



DEFENSE CONTRACT AUDIT AGENCY
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IN REPLY REFER TO

PSP 730.5.02

July 8, 2022
22-PSP-003(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
CORPORATE AUDIT DIRECTORS, DCAA
ASSISTANT DIRECTORS, HQ, DCAA

SUBJECT: Audit Alert on Truth in Negotiations – U.S. Code Change

What You Need to Know

As required by Section 801 of the John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019 (Public Law 115–232), and prescribed by the NDAA for FY 2021, 10 U.S.C. 2306a – Cost or Pricing Data: Truth in Negotiations was recodified to 10 U.S.C. Chapter 271: Truthful Cost or Pricing Data (Truth in Negotiations). There are no changes to the requirements with the recodification. The new location incorporates an organized framework from Sections 3701 to 3708 for easier referencing as part of the effort to streamline defense acquisition statutes and regulations. Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS) and Procedures, Guidance, and Information (PGI) are expected to be updated by January 1, 2023.

All new 420XX audits (Truth in Negotiations Audit) established on or after the date of this memorandum will generate with the new citation to 10 U.S.C. Chapter 271: Truthful Cost or Pricing Data (Truth in Negotiations). Additionally, other Agency guidance resources incorporated the change.

What Auditors Need to Do

For all in-process 420XX audits, audit teams should change the old citation used in the basis for the audit opinion and audit opinion paragraphs to 10 U.S.C. Chapter 271: Truthful Cost or Pricing Data (Truth in Negotiations).

Questions and Further Information

Questions regarding this audit alert should contact Pricing and Special Projects Division via e-mail at DCAA-PSP@dcaa.mil.

/Signed/
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