

Exchange Operations Audit of FY 2014 Financial Statements Statement of Work

I. Requirement

The requirement is to have a financial audit performed for the operating elements of the NASA Langley Exchange for the year ending September 30, 2014.

The audit shall be conducted under generally accepted auditing standards for government sponsored non- appropriated fund activities. Minimum audit requirements are as follows:

- Perform all inquiries, tests, and observations deemed necessary to provide independent opinion on the Financial Statements of the NASA Langley Exchange's operating activities as of September 30, 2014.
- Prepare Exchange consolidated two-year comparative financial statements for FY 2013 and FY 2014 along with schedule for each activity.
- Observe on-site physical inventories of each branch on September 30, 2014.
- Perform unscheduled cash account audits of all Exchange operating activities to include Exchange Services, Cafeteria, Social Lounge, Exchange Store, and Child Development Center.
- Evaluate Exchange Investments and Employee Thrift Plan quality, management, and adherence to Public Laws, and Agency Policy Directive.
- Perform close out of accounting records for FY 2014 and establish beginning balance accounts for FY 2015.
- Ensure adjusting journal entries (resulting from subject audit) are properly recorded in the Exchange accounting system.

The initial field work shall begin on or about August 1, 2014 and balance verification and adjusting entries will be completed after fiscal year-end. A **final** report shall be submitted by December 10, 2014.

The contractor is advised that per the Inspector General Act of 1978, as amended, section 4, paragraph (b)(1)(C), directs each Inspector General, with respect to the organization within which the office is established, to take appropriate steps to ensure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General. Therefore, a quality control review may be performed by the NASA IG to ascertain whether this subject audit was performed in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. The contractor agrees any costs incurred to support such an audit (if it is performed) will not be separately billed to NASA.

II. Background

Per NASA Policy Directive (NPD) 9050.6J, the Langley Research Center CFO has the responsibility to review the NASA Langley Exchange financial statement audit reports and ensure proper audit follow-up. As a result, the Langley Office of CFO's Management Control Officer will serve as Technical Monitor for this contract, and will provide counsel, review, and approval of completed work.

The NASA Langley Exchange Council is responsible for the management oversight, policies and procedures of Exchange non-appropriated funds operations, which provide products, services and recreational facilities and activities for the welfare and morale of Center employees. The Exchange is an instrumentality of the government, and operations occupy space not required for Langley Research Center official operations. Exchange Council Members are Center civil service employees appointed by the Center Director for four-year terms, and serve, in a management oversight, policy, review and approval capacity without compensation. The civil service Exchange Operations Manager, who is also an Exchange Council member, is specifically responsible to oversee day-to-day management of all Exchange Branch operations. Operations are comprised of four branches, managed by Exchange paid (non-civil service) employees, as follows:

- Exchange Services Office has one full-time Exchange employee, and oversees all accounting aspects of the Exchange and the Langley Employee Activities (LEA). The office also manages vending and investments. The branch generates annual vending revenue of approximately \$65,000. The LEA promotes general health and fitness for Center employees, and sponsors various clubs and associations as related to sports and hobbies. The LEA has no employees and assets of approximately \$250,000.
- The Food and Beverage Services area includes activities as follows:
 - Cafeteria - annual revenues of approximately \$700,000 with 18 full-time and part-time employees
 - Catering - annual revenues of approximately \$70,000 with 1 full time and 5-6 part time/flexible employees.
 - Social Lounge - annual revenue of approximately \$62,000 with 3 flexible employee
- The NASA Langley Child Development Center (LCDC) is full-time developmental childcare with a Virginia Star Quality Rated status for infant through preschool care. The center also provides children's summer camp program for school age children. This branch has 28 full-time and part time Exchange employees, and annual revenue of approximately \$550,000.
- The Exchange Shop sells souvenirs, gifts, and sundry items, and is located within the main cafeteria. The shop has approximately one part-time Exchange employee, and annual revenue of approximately \$82,000

PERIOD OF PERFORMANCE: Date of Award thru December 10, 2014

DELIVERABLE:

- One report – Six (6) Hardcopies and one (1) pdf file due no later than 12/10/2014