



*Report on Audit of Compliance With Cost Accounting Standard 414 – Accounting for Cost of Money As an Element of the Cost of Facilities Capital*

**September 2005**

**Reference Number: 2005-1C-120**

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.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

September 15, 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 Audit of Compliance With Cost Accounting Standard 414 –  
Accounting for Cost of Money As an Element of the Cost of Facilities  
Capital (Audit # 20051C0230)

The Defense Contract Audit Agency (DCAA) examined the contractor's compliance with requirements of Cost Accounting Standard (CAS) 414, Accounting for Cost of Money As an Element of the Cost of Facilities Capital. The purpose of the examination was to determine if the contractor complied with the requirements of CAS 414 and any applicable Federal Acquisition Regulation Part 31<sup>1</sup> during the period January 1, 2004, through December 31, 2004.

The DCAA considers the contractor's accounting system to be generally acceptable for accumulating, reporting, and billing costs on Federal Government contracts. According to the DCAA, the contractor complied, in all material respects, with the requirements of CAS 414 during the period January 1, 2004, through December 31, 2004. The DCAA is currently performing an updated review of the accounting system and related internal controls.

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.

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<sup>1</sup> 48 C.F.R. pt 1-53 (2002).



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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.

