

Accounting System Review

March 2004

Reference Number: 2004-1C-077

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

March 23, 2004

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: Accounting System Review (Audit #20041C0223)

The Defense Contract Audit Agency (DCAA) examined the contractor's overall accounting system controls as of January 15, 2004. The purpose of the examination was to assure the contractor's system of accounting control is adequate to provide costs that are reasonable and compliant with applicable laws and regulations. The examination also evaluated the contractor's compliance with the system's internal control requirements.

The DCAA stated that the overall accounting system and related internal control policies and procedures of the contractor are adequate. However, although not considered a significant deficiency at this time, the DCAA noted another matter involving the contractor's accounting system and related internal controls. The DCAA suggested the contractor revise its ethics policy to require every employee to read and formally acknowledge agreement/disagreement with the ethics policy on a yearly basis. The DCAA indicated that the contractor agreed with the recommendation.

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.