

30.202-7 Determinations.

(a) Adequacy determination.

(1) As prescribed by 48 CFR 9903.202-6, the auditor shall-

(i) Conduct a review of the Disclosure Statement to ascertain whether it is current, accurate, and complete; and

(ii) Report the results to the CFAO.

(2) The CFAO shall determine if the Disclosure Statement adequately describes the contractor's cost accounting practices. Also, the CFAO shall-

(i) If the Disclosure Statement is adequate, notify the contractor in writing, and provide a copy to the auditor with a copy to the contracting officer if the proposal triggers submission of a Disclosure Statement. The notice of adequacy shall state that-

(A) The disclosed practices are adequately described and the CFAO currently is not aware of any additional practices that should be disclosed;

(B) The notice is not a determination that all cost accounting practices were disclosed; and

(C) The contractor shall not consider a disclosed practice, by virtue of such disclosure, an approved practice for estimating proposals or accumulating and reporting contract and subcontract cost data; or

(ii) If the Disclosure Statement is inadequate, notify the contractor of the inadequacies and request a revised Disclosure Statement.

(3) Generally, the CFAO should furnish the contractor notification of adequacy or inadequacy within 30 days after the CFAO receives the Disclosure Statement.

(b) Compliance determination.

(1) After the notification of adequacy, the auditor shall-

(i) Conduct a detailed compliance review to ascertain whether or not the disclosed practices comply with CAS and [part 31](#), as applicable; and

(ii) Advise the CFAO of the results.

(2) The CFAO shall make a determination of compliance or take action regarding a report of alleged noncompliance in accordance with [30.605\(b\)](#). Such action should include requesting a revised Disclosure Statement that corrects the CAS noncompliance. Noncompliances with [part 31](#) shall be processed separately.

Parent topic: [30.202 Disclosure requirements.](#)