

Seven Tips to Prepare for Your First DCAA Audit

There's a lot to do when you're getting ready for your first DCAA Compliance Audit, and there's a few key points that you ought to consider. Here are some tips to help you prepare for the audit.

Don't Panic!



Government contracting has been around for a long time and there are best practices to successfully pass audits. Though some systems make it easier to pass these audits than others, any system can be compliant.

Be Professional.



Auditors are trained to go in and out and comply with independence/ethical principles. Don't try to make friendships/relationships. They're there for one reason and making friends is not on the agenda. Keep it professional.

You Have Rights.



Although on the streets you have the right to remain silent and hire a lawyer, in government contracting it might not be practical to afford this option. But you have the right to answer and provide only the information requested. No need to give more or provide information not requested.

Be Responsive.



Don't over promise and under deliver. Government auditors are going to be aggressive, but if you need more time, be ready to provide a justification. "It takes too long to gather/prepare the data" would not be a good excuse these days due to technology/adequate accounting systems.

The call for an audit should warrant a fast response and a thorough evaluation of the current state of your systems from your team. Allocate your time exactly and delegate the necessary resources to areas that need it the most.

Anticipate.



If you're getting into the government contracting business, find out what audits could be triggered by the type of opportunities you are bidding. Knowing what exactly what you're dealing with will help you prepare ahead of time.

Be Consistent.



Along with anticipation, you'll need to be ready to consistently continue the accounting policies/procedures and practices presented to the auditors during the audit. Just because you've passed once doesn't mean you can brush off maintaining methods of compliance. Once you've passed, it's important to preserve that foundation and continue assessing your system in preparation for any future audits

Be Honest.



You don't want to get in trouble and get barred from bidding on government work. In the end, if you don't pass the audit, the report would include what the deficiencies are and you can use that as a learning experience for the next time. Be open, be truthful, and utilize the experience to make your business better.