



Report Summary

Social Security Administration
Office of the Inspector General

CESSI, Division of Axiom Resource Management, Inc., Indirect Cost Rate Proposals for Fiscal Years 2007 and 2008 (Limited Distribution) (A-15-10-21088)

Our objective was to evaluate the indirect cost rates, as reported in CESSI's Fiscal Year (FY) 2007 and 2008 indirect cost rate proposals. Specifically, we determined whether the direct and indirect costs used to develop these rates were reasonable, allowable, and allocable in accordance with the contract terms and applicable Government acquisition regulations.

We evaluated the FY 2007 and 2008 indirect cost rates as reported in the CESSI indirect cost rate proposal. Specifically, we reconciled the proposal to CESSI's books and records. We conducted statistical and non-statistical sampling of the direct and indirect costs and generally found that the costs used to develop these indirect rates were reasonable, allowable, and properly allocated in accordance with the contract terms and applicable Government acquisition regulations. However, we questioned \$6,100 of unallowable employee morale costs.

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