Subpart 1342.1 - Contract Audit Services

Parent topic: PART 1342 - CONTRACT ADMINISTRATION

1342.102 Assignment of contract audit services.

1342.102-70 Interagency contract administration and audit services.

(a) Generally, the final invoice shall not be approved until a close-out audit has been performed and all outstanding issues have been negotiated or resolved on the following types of contracts valued at $500,000 and above:

(1) Cost-reimbursement type contracts;

(2) The cost-reimbursement portion of fixed-price contracts;

(3) Letter contracts which provide for reimbursement of costs;

(4) Time-and-materials contracts; and

(5) Labor-hour contracts.

(b) If a close-out audit is not required, an audit may be requested regardless of the contract value when the contracting officer determines that an audit is justified under one of the following circumstances:

(1) There is some evidence of fraud or waste;

(2) The contractor's performance under the contract has been questionable;

(3) The contractor had a high incidence of unallowable costs under a previous contract;

(4) The contract is with a newly-established firm, or a firm that has just begun dealing with the Government.