



September 28, 2010

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PURCHASING AND SUPPLY MANAGEMENT SPECIALIST

SUBJECT: Transmittal of Report – Accenture Labor Floor Check for FY 2009
(Report Number CA-CAR-10-013)



This report presents the results of physical observations (floor checks) conducted by the Defense Contract Audit Agency (DCAA) of labor hours charged by Accenture LLP (Accenture) during the week of August 17, 2009 (Project Number 09YO048CA001). As part of a comprehensive audit of Accenture, DCAA performed floor checks to determine that employees were actually at work, were performing in their assigned job classifications, and were charging their time to the appropriate jobs. The floor checks also determined whether the contractor consistently complied with established timekeeping system policies and procedures for recording labor charges. DCAA selected 52 employees from a universe of approximately 30,000 Accenture employees in the U.S. whether or not they worked on federal government contract(s). Accenture used labor resource pools to assign work to employees.

The U.S. Postal Service Office of Inspector General (OIG) did not request this audit. DCAA provided this report as a courtesy because the universe included all Accenture employees who worked on contracts with the Postal Service. We note that DCAA currently does not have an external opinion on its quality control system as required by *Generally Accepted Government Auditing Standards* 3.55. The most recent external quality control review opinion expired on August 26, 2009. The OIG Audit Operations staff will conduct an annual review of DCAA audit reports as part of our internal quality assurance reviews.

The DCAA found three weaknesses in the contractor's timekeeping system: inadequate timekeeping practices, labor reconciliation issues, and lack of adequate management review of employees' final timesheets. The contractor's timekeeping policy applies to both commercial and federal contracts. Accenture employees were not properly completing timesheets and were not complying with company policies and procedures. A total of 12 of 52 employees (23 percent) did not comply with Accenture's timekeeping practices and Accenture management did not adequately review the timesheets. Further, DCAA found numerous incidents where labor distribution payroll records did not reconcile with timesheets.

Overall, the contractor did not concur with the findings and recommendations mainly because the universe contained employees who did not work on government contracts. However, any employee in Accenture's resource pool could be assigned to work on a federal government contract. DCAA will follow up on the findings during its current floor check audit of the contractor for FY 2010.

This report may contain information that is proprietary, sensitive or of a commercial nature, which, under good business practice, we would not release to the public. Accordingly, if the OIG receives a Freedom of Information Act request for this report, it will coordinate its response with the contracting officer before releasing any portion(s) of the report. If you have any questions or wish to discuss the audit report in more detail, please contact Monique Colter, audit manager, or me at 703-248-2100.

E-Signed by Judith Leonhardt
VERIFY authenticity with ApproveIt 


Judith Leonhardt
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cc: Susan M. Brownell
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