> <p>If the audit team determines that an examination is necessary, expand the effort in accordance with CAM 4-707.7h.</p> <p>An examination of the contractor disclosure, at a minimum, should include verifying the completeness and accuracy of the disclosure, including any disclosed cost impact to Government contracts. The examination should also verify that the Government received any applicable refund or credit.</p>
<p>Prior to commencing the audit, review Agency guidance that may impact the audit and adjust the scope and procedures appropriately.</p>
<b>References</b>
<ol style="list-style-type: none"><li>1. FAR 52.203-13, Contractor Code of Business Ethics and Conduct</li><li>2. CAM 4-707, DoD Contractor Disclosure Program</li></ol>

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B-1 Preliminary Steps	WP Reference
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<p>1. Management Inquiries</p> <p>During the entrance conference or other appropriate meeting make the GAGAS required inquiries of contractor management. Using the framework of WP B-05, document the contractor's response, and identify areas of risk and the impact to the audit scope.</p>	B-05
<p>2. Fraud Risk Indicators</p> <p>Using the framework in WP B-09, discuss the fraud risk indicators with the audit team.</p>	B-09
<p>3. Review EPIC for audit leads that directly relate to the subject matter under audit and document the impact on the scope of the current assignment.</p>	
<p>4. Review permanent file to determine if the contractor has previously provided other studies or audits (e.g., summary listing of internal audits or external audit reports) that directly relate to the subject matter under audit. If there are no other studies or audits, document that information in the work papers and perform the procedures below.</p> <p>a. During the entrance conference or another appropriate meeting, ask contractor management if internal audits were performed. If yes, request contractor provide a summary listing of the internal audits that would assist us in understanding and evaluating the efficacy of the internal controls relevant to the subject matter of the audit.</p>	
<p>b. If the review of the perm file or the contractor identifies relevant internal audits:</p> <ul style="list-style-type: none"> <li>Determine if access to these reports is necessary to complete the evaluation of the relevant internal controls to support the risk assessment or audit procedures related to the subject matter of the audit. There must be a nexus between the internal audit reports and the scope of this specific assignment.</li> <li>Document the results of the determination in writing.</li> <li>If assignment is at a major contractor location, coordinate with the CAC or FAO point of contact (POC) for internal audit reports to request the contractor provide access to the reports.</li> <li>If assignment is at a non-major contractor and the FAO does not have a designated POC, the auditor should request the contractor provide access to the internal audit reports.</li> <li>The request, issued by the CAC, FAO POC or auditor, should include information on how the internal audit report is relevant to the DCAA audit. Place a copy of the request in the assignment administrative work papers.</li> </ul>	

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B-1 Preliminary Steps	WP Reference
<p>c. If the review of the perm file or the contractor identifies relevant other audits or studies:</p> <ul style="list-style-type: none"><li>• Obtain publicly available information for the relevant other Government agency audits (e.g., websites for DoD IG or other IGs, service audit agencies, etc.).</li><li>• Make appropriate adjustments to your risk assessment and planned procedures based on reported findings.</li><li>• Document the results of the inquiries including the response received from contractor's for any request for access to internal audit reports. (If access was not granted this should include the contractor's rationale or justification for not granting access).</li></ul>	
<p>d. Review the results and determine if additional audit procedures are needed to address any identified risk. (Note: The purpose of this question is to discover any new audit leads that could affect the scope of current audit.).</p>	
<p>e. Obtain and document an understanding of contractor internal controls relevant to the audit. Auditors may obtain a significant portion of this understanding during the walkthrough.</p>	
<p>5. Auditor will develop steps.</p>	

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C-1 Detailed Steps	WP Reference
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<i>Auditor will develop steps</i>	
1.	
2.	
3.	

A-1 Concluding Steps	WP Reference
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1. Summarize results.	
2. Discuss the results with your supervisor.	
3. Draft report	