

Missing CAS

Written by Nick Sanders
Thursday, 13 July 2017 00:00

During the writing of our latest article on cost accounting practices we had an opportunity to visit the CAS Board website, which is under the Office of Federal Procurement Policy (OFPP) website, which is under the Office of Management and Budget (OMB) website, which is under the White House website.

Only it isn't there anymore.

There is no CAS Board website.

There is no OFPP website.

They are both gone.

Doing some more research, we found out that there is no CAS Board Chair. By statute, the Chair of the CAS Board is the OFPP Administrator.

There is no OFPP Administrator.

There is not even a person listed as "nominated" for the position and awaiting confirmation.

There is nobody responsible for CAS.

There is *nothing*.

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And that's the way it is, nearly six months after the current Presidential Administration came into office.

We are reminded, once again, of the DFARS Business System administration regime. The regime that everybody told the DAR Council would be unworkable because of a lack of government resources. As we've documented, the DAR Council simply did not care. They didn't care that their oversight regime would be unworkable. They passed their DFARS rules over the objections of the public and now—more than five years later—we all know that the regime is unworkable. The only defense contractors subject to the DFARS requirements are the largest ones; the others have the same contract clauses but they know they'll never be held to account for compliance with them.

Similarly, it has become clear over the past 10 or so years that the CAS regime is also unworkable. It's overly complex. It's ambiguous. It's burdensome. It's grounded in a viewpoint that's more than 40 years old, where DOD acquired more goods than services. But in the past 40 years many things have changed and the CAS regulations and Standards have not kept up with the changes.

As we've noted from time to time, the CAS Board almost never met even when there was an OFPP Administrator to chair it. The published minutes reflected a situation where literally years would pass between meetings. The published list of CAS Board members included people who had left government service literally years before.

The current lack of *anything* official related to the CAS Board isn't really anything new. The Federal government abandoned the Cost Accounting Standards years ago. We are just seeing that abandonment being documented.

Meanwhile, the [Section 809 panel](#) (Team 9) continues to move "with boldness" to reform an anachronism, an abandoned regulatory regime that once mattered but now is more of an historical curiosity.

Sure, people still follow the rules and people still submit Disclosure Statements, and if DCAA comes across something that looks like a noncompliance with one or more Standards they'll do something about it. But we all know that we're just following the letter of the rules.

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The spirit is long dead.