

**Incurred Cost Audit
Fiscal Year 1999
TIRNO-95-D-00068**

May 2000

Reference Number: 2000-1C-084

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 18, 2000

MEMORANDUM FOR JAMES A. WILLIAMS
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in black ink that reads "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Incurred Cost Audit Fiscal Year 1999
TIRNO-95-D-00068

In response to your request, the Defense Contract Audit Agency (DCAA) audited the contractor's September 1999 incurred cost submission and related books and records for reimbursement of Fiscal Year 1999 incurred costs. DCAA performed sufficient audit tests to obtain reasonable assurance about whether the proposal is free of material misstatement.

DCAA qualified its report because audit results of subcontractor costs, from the assisting cognizant DCAA offices, have not been received. The results of the assist audits are considered essential to the conclusion of this audit. Upon receipt of the assist audits, DCAA will provide a supplemental report if needed.

In summary, the DCAA took no exception to the direct costs, proposed indirect rates, or proposed facilities capital cost of money factors.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510, or your staff may call Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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