

**Follow-Up Review of Accounts
Payable Scanning System**

July 2004

Reference Number: 2004-1C-124

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

July 15, 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: Follow-Up Review of Accounts Payable Scanning System
(Audit #20041C0234)

The Defense Contract Audit Agency (DCAA) examined the contractor's accounts payable scanning system and related Electronic Data Processing (EDP) internal controls, as of March 19, 2004, to assure the contractor's system is adequate to provide for the accuracy and reliability of information being generated by the EDP scanning system. The purpose of the examination was to evaluate the implementation, accuracy, and effectiveness of the contractor's corrective action plans and to reassess control risk and adequacy of the accounts payable scanning system.

According to the DCAA, the original review, dated November 5, 2001, of the contractor's accounts payable scanning system disclosed two deficiencies. The contractor agreed to implement appropriate actions to correct the cited deficiencies.

The DCAA opined that the contractor's current accounts payable scanning system and related internal control policies and procedures are adequate. The DCAA considers the corrective actions taken by the contractor sufficient to assure the reliability and integrity of contractor cost data managed by the system. The review was limited to an examination of the corrective actions taken by the contractor. 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.

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.