

42.101 Contract audit responsibilities.

(a) The auditor is responsible for-

- (1) Submitting information and advice to the requesting activity, based on the auditor's analysis of the contractor's financial and accounting records or other related data as to the acceptability of the contractor's incurred and estimated costs;
- (2) Reviewing the financial and accounting aspects of the contractor's cost control systems; and
- (3) Performing other analyses and reviews that require access to the contractor's financial and accounting records supporting proposed and incurred costs.

(b) Normally, for contractors other than educational institutions and nonprofit organizations, the Defense Contract Audit Agency (DCAA) is the responsible Government audit agency. However, there *may* be instances where an agency other than DCAA desires cognizance of a particular contractor. In those instances, the two agencies *shall* agree on the most efficient and economical approach to meet contract audit requirements. For educational institutions (defined as institutions of higher education in the OMB Uniform Guidance at 2 CFR part 200, subpart A, and [20 U.S.C. 1001](#)) and nonprofit organizations (as defined in the OMB Uniform Guidance at 2 CFR part 200), audit cognizance will be determined according to the provisions of the OMB Uniform Guidance at 2 CFR part 200, subpart F.

Parent topic: [Subpart 42.1 - Contract Audit Services](#)