



## Greetings!

Happy New Year from all of us at NeoSystems. Now that the holidays are over and the calendar has turned to 2012, it's time to focus on the critical issues that impact contractors at this time of year, including [Incurred Cost Submissions](#) and [finalizing rates and budgets](#). It's more important than ever to be compliant with these, as 2012 is shaping up to be the year of the government audit. In our lead article this month, Michael Tinsley gives insight into auditing trends for the coming year. Also this month, learn more about how NeoSystems is helping companies transition to Costpoint 7. Last, Deltek gives an overview on agency budgets and spending habits for the fiscal year.

## [2012: The Year of the Government Audit](#)

### Capital Business Article Highlights Michael Tinsley's Outlook

Government contractors beware: 2012 may be the year of the government audit.

Financial scrutiny of contractors is expected to rise as the government expands its auditing workforce and the contracting pie shrinks. Agencies are coming under greater congressional scrutiny, and public pressure is mounting to ensure the taxpayer is getting the best deal.

One indicator came in a Nov. 15 directive from Office of Management and Budget Director Jacob J. Lew, who ordered federal agencies to put more resources and emphasis into their suspension and debarment programs.

Lew referenced a recent Government Accountability Office study which, he said, found that "more than half of the 10 agencies it [GAO] reviewed lacked the characteristics common among active and effective suspension and debarment programs: dedicated staff resources, well-developed internal guidance and processes for referring cases to officials for action."

Government contractors have always faced an abundance of potential audits. The Defense Contract Audit Agency alone conducts several dozen different types of audits, including: pre-award reviews; incurred cost examinations; purchasing system reviews; billing system reviews; disclosure statement reviews; and provisional rate reviews.

[Click here to read the full article.](#)

## [Are You Ready to Upgrade to Costpoint 7?](#)

### NeoSystems Announces Consulting, Hosting Options for New Release

With the recent release of Costpoint 7, many companies are re-examining their Costpoint infrastructure in preparation for moving to the cloud. The new version includes many functional and technical changes that companies should be made aware of.

Some of the new technical requirements, include:

- A 64-bit operating system
- Databases built on SQL Server 2008 or Oracle 11i
- Required dedicated environment for each instance of Costpoint 7
- Move from client-server to web-based application.

As a Deltek Premier Partner and part of the Costpoint 7 beta program, NeoSystems has the experience to efficiently and successfully migrate companies from earlier versions to the latest release.

To learn more about our Costpoint 7 support services, [click here](#).

## [Government Spending Deal for 2012: A Mixed Bag](#)

### Deltek Breaks Down Department Spending for the New Year

A recent article featured in the Washington Post Capital Business from Deltek's Ken Plexico highlights the recent funding deal that finalizes budgets through the end of the fiscal year. One of the main points that contractors need to keep in mind is that while many agencies have seen a cut in funding, the amount allocated to contractors has not necessarily decreased.

Take a quick look at the agency breakdown by reading the full article [here](#).

Thanks for reading this month's newsletter. If you have any content you would like to share with the NeoSystems community or have any questions regarding our services, please [email us](#).

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