

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](#).