

**Mandatory Annual Audit Requirement,
Purchases Existence and
Consumption Verification**

January 2004

Reference Number: 2004-1C-030

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

January 5, 2004

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

A handwritten signature in cursive script that reads "Daniel R. Devlin".

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

SUBJECT: Mandatory Annual Audit Requirement, Purchases Existence and
Consumption Verification (Audit # 20041C0214)

The Defense Contract Audit Agency (DCAA) performed an audit regarding the contractor's material purchases existence during the period January 1, 2003, through October 16, 2003. The purpose of the audit was to test the reliability of purchasing records, verify the physical existence of material purchases, and confirm whether material purchases were charged to the proper cost objectives.

The DCAA stated that the audit of material purchases existence and consumption disclosed no exceptions. The DCAA indicated the results of the tests performed pertain only to evaluating the contractor's purchase existence and consumption practices. The DCAA expressed no opinion on the adequacy of the contractor's system 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.

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.

The TIGTA seal was removed due to its size.