



**DEFENSE CONTRACT AUDIT AGENCY**  
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IN REPLY REFER TO

PAS 730.3.B.2.4

September 29, 2020  
20-PAS-005(R)

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

SUBJECT: Guidance on the Contractor Information Survey (CIS)

This memorandum provides guidance to assist auditors in using the Contractor Information Survey (CIS).

**What is the Contractor Information Survey (CIS)?**

The CIS is a tool for obtaining information about contractors to assist the audit team in identifying potential areas where future audit effort may be warranted. Additionally, the CIS will assist the audit team in understanding the contractor's organizational structure and business, the overall design of the contractor's accounting system, and basic information related to internal control.

The CIS is **not** to be used as an integral part of the risk assessment process or as the basis for documenting an understanding of internal control for any particular audit assignment.

The CIS is available on the DCAA intranet, under Audit Tools, on the Audit Programs, Report Shells, OAG webpage.

**When do we use the CIS?**

Regional and CAD leadership will work with Management teams to establish when it is appropriate to use the CIS. The CIS will primarily be used at smaller contractor locations where they have had little or no audit effort in three to five years. Auditors should complete the CIS in accordance with Regional or CAD direction and modify the survey, as necessary.

**How do we record time for completing the CIS?**

Auditors should use Activity Code 17742 to capture the hours for completing the survey.

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**Questions and Further Information**

FAO personnel with questions regarding this MRD should contact their Regional or CAD offices. Regional and CAD personnel with questions regarding this MRD should contact Mr. John (Sean) Glennon at (571) 438-6404 or Policy Auditing Standards Division by sending your inquiry via e-mail to [DCAA-PAS@dcaa.mil](mailto:DCAA-PAS@dcaa.mil).

*/Signed/*

Martha E. McKune

Assistant Director, Policy and Plans

DISTRIBUTION: E

Enclosure:

## CONTRACTOR INFORMATION SURVEY (CIS)

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### **PURPOSE:**

The Contractor Information Survey is a tool for obtaining information about the contractor to assist the audit team in identifying potential areas where future audit effort may be warranted, and in understanding the contractor's organizational structure and business, the overall design of the contractor's accounting system, and basic information related to internal control. When completing the survey, no audit procedures or analysis should be performed on the information obtained. Additionally, this survey does not substitute for the auditors gaining an understanding of relevant internal controls for specific assignments and should not be referenced in audit assignments.

Auditors should complete this survey in accordance with Regional or CAD direction, and modify the survey as necessary.

### **INSTRUCTIONS:**

Contact the contractor to explain the purpose of the survey and to schedule an in-person meeting to complete the survey. The auditor may provide a copy of the survey to the contractor to assist them in gathering information necessary for the auditor to complete the survey; however, the auditor, not the contractor, will complete the survey. During the in-person meeting, capture the contractor's responses to each Part. Ask for clarifications, as necessary, to ensure responses are accurate and understandable.

- Part A assists in understanding the contractor's organizational structure, size, complexity, and business base.
- Part B assists in understanding the design of the contractor's accounting system and basic information related to internal control.
- Part C provides for the auditor's identification of potential recommended activities for future planning.

After completing Parts A and B, complete the summary section in Part C. Update information as necessary in DMIS and maintain the completed survey in the electronic contractor perm file.

<b>Date Prepared:</b>	
<b>Auditor completing the survey:</b>	
<b>Supervisory Auditor</b>	

**CONTRACTOR INFORMATION SURVEY (CIS)**

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<b>Cognizant Field Audit Office:</b>	
<b>Contractor Point of Contact(s) and Position(s):</b>	
<b>Contractor Contact Information: (phone, email)</b>	

<b>PART A – GENERAL CONTRACTOR INFORMATION</b>	
<b>1. BASIC INFORMATION</b>	
Contractor's Name: <i>(Prepare a separate Part A for each Division)</i>	
Division name, if applicable:	
CAGE Code(s):	
DUNS Code(s):	
Address:	
Telephone:	
E-mail:	
Parent organization, if applicable:	

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CAGE Code(s):	
DUNS Code(s):	
Address:	
Telephone:	
E-mail:	
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>	Is contractor classified as a small business through the Small Business Administration?  If yes, document the classification of the small business.
Accounting Software:	<i>Identify the specific accounting system software used.</i>
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>	Have there been any changes in the last two years, or are there plans to implement future changes, in the methods used to account for or allocate costs? <i>(changes in composition of pools or bases of indirect overhead pools, changes in accounting for cost as direct or indirect, changes in the method for allocating G&amp;A expense to final cost objectives, etc.)</i> If yes, describe the changes below:
Date changes took place, or are planned to take place:	<i>Date of change or planned change.</i>

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Changes in accounting system or accounting methodologies:	
<b>Labor System:</b>	<i>Identify how labor costs are accumulated and recorded. Include the specific software used to charge and report labor costs, if the labor system is a component of the accounting software or is accumulated in a separate system and then integrated with the accounting information, etc.</i>
<b>Points of Contact:</b>	
<b>Accounting:</b>	Name: Position Description: Phone No.: E-mail address:
<b>Contracts / Proposals:</b>	Name: Position Description: Phone No.: E-mail address:
<b>Billing:</b>	Name: Position Description: Phone No.: E-mail address:

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Incurring Cost Submission:	Name: Position Description: Phone No.: E-mail address:	
Contractor Fiscal Year End:		
Location(s) of accounting records:		
<b>2. TYPES OF MAJOR PRODUCTS AND SERVICES</b>		
NAICS code:		
	<b>Type of activity</b>	<b>Description of activities and services/products provided.</b>
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Manufacturing	
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Service	
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Construction	
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Other	

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<b>3. ORGANIZATIONAL STRUCTURE</b>		
<b>Type of Organization</b>		
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>		Corporation ( <i>Complete section 3a below if contractor is incorporated.</i> )
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>		Partnership ( <i>Complete section 3b below if the contractor is a partnership.</i> )
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>		Sole Proprietor ( <i>Complete section 3c below if contractor is a sole proprietorship.</i> )
Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input type="checkbox"/>		Joint Venture ( <i>Complete 3d below if the contractor is a joint venture.</i> )
<b>3a. Corporations:</b>		
	<b>Type of Incorporation:</b>	



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Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Publicly Traded
Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Closely Held. If closely held, is this a family-owned corporation? Yes: <input type="checkbox"/>
<b>3b. Partnerships:</b>	
Type of Partnership: <i>(e.g., General, Limited, Joint Venture, etc.)</i> List the names and positions/titles of the partners. Add rows as necessary	
<b>Partner Name</b>	<b>Position/Title</b>
<b>3c. Sole Proprietor:</b> <i>(List the name, and contact information of the registered sole proprietor.)</i>	
<b>Name</b>	<b>Contact Information</b>
<b>3d. Joint Venture:</b> <i>(List the entities that comprise the Joint Venture)</i>	
<b>Entity Name:</b>	<b>Contact Information</b>
<b>4. OTHER ORGANIZATIONAL INFORMATION:</b> <i>Document any additional information pertinent to understanding the contractor's structural organization,.</i>	

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**5. RELATED PARTY TRANSACTIONS:**

*Document the businesses or names of related-party entities with whom the contractor conducts business.*

**6. BREAKDOWN OF SALES** - for fiscal year ending [Insert FYE]. (Insert the total amounts for each customer, the amounts by contracting-type vehicle, and the percentage to total sales for each line. Separately identify sales related to DoD Foreign Military Sales (FMS))

Customer	Total Sales	Cost-Type		Fixed-Price		T&M/LOE		Other (specify type)	
	(in '000s)	\$\$	%	\$\$	%	\$\$	%	\$\$	%
DoD (non-FMS)									
DoD-FMS									
Non-DoD									
Commercial									
<b>TOTALS</b>									

**INDEPENDENT PUBLIC ACCOUNTING FIRM (IPA)**

Does the contractor have an independent public accounting firm performing any work for them?

Yes:  No:

If yes, complete the following

IPA Firm Name:	
Services Provided:	

**7. INTERNAL AUDIT**

Does the contractor have an internal audit function?

Yes:  If yes, document the name of the individual responsible for the internal audit activities:  
 No:

Name:	
Phone No.:	
Email:	

**8. DISCLOSURE STATEMENT**


Yes:  Is the contractor required to submit a CASB Disclosure Statement?  
 No:

If yes, date the D/S was approved by the ACO:	
Name of cognizant ACO:	

*Obtain a copy of the D/S and maintain in the electronic contractor perm file.*

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<p><b>9. Contractor employees.</b>  <b>Number of employees:</b> _____  <i>Identify the number of employees charging as Direct (D) or/and Indirect (I) employees for each of the contract types below, and whether the employees work on or off-site.</i></p>								
Location	# of Employees	#D	#I	Location (City, State)	# of Employees by Type of Government Contract			
					Cost-Type	Fixed-Price	T&M /LOE	Other
On-Site								
Off-Site*								
<p><b>10. POST-EMPLOYMENT RETIREMENT BENEFITS</b>  <i>Describe the type of post-employment retirement benefits provided by the contractor.</i></p>								
<p><b>11. CONTRACTS AND SUBCONTRACTS AWARDED DURING THE PREVIOUS FY</b>                  Use the embedded Excel file to document the contract/subcontract information for contracts awarded in the previous FY.</p> <div style="text-align: center;">                       Contract Information.xlsx                 </div>								
<p><i>Add any additional comments deemed pertinent.</i></p>								

<b>PART B – ACCOUNTING SYSTEM AND INTERNAL CONTROL</b>	
<p><i>This section provides the auditor with an understanding of the overall design of the accounting system and basic information related to internal control. Responses should provide the titles of policy documents and the location of the policies to facilitate auditors' accessing the policies during future engagements and in updating this survey. Note that smaller contractors may have informal policies and procedures, which does not, in and of itself, necessarily increase risk to the government. If policies are informal, note that in the response.</i></p>	
<p><b>1. ACCOUNTING SYSTEM</b></p>	
Question	Response
1a. Are there written policies for the accounting system?	Yes: <input type="checkbox"/>

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		No: <input type="checkbox"/>
1b.	How are accounting policies reviewed and updated?	
1c.	How does the accounting system identify the individuals that initiated, recorded, reviewed, and approved transactions?	
1d.	Does the contractor have a chart of accounts that identifies account numbers with descriptions?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
1e.	Are the accounting records controlled by the general ledger?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>
1f.	How frequently are accounting transactions posted to the general ledger?	
1g.	How are journal entries and adjusting journal entries initiated, reviewed, and approved?	
1h.	How are responsibilities assigned for initiating, recording, and approving financial transactions?	
1i.	What kind of exception reports are available to ensure costs are current, accurate and complete?	
1j.	Can the accounting system identify direct cost at the contract and project level?	
1k.	How are credits and discounts on purchases recorded and allocated to cost objectives?	
1l.	How does the contractor record costs for bid and proposal effort?	

**2. BILLINGS**

	<b>Question</b>	<b>Response</b>
2a.	How are vouchers prepared (e.g., manual or automated process) and approved?	
2b.	How does the contractor provide oversight of subcontractor billings?	
2c.	Does the contractor have billing briefs? <i>(Which generally provide contract ceilings, special contract terms, funded amounts, etc.)</i>	Yes: <input type="checkbox"/> No: <input type="checkbox"/>
2d.	How does the contractor identify and exclude unallowable cost from billings and claims to the government?	
2e.	How does the contractor get their billing rates? (DCAA/ACO/PCO)	
2f.	How often does the contractor request changes in billing rates?	
2g.	How are billing rates updated?	

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<b>3. INDIRECT RATES</b>		
	<b>Question</b>	<b>Response</b>
3a.	How does the contractor develop and update its indirect rates?	
3b.	How does the contractor identify direct from indirect costs?	
3c.	How do employees developing estimates and preparing proposals (including incurred cost proposals) ensure they are using the appropriate indirect rates?	
<b>4. LABOR</b>		
	<b>Question</b>	<b>Response</b>
4a.	Are there written polices for labor charging?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
4b.	Are there written policies or procedures for completing timesheets, and management review and approval of timesheets?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
4c.	How do employees record their time?	
4d.	How do employees know how to record their time properly?	
<b>5. PURCHASES – MATERIAL, SUPPLIES, SERVICES</b>		
	<b>Question</b>	<b>Response</b>
5a.	Does the contractor have written policies or procedures that include purchasing authorization thresholds and limitations?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
5b.	How are procurement requests initiated, reviewed and approved?	
5c.	How does the contractor ensure purchases are made only for bona fide business needs?	
5d.	How are prices determined to be fair and reasonable?	
<b>6. COMPENSATION</b>		
	<b>Question</b>	<b>Response</b>
6a.	Does the contractor have written policies and procedures for compensation or an established compensation plan?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
6b.	How does the contractor ensure compensation is consistent with its established compensation plan?	
6c.	How does the contractor determine pay increases, bonuses, and promotions are appropriate?	
6d.	How does the contractor ensure compensation is consistent with contract terms?	

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<b>7. OTHER</b>		
	<b>Question</b>	<b>Response</b>
7a.	Does the contractor have written policies for an ethics program?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> <i>If yes: identify the title, date, and location of the policy.</i>
7b.	How are employees trained in ethics requirements for the government contracting environment?	
7c.	How do employees report suspected illegal acts, waste, fraud or abuse?	
7d.	How does the contractor respond to reports of suspected illegal acts, waste, fraud or abuse?	
7e.	How does the contractor ensure employees do not have conflicts of interests?	
7f.	How does the contractor ensure its employees are competent to perform in their job functions? (e.g., training programs/requirements for continuing education or certifications relevant to job functions, requiring minimum educational qualifications, etc.)	
7g.	How does the contractor assess whether they will achieve contract objectives and compliance with contract terms?	
7h.	How are employees notified of changes to contract terms or regulations?	

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**PART C – SUMMARY OF SURVEY INFORMATION - AUDITOR’S RECOMMENDED ACTIVITIES**

**Instructions:**

*Place a checkmark beside each type of service/engagement recommended for future activities at this contractor and document your rationale for why this service is recommended (i.e., provide a summary of risk factors observed).*

<b>Check If Recommended</b>	<b>DCAA Activity</b>	<b>Rationale For Recommending The Activity Be Performed At This Contractor</b>
<input type="checkbox"/>	10100 Incurred Cost Audit	
<input type="checkbox"/>	10310 MAAR 6	
<input type="checkbox"/>	10320 MAAR 13	
<input type="checkbox"/>	17500 Progress Payments	
<input type="checkbox"/>	17741 Post-award Accounting System	
<input type="checkbox"/>	19100 D/S Audit	
<input type="checkbox"/>	194xx CAS Audit (Specify the CAS audit program(s))	
<input type="checkbox"/>	23000 FPRP	
<input type="checkbox"/>	Other ( <i>Identify</i> )	

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<b>Supervisory Auditor Review:</b>		
Name:		Date Reviewed:
<b>Additional Review (if required):</b>		
Name:		Date Reviewed: