DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

1 2 DEC 2012

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Change in Audit Cognizance of U.S. DoD Direct Contracts and Subcontracts with Canadian Companies

In accordance with the attached Director of Defense Procurement and Acquisition Policy (DPAP) memorandum (same subject, dated November 20, 2012), effective January 1, 2013, Canada will no longer perform audits on U.S. DoD contracts that are awarded directly to a Canadian company or perform assist audits on Canadian contractors in support of subcontract work under U.S. prime DoD contracts. Contracts awarded via the Canadian Commercial Corporation will still be audited by Public Works and Government Services Canada (PWGSC) as required by international agreement.

DCAA and DCMA will continue to conduct audits as delineated in DFARS PGI 215.404-2(c), "Audit Assistance for Prime Contracts or Subcontracts." Additional details, including contact information for DCAA, can be found in the attached memorandum.

My point of contact for this is Denise Randolph. She can be reached on (703) 614-9767 or via Denise.Randolph@navy.mil .

Althea H. Coetzee
RDML, SC, USN
Executive Director
DASN(AP)

Attachment: As stated

Distribution:
AGC
CMC I&L (LB)
MARCORSYSCOM (CT)
MSC (N10)
NAVAIRSYSCOM (2.0)
NAVFACENGCOM (ACQ)
NAVSEASYSCOM (02)
NAVSUPSYSCOM (N7)
ONR (02)
SPAWARSYSCOM (2.0)

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

NOV 20 2012

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Change in Audit Cognizance of U.S. DoD Direct Contracts and Subcontracts with Canadian Companies

Effective January 1, 2013, Canada will no longer perform audits on U.S. DoD contracts that are awarded directly to a Canadian company or perform assist audits on Canadian contractors in support of subcontract work under U.S. prime DoD contracts. Public Works and Government Services Canada (PWGSC), however, will still perform audits of U.S. DoD contracts awarded to Canadian companies via the Canadian Commercial Corporation as required by international agreement.

The Defense Contract Audit Agency (DCAA) and the Defense Contract Management Agency (DCMA) will conduct audits as delineated in DFARS PGI 215.404-2(c) "Audit Assistance for Prime Contracts or Subcontracts". The DCAA will perform proposal audits on fixed-priced proposals exceeding $10 million and on cost-type proposals exceeding $100 million. Regardless of the amount being proposed, DCAA also will perform proposal audits if assistance is requested by a DCAA office. DCAA may also perform proposal audits under the audit threshold if exceptional circumstances are explained by the contracting officer in the request for audit. DCAA will perform the same pre-award and post-award range of audit services that DCAA conducts for U.S. Government contractors. Personnel should check the "Audit Office Locator - OCONUS" site at (http://www.dcaa.mil) for the cognizant DCAA Field Audit Offices (FAOs) for Canadian companies. In accordance with DFARS 215.404-2(a)(i), the contracting officer should request field pricing assistance from DCMA for proposals under the audit thresholds stated above.

The DPAP point of contact is Ms. Patricia Foley who may be reached at patricia.foley@osd.mil, or 703-693-1145. The DCAA point of contact is Mr. Eric Hilerio who may be reached at DCAA-FLA-NoNDoD@dcaa.mil. The DCMA point of contact is Mary Sheridan who may be reached at mary.sheridan@dcma.mil.

Richard Ginman
Director, Defense Procurement
and Acquisition Policy