

CLIENT ALERT

Additional Business Systems Reviews Proposed

Jul.17.2014

The government issued a proposed rule on Monday that would require contractors subject to withholdings under the Business Systems Rules to conduct annual internal reviews of their accounting, estimating, and material management and accounting business systems and engage an independent CPA firm to conduct audits every three years (or more frequently if directed by the contracting officer). The proposed rule if adopted as drafted would likely result in inefficiency and delay because it contemplates DCAA review and approval of the independent CPA work plan, audit, and workpapers and permits DCAA to challenge the findings of the independent CPAs.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.