



IN REPLY REFER TO

DEFENSE CONTRACT AUDIT AGENCY

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16-PPD-008(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA CORPORATE AUDIT DIRECTORS, DCAA ASSISTANT DIRECTORS, HQ, DCAA

SUBJECT: Update – Audit Guidance on the Impact of the National Defense Authorization Act on DCAA’s Audit Support to Non-Defense Agencies

What do we need to know?

Effective October 1, 2016, DCAA may again provide full audit support for non-Defense Agencies. Audit Guidance 16-PPD-001(R) dated January 7, 2016 is superseded. FAOs should coordinate with non-Defense Agencies to understand what audits they want performed.

What has happened that created this change?

DCAA has met the requirement of less than 18 months of incurred cost inventory outlined in Section 893 of the 2016 National Defense Authorization Act (NDAA), and the DoD Comptroller has certified this progress to Congress.

What do we need to do?

DCAA Operations Directorate has coordinated at the Executive Level with our reimbursable customers to inform them that our audit services can resume as of October 1, 2016; however, FAOs should coordinate with their reimbursable customers at the local level to ensure that they understand that DCAA is once again providing full audit support for non-Defense Agencies. As part of this coordination, FAOs should discuss assignments that we stopped work on, as well as future audits and services, to ensure that we fully understand the audits they would like DCAA to perform. Additionally, FAOs should resume with billing procedures that were in place prior to the NDAA prohibition (see the guidance for the ATB percentage calculations in the DMIS User Guide section entitled “Overview-Administering the Reimbursable Audit Program”).

Questions and Further Information

FAO personnel should direct questions regarding reimbursable effort to Operations Workload Division at DCAA-OWD@dcaa.mil. General questions regarding this memorandum should be directed to Policy Programs Division at (703) 767-2270 or e-mail at DCAA-PPD@dcaa.mil.

/s/ Jennifer L. Quinones
/for/ Donald J. McKenzie
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