

**Report on Application of Agreed Upon  
Procedures – Quick Closeout for Contract  
Number TIRNO-95-D-00061**

**June 2004**

**Reference Number: 2004-1C-111**

**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

June 7, 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: Report on Application of Agreed Upon Procedures – Quick  
Closeout for Contract Number TIRNO-95-D-00061  
(Audit #20041C0229)

In response to your request, the Defense Contract Audit Agency (DCAA) applied agreed upon procedures to evaluate direct costs and associated indirect expenses claimed by the contractor in final voucher numbers 14, 9, 7, 16, 18, 16, 8, 7, 19, 15, 22, 2, 22, 18, 5, 4, 30, and 5, respectively, issued under contract number TIRNO-95-D-00061, delivery order numbers 3232, 0004, 0013, 0014, 0017, 0015, 0018, 0020, 0021, 0022, 0025, 0028, 0012, 2206, 2207, 0005, 0008, and 0007. The purpose of the engagement was to assist in closing out the contract delivery orders using administrative quick closeout procedures under the Federal Acquisition Regulation, Part 42. The report pertains only to the performance of agreed upon procedures. The DCAA did not perform an examination and, therefore, does not express an opinion.

The DCAA considers the Fiscal Year (FY) 2002 submitted rates acceptable for quick closeout. The DCAA indicated that the claimed direct and indirect expenses for FYs 1996 through 2000 have not been examined with specific tests concerning Internal Revenue Service contractual requirements and regulations and are subject to your determination. The claimed direct costs have been verified to incurred cost schedules and supporting cost records and claimed indirect expenses are based on application of established final rates to associated base costs. The DCAA also indicated that claimed adjustments of (\$510) for FY 2002, which have been verified to the contractor's cost records and final rate submittal, is subject to your determination.

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.*