



*Report on Audit of Accounting System and  
Related Internal Controls*

**December 2005**

**Reference Number: 2006-1C-010**

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.

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TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

December 20, 2005

**MEMORANDUM FOR** DAVID A. GRANT  
DIRECTOR OF PROCUREMENT  
INTERNAL REVENUE SERVICE

*Daniel R. Devlin*

**FROM:** Daniel R. Devlin  
Assistant Inspector General for Audit (Headquarters Operations  
and Exempt Organizations Programs)

**SUBJECT:** Report on Audit of Accounting System and Related Internal Controls  
(Audit # 20061C0201)

The Defense Contract Audit Agency (DCAA) examined the contractor's control environment and overall accounting system controls as of September 12, 2005. The purpose of the examination was to assure that the contractor's accounting system and related internal controls comply with applicable laws and regulations and are operating effectively. Test procedures were applied from November 1, 2004, through September 9, 2005.

The DCAA opined that the overall accounting system and related internal control policies and procedures of the contractor's are adequate. However, during the course of the examination, the DCAA noted a matter involving the accounting system and related internal controls which, although not considered a significant deficiency at this time, the DCAA believes should be communicated to management. This matter is detailed in Appendix I "Suggestion to Improve the System." The DCAA examined only the overall accounting system. Accordingly, the DCAA expresses no opinion on the contractor's system of internal controls taken as a whole.

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



*Enter the Title for the Defense Contract Audit Agency Report,  
Including No Abbreviations*

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If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director, at (202) 927-7077.

Attachment

# 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 U.S.C. § 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.

