



*Report on the Audit of Adequacy and
Compliance of Disclosure Statement
Revision Number 4, Effective January 1, 2005*

September 2005

Reference Number: 2005-1C-178

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 29, 2005

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 the Audit of Adequacy and Compliance of Disclosure
Statement Revision Number 4, Effective January 1, 2005
(Audit # 20051C0244)

The Defense Contract Audit Agency (DCAA) examined the contractor's revised disclosure statement to determine whether the contractor's revision number 4, effective January 1, 2005, adequately describes the cost accounting practices the contractor proposes to use in performing Federal Government contracts and whether the revised practices comply with applicable Cost Accounting Standards and Federal Acquisition Regulation¹ Part 31.

According to the DCAA, the subject revision adequately describes the contractor's revised cost accounting practices. The practices as described comply with applicable Cost Accounting Standards and Federal Acquisition Regulation Part 31 and are consistent with the contractor's actual practices. The DCAA considers the contractor's accounting system generally acceptable for accumulating, reporting, and billing costs on Federal Government contracts. The DCAA is currently performing an updated review of the accounting system and related internal controls.

¹ 48 C.F.R. pt 1-53 (2002).



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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.

