

**Report on Application of Agreed-Upon
Procedures - Quick Closeout for Contract
Number TIRNO-95-D-00065,
Delivery Order Number 0015**

February 2005

Reference Number: 2005-1C-032

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

February 17, 2005

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

Daniel R. Devlin

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-00065 Delivery
Order Number 0015 (Audit #20051C0205)

In response to your request, the Defense Contract Audit Agency (DCAA) applied agreed-upon procedures to evaluate direct costs and associated indirect costs claimed by the contractor in final voucher number 53 issued under contract number TIRNO-95-D-00065, task order number 15. The purpose of the engagement was to assist in closing out the contract delivery order using administrative quick closeout procedures under the Federal Acquisition Regulation, Part 42. This 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 claimed direct costs for Contractor's Fiscal Years (CFY) 1998 through 2005 have been verified to accounting records and claimed indirect costs are based on application of final negotiated indirect rates to the recorded base amounts. The DCAA also indicated that claimed indirect costs of \$1,008 for CFY 2003 are subject to your determination. According to the DCAA, the quick closeout rates used by the contractor have been lower than the final negotiated indirect rates and no audit exceptions have been taken for direct costs. The DCAA does not expect that the CFY 2005 audit results will find any significant exceptions to the claimed costs.

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.

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