

19A NCAC 05B .0209 DEFINITIONS

The following terms are defined to mean:

- (1) "Audit" is used to describe the following services performed in accordance with Government Auditing Standards of the U.S. General Accounting Office (GAO Yellow Book);
 - (a) A final audit of completed actual cost projects to determine that costs claimed by the contractor or grantee are allowable in accordance with governing regulations and the terms of the contract or agreement.
 - (b) An interim audit during the life of a project as the needs for such are determined by the Fiscal Section or the Contracting Officer.
 - (c) An overhead audit to determine what amount or rate of indirect costs may be included with direct charges to a project or grant.
 - (d) A post audit on completed lump-sum cost projects to determine a company's actual labor, overhead, non-salary direct cost and fee as compared to negotiated cost elements.
 - (e) A pre-award audit of the proposed costs included in a contract or agreement to determine that the rates for labor, material, equipment, and overhead are reasonable and allowable. A pre-award audit may also be performed to evaluate a company's accounting system or its financial capability.
- (2) "Desk" is used to describe an audit which is performed by an auditor of the External Audit Branch in the branch's office. Information submitted by the auditee, prior audits, and information in the branch's files are utilized to perform the audit.
- (3) "Field" is used to describe an audit which is performed at the office or job site of the contracting party and utilizes all accounts, records, journals, and documents that the auditee has maintained for the work.
- (4) "Historical Costs" means the costs or expenses that have been incurred in prior years by a contractor or grantee.

*History Note: Authority G.S. 143B-10(j); 143B-348; 143-2;
Eff. July 1, 1978;
Amended Eff. December 1, 1993;
Transferred and Recodified from 19A NCAC 5B .0102 Eff. May 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 24, 2015.*