



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

AUDIT REPORT

DOE-OIG-25-17

March 2025

**PERFORMANCE AUDIT OF MISSION
SUPPORT AND TEST SERVICES LLC
STATEMENT OF COSTS INCURRED AND
CLAIMED SUBMISSIONS FOR FISCAL
YEAR ENDED SEPTEMBER 30, 2018 AND
INCURRED COST SUBMISSIONS FOR
FISCAL YEARS ENDED
SEPTEMBER 30, 2019 AND
SEPTEMBER 30, 2020**



Department of Energy
Washington, DC 20585

March 7, 2025

**MEMORANDUM FOR THE CONTRACTING OFFICER, NEVADA FIELD OFFICE,
NATIONAL NUCLEAR SECURITY ADMINISTRATION**

SUBJECT: *Audit Report: Performance Audit of Mission Support and Test Services LLC
Statement of Costs Incurred and Claimed Submissions for Fiscal Year Ended
September 30, 2018 and Incurred Cost Submissions for Fiscal Years Ended
September 30, 2019 and September 30, 2020*

We contracted with CohnReznick LLC (CohnReznick) to audit the costs incurred by Mission Support and Test Services LLP under management and operating contract number DE-NA0003624 to manage operations at the Nevada National Security Site and its related facilities and laboratories. CohnReznick reviewed \$1,726,625,381 of costs claimed for fiscal years ending September 30, 2018; September 30, 2019; and September 30, 2020. Our contract with CohnReznick requires that the audit be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the U.S.

CohnReznick did not identify any questioned costs. Based on the results of the audit, CohnReznick made five recommendations to Mission Support and Test Services LLP to address the report's five internal control findings, including clarifying time reporting processes and responsibilities and updating policies related to its subcontract audit program. Mission Support and Test Services LLP agreed with the findings.

CohnReznick is responsible for the attached audit report dated October 25, 2024, and the conclusions expressed therein. The Office of Inspector General monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where CohnReznick did not comply, in all material respects, with generally accepted government auditing standards. The Office of Inspector General did not express an independent opinion on the management and operating contractor's Statement of Costs Incurred and Claimed or Incurred Costs Submissions.

We appreciated the cooperation of your staff during the audit.

A handwritten signature in blue ink, appearing to read "Carlos L. Diaz", is positioned above the printed name and title.

Carlos L. Diaz
Deputy Assistant Inspector General
for Audits
Office of Inspector General



Department of Energy
Office of Inspector General
Performance Audit of Mission Support and Test Services
LLC Statement of Costs Incurred and Claimed for
Fiscal Year 2018 and the Incurred Cost Submissions
for Fiscal Years 2019 and 2020
(DOE-OIG-25-17)

WHY THE AUDIT WAS PERFORMED

This audit, performed by CohnReznick LLC on behalf of the Department of Energy Office of Inspector General (OIG), examined \$1,726,625,381 of costs claimed for fiscal years ending September 30, 2018; September 30, 2019; and September 30, 2020 by the management and operating contractor Mission Support and Test Services LLP (MSTS) to manage operations at the Nevada National Security Site and its related facilities and laboratories.

The audit's objective was to determine whether costs claimed for fiscal years 2018, 2019, and 2020 were allowable, allocable, and reasonable in accordance with the terms of the contract, applicable cost principles, laws, and regulations.

In contracting with an independent audit firm and drawing from the results of the audit, auditing standards require the OIG to review the work performed. Accordingly, the OIG oversaw the audit and reviewed its results. Our review disclosed no instances where CohnReznick did not comply, in all material respects, with generally accepted government auditing standards issued by the Comptroller General of the U.S.

What Did the Audit Find?

CohnReznick identified five deficiencies in MSTS' internal controls. Specifically, CohnReznick found that MSTS had inadequate timekeeping procedures; incorrectly classified subcontract types; lacked an adequate accounting system assessment for cost-type contracts; and did not have a practice in place to determine audit status or audit performance on its flexibly priced contracts.

CohnReznick did not identify any questioned costs resulting from the deficiencies, but it did qualify costs of over \$42 million due to unaudited flexibly priced subcontracts.

What Does the Audit Recommend?

Based on the results of the audit, CohnReznick made five recommendations to MSTS to address the report's five internal control findings, including clarifying time reporting processes and responsibilities and updating policies related to its subcontract audit program.

How Did the Contractor Respond?

MSTS concurred with the findings.