

**Audit of Adequacy and Compliance
of Disclosure Statement Revision 13,
Effective January 1, 2003**

October 2003

Reference Number: 2004-1C-007

**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

October 27, 2003

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

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

SUBJECT: Audit of Adequacy and Compliance of Disclosure Statement,
Revision 13, Effective January 1, 2003 (Audit #20041C0202)

The Defense Contract Audit Agency (DCAA) examined the contractor's revised disclosure statement, dated June 24, 2003, and additional changes submitted on September 12, 2003. The purpose of the examination was to determine whether the contractor's revised disclosure statement, Revision 13, dated September 12, 2003, adequately describes the cost accounting practices that the contractor proposes to use in performing Federal Government contracts and whether the revised practices comply with applicable Cost Accounting Standards (CAS) and Federal Acquisition Regulation (FAR) Part 31. The DCAA also evaluated the contractor's consistency of revised cost accounting practices with actual practices.

The DCAA disclosed that the disclosure statement revision adequately describes the contractor's revised cost accounting practices. Additionally, the practices comply with applicable CAS and FAR Part 31 and are consistent with the contractor's actual practices.

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.

If you have any questions, please contact me at (202) 622-8500 or you may call 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.

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