

**Incurred Cost Audit
Fiscal Year 1999
TIRN0-99-D-00005**

July 2000

Reference Number: 2000-1C-103

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

July 14, 2000

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

A handwritten signature in cursive script that reads "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Incurred Cost Audit Fiscal Year 1999
TIRNO-99-D-00005

In response to your request, the Defense Contract Audit Agency (DCAA) audited the contractor's January 2000 certified final indirect cost rate proposal 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.

In summary, the DCAA took no exception to the direct costs. However, DCAA questioned some overhead and general and administrative costs. The portion of questioned costs related to the Internal Revenue Service's Federally Funded Research and Development Center contract was minimal.

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.

TIGTA seal removed due to its size.