



DEFENSE ACQUISITION UNIVERSITY
IND 205 - Contract Government Property Management
Systems and Auditing Concepts

150710

*Course Learning/Performance Objectives followed by its
enabling learning objectives on separate lines if specified.*

1	Discuss the basic requirements for performing a Property Management System Audit (PMSA).
	Define audit and related terms.
	Describe the Government Property Management System Audit (PMSA).
	Describe the different types of PMSA audits.
	Identify the requirements in the Government Property Clause that are subject to a PMSA audit.
	Describe the audit guidance for performing audits.
	Explain the Government's right to have access to the Contractor's premises to conduct an audit of their Property Management System.
2	Determine the basic requirements from the Government Property Clause that must be included in a Contractor's Property Management System.
	Define Property Management System terms.
	Describe the requirement for a Contractor Property Management System.
	Describe the outcomes for contractor plans and systems that are found in the Government Property Clause.
	Determine the compliance requirements for each outcome included in the Government Property Clause.
	Determine what happens when the required Government Property Clause is not in the contract.
	Examine a Property Management System for compliance with the outcomes that are included in the Government Property Clause.
3	Examine the steps in a typical audit.
	Define the terms used in a property management system audit .
	Describe the steps used in a commercial audit process.
4	Describe each step in the commercial audit process.
	Discuss the concepts involved with planning a Property Control System Audit (PMSA)
	Cite the reference for the Government Property Administrator to perform a PCSA.
	Describe when to use each type of PCSA.
	Describe the frequency requirement for performing a PCSA.
	Explain the requirement for scheduling/planning a PCSA.
	Describe the Property Administrator's advance notification requirement to the contractor
	Explain the need for an entrance conference/interview
Explain the types of PMS audits. (Note: limited and standard)	
5	Determine the sampling techniques that may be used for auditing a Contractor's Property Management System.
	Define sampling terms
	Describe the various types of sampling methods.
	Determine the method used to select a statistical sample from a population.
6	Describe how populations may be defined for each process/process.
	Given the Requirements for a Property Management System Audit, Produce Audit Work Papers (Spreadsheets) and Narratives for a PMSA Audit.
	Define the terms associated with audit work papers.
	Explain the requirement to have worksheets as the Government's "audit evidence."
	Describe the general information that should be included in the PCSA worksheets.
	Produce a generic spreadsheet for the outcomes identified in the Government Property Clause.
7	Describe the information that should be included in the narrative accompanying the worksheets.
	Determine how to analyze the sample and criteria and then generalize the findings to the population.
	Define audit and related terms
	Describe how to analyze a sample and the applicable criteria selected from a population for a given outcome or process.
	Describe how the findings may be generalized to the population.



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	Distinguish systemic from non-systemic.
	Explain significance as it applies to acceptance and rejection of a sample.
	Determine the acceptance or rejection of a population based upon the acceptance or rejection rates for a given sampling plan.
	Describe the two DFARS statuses of a PMSA.
	Explain the Business System Rule requirements.
	Explain the relationship between the Business System Rule and Audits
	Describe the reporting requirements for a PMSA.
	Describe the distribution of a PMSA summary.
	Discuss the information that a Contractor should include in their Corrective Action Plan.
	Present a method for the re-analysis of a Contractor's Property Management System after the Corrective Action Plan has been submitted.
	Discuss the General Dynamics Audit case.
8	Determine how the Government may take title to property under a contract.
	Define title and related terms.
	Determine who has title to property under a fixed-price contract.
	Determine who has title to property under a cost-reimbursement contract.
	Explain the passage of title to the Government when it is purchased by the Contractor and the Contractor is entitled to be reimbursed as a direct item of cost under the contract.
	Define Progress Payments and related terms.
	Explain title in the Progress Payments Clause at FAR 52.232-16.
	Explain the Material Management Accounting System.
	Explain how title may be transferred under the Material Management and Accounting System (MMAS.)
	Discuss how audit findings could be affected by the title provisions in a contract.
9	Analyze a court case involving the loss for Government property.
	Define loss and related terms.
	Explain contractor liability provisions when the full risk of loss is included in the Government Property Clause.
	Analyze a court case involving the loss of Government property with the full risk of loss provision in the Government Property Clause.
	Explain the contractor liability provisions when the limited risk of loss is included in the Government Property Clause.
	Analyze a court case involving the loss of Government Property with the limited risk of loss provision in the Government Property Clause.
	Analyze a court case involving the loss of Government Property when the FOB Origin Clause is cited in the contract.
	Determine the roles of the Contracting Officer and Property Administrator in resolving loss of Government Property.
	Explain the impact that loss may have on the contractor's property management system.
10	Discuss the contractual and regulatory requirements for disposing of Contract Government Property.
	Define contract disposal terms.
	Identify the person who is authorized to direct the Contractor to dispose of Contractor inventory.
	Explain the contractual and regulatory requirements for the disposal of Contract Government Property.
	Explain disposal priority.
	Explain the requirements for using inventory disposal schedules
	Explain the requirement for performing a Plant Clearance Inventory Verification.
	Describe the potential storage requirements for property identified on an inventory disposal schedule.
	Determine where the net proceeds should be credited from the disposal of Contractor inventory.
	Determine the Government's authority to abandon contractor inventory on the contractor's premises.
	Explain when the government is prohibited from abandoning contractor inventory on the contractor's premises.
	Compare the disposal requirements for Government Property under FAR 52.245-1 with the disposal requirements of the DLA Disposition Services.



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11	Given the requirement to demilitarize (DEMIL) Government Property analyze the requirements for demilitarization.
	Define the terms associated with demilitarization.
	Describe the Department of Defense Policy for demilitarization according to DoD Instruction No. 4160.28.
	Determine the responsibilities of the Contracting Officer, Plant Clearance Officer, and Property Administrator with respect to demilitarization.
	Present a general overview of the Defense Demilitarization Manual.
	Explain what is meant by Commerce Control List Items (CLI).
	Explain what is meant by Strategic List Items (SLI).
	Explain what is meant by Trade Security Controls.
	Determine the type of demilitarization that is required for each DEMIL code.
	Discuss the importance of auditing the contractor for compliance to the demilitarization requirements in the contract.
12	Given a scenario where Government Property is provided in a Contingency Operation, discuss how it may be managed.
	Define the terms associated with a Contingency Operation.
	Describe the contractual requirements for managing Government Property in a Contingency Operation.
	Describe how Government Property may be impacted by a Status of Forces Agreement.
13	Given the requirement to manage Government Property under a contract, examine risk management.
	Define the terms associated with risk.
	Identify a negative future event.
	Give examples of a negative future event.
	Discuss the probability of a negative future event.
	Select a confidence level that would be acceptable for a given risk.
	Determine the consequence of a negative future event.
	Explain the Risk Management Process.
	Explain the methods used for Risk Mitigation.
	Discuss a risk associated with the Contractor not complying with FAR 52.245-1.
	Outline the Risk Management Process.
	Discuss the risk mitigation method for managing Government Property.
	Explain how the Contractor's Property Management System serves as a Risk Mitigation System.
Discuss how doing an inadequate audit may affect risk to the Government.	