

# KLCC

## KL CONTRACT CONSULTING LLP

### Accounting System Review

The first contractor business system of concern today is a contractor's accounting system. DFARS clause 252.242-7006, Accounting System Administration, sets forth 18 systems criteria against which an accounting system is measured for "acceptability."

**Objective** Obtain and keep an "acceptable accounting system" through self-assessment and action as necessary to provide a reliable, consistent, compliant, and accurate accounting system.

**Approach** Evaluate information on organization structure, products/services, contract awards, sales, business plans, etc. to determine needs of company accounting system.

Review accounting manuals, policies, procedures, and system support software for adequacy.

Evaluate third-party audit reports and response actions to enhance and improve the accounting system.

Perform transaction tests, as mutually agreed upon, to measure the degree to which practices mirror procedural expectations.

Analyze above, discuss with appropriate company personnel, identify any compliance and/or improvement issues, and assess alternative courses of action.

**Output** Oral and/or written report to identify findings, recommendations, and observations for corrective actions and/or enhancement.

**Benefits** Obtain and keep an "acceptable accounting system," thus avoiding payment withholds and related administrative burden and risk.

Determine compliant accounting practices that also enhance cost recovery and profitability of Government and commercial contracts.

Benefit from third party, independent assessment of accounting system and related indirect insight into accounting "best practices" to enhance competitiveness and reduce risk.

**John L. Kreideweis, CPCM**  
Partner  
4508 Bentley Drive  
Plano, TX 75073

Tel/Fax: 972-985-5556  
Cell: 214-649-3698  
E-mail: [jlkreideweis@klcctx.com](mailto:jlkreideweis@klcctx.com)

Tel: 972-221-2069  
E-mail: [jloving@klcctx.com](mailto:jloving@klcctx.com)

**John T. Loving**  
Partner  
2340 FM 407, Suite 102  
Highland Village, TX 75077

Visit our web site @ [www.klcctx.com](http://www.klcctx.com)