



GSA Audits Generate Justifiable Fear

Implementing an internal GSA compliance system is the only foolproof way to protect against adverse audit consequences. An effective GSA compliance system is not difficult to establish. Simply follow basic management principles—designate clear lines of authority and accountability, and measure performance against a specific standard.

A compliance system will protect you if it begins with your initial proposal and uses full disclosure as a basis for compliance over the term of the contract. Although not ideal, a compliance system implemented after contract award can bring a contract into compliance, although sometimes at the expense of profits.

The basic premises behind an effective GSA Compliance System are:

- Disclose discounting practices completely and accurately in your initial proposal. If you are implementing a system in the middle of a contract period, correct any inaccuracies that turn up immediately, and let your contracting officer know about them.
- Appoint a senior person in your financial organization as the GSA Compliance Officer.
- Communicate any possible compliance violation issues in writing to the GSA contracting officer immediately upon detection. Propose swift and practical corrective actions and request guidance and approval of your actions from the contracting officer.

If you have any questions about this article or would like more information on this topic please contact us at (888) 661 – 4094, Ext.2. Or call the author of this article, Richard White, directly at (301) 908 – 0546, or at rwhite@fedmarket.com.