



OFFICE OF THE
INSPECTOR GENERAL
DEFENSE INTELLIGENCE AGENCY

REPORT SUMMARY

Audit of DIA's Commercial Contract Payments, Project 2022-1006

What We Did. We determined whether DIA's commercial contract payments were proper, supported, and timely. To address the objective, we used a sampling approach from the Government Accountability Office to enable a 90 percent confidence on whether controls governing the invoice review process were working properly. To review each sample, we gathered supporting documentation to determine whether payments were proper, supported, and timely per Federal laws, regulations, and DIA policies. However, our procedures did not extend to physically verifying equipment and specifications, or confirming the quality and extent of services performed. Rather, our procedures for these invoices included (i) comparison of receiving reports to contract details and invoices for goods received and (ii) comparison of contract details to the invoice and the Contracting Officer's Representative certification confirming services were rendered.

What We Found. Based on the scope of our audit, DIA's commercial contract payments were proper, supported, and timely in accordance with Federal laws, regulations, and DIA policies. Our testing was based on those criteria, which included the following requirements for payments from OMB A-123, which implements Public Law 116-117, and FAR Subpart 32.9:

- Properly processed to the correct recipients, for the correct amount, for procured and received goods and services, and without any duplicate payments for the period tested;
- Supported with sufficient documentation; and
- Timely paid within the required 30 days and for the correct period of performance per contract terms.

Our results demonstrate that DIA had reliable controls over its processes that safeguarded disbursements for commercial contract payments. That said, the results do not exclude the possibility of some level of improper payments within the population, as the internal control sample we reviewed provides 90 percent confidence in the results, not absolute assurance. In addition, while these results do not resolve DIA's Top Management Challenge for Financial Management, they do illustrate a significant positive component of DIA financial management.

What We Recommend. We did not issue any recommendations to DIA management.