DCMA Manual 933-01

Corrective Action Plan Process for External and Internal Inspections, Assessments, Evaluations, and Audits

---

Office of Primary Responsibility	Office of Internal Audit and Inspector General
Effective:	May 11, 2017
Change 1 Effective:	*February 1, 2018*
Releasability:	Cleared for public release
New Issuance	
Internal Control:	Process flow and key controls are located on the Resource Page
Labor Codes:	Located on the Resource Page
Resource Page Link:	https://360.dcma.mil/sites/policy/DM/SitePages/933r.aspx
Approved by:	Wendy M. Masiello, Lt Gen, USAF, Director
Change 1 Approved by:	*David H. Lewis, VADM, USN, Director*

Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64:

- Establishes the agency corrective action plan (CAP) process for addressing non-compliances (findings) resulting from DCMA Inspector General, inspections, evaluations, assessments, or external audits (e.g., DoD Inspector General) with the

exception of the Special Program Directorate and Financial Improvement and Audit Readiness (FIAR)-related audits conducted by an Independent Public Accounting firm and corrective actions reported under the Managers' Internal Control Program per DoD Instruction 5010.40, Managers' Internal Control Program Procedures. The Office of the Under Secretary of Defense (Comptroller) FIAR Guidance publication governs actions relative to audits under the FIAR initiative.

- Assigns responsibility ensuring effective development, implementation, and validation of proposed CAPs created to address non-compliance (findings).
- Defines root cause analysis (RCA) and CAP Milestones for non-compliances identified by the DCMA Inspector General, inspections, evaluations, assessments, or external audits.
- Documents the RCA/CAP Mileston Timeline, including required activites and response times.
- Provides an innovative mechanism to resolve systematic issues to enhance Agency capabilities releveant to DoD that increases DCMA's overall return on investment by inputing systematic findings, recommendtions and solutions in the Agency DCMA Requirements Oversight Council (DROC) process for action, development for Enterprise implementation

SUMMARY OF CHANGES

This Manual has been changed. Agency users and stakeholders should read this Manual in its entirety. The following identifies the most notable changes:

- Renames the issuance from "Corrective Action Plan Process for External and Internal Assessments" to "Corrective Action Plan Process for External and Internal Inspections, Assessments, Evaluations, and Audits"
- Renames Mission Review Team (MRT) to DCMA Inspector General, Inspections and Evaluation Team (IG-I&E)
- Deletes Table 2 – Level II RCA/CAP Minimum Fields (move to Resource Page)
- Updates Responsibilities
- Updates Procedures for assimilation and integration into the Agency Intake System, DROC process, and Capability Boards

TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This manual applies to all DCMA activities in receipt of non-compliances identified by the DCMA Inspector General, Inspections and Evaluation Team, (IG-I&E) or external auditing organizations (e.g., DoDIG) with the exception of Financial Improvement and Audit Readiness (FIAR)-related audits conducted by an Independent Public Accounting firm and corrective actions reported under Managers' Internal Control Program per DoD Instruction (DoDI) 5010.40. The Office of the Under Secretary of Defense (Comptroller) FIAR Guidance publication governs actions relative to audits under the FIAR initiative.

1.2. POLICY. It is DCMA policy to perform root cause analysis (RCA) and develop corrective action plans (CAPs) when the IG-I&E or external reviewing organizations identify Level II or higher non-compliances. Effective RCA will identify the basic cause or causes that when corrected will prevent reoccurrence of the finding. Level I findings do not require RCA or CAPs. It is also DCMA policy to execute this manual in a safe, efficient, effective, and ethical manner.

1.3. LEVEL II MILESTONE TIMELINE. This Timeline outlines the process for documentation of RCA CAP development and subsequent CAP validation and closure efforts for Level II findings (see Table 1. Level II Timeline). Level I findings do not require RCA or CAPs.

a. Findings resulting from inspections, assessments, evaluations, and audits will be documented in the Agency CAP Tracking tool. The IG-I&E will provide a specific view for the reviewed organization and ensure proper site permissions have been granted. (See Resource Page for Agency CAP Tracking tool instruction and documentation requirements.)

b. Milestone Timeline events will be recorded in the Agency CAP Tracking tool. Extensions to this Timeline must be supported by a documented rationale approved by the International Directorate or cognizant Region/HQ Component as applicable. The RCA/CAP Timeline, measured in calendar days, begins when the reviewed organization receives the CAP Tasking Memorandum issued by the IG-I&E and ends with final approval and closure by the IG-I&E. Completion of the Timeline will not exceed 275 calendar days unless rejections were issued or extensions granted.

c. The IG-I&E will email a CAP Tasking Memorandum developed in the Headquarters (HQ) Tracking site to the reviewed organization, International Directorate, and cognizant Region/HQ Component as applicable, upon completion of the review. The IG-I&E will enter the date the CAP Tasking Memorandum was issued into the Agency CAP Tracking tool. This begins the 275 day Milestone Timeline. (Sample CAP Tasking Memorandum is located on the Resource Page.)

d. The RCA Due Date will auto-populate in the tool once the CAP Tasking Memorandum date is entered (CAP Tasking Memo date + 30).

e. The reviewed organization will perform RCA for all Level II findings. All RCAs are due within 30 calendar days of CAP tasking notification. Commanders/Directors must document

approval of all RCAs in a Letter of Assurance (LOA) submitted to the International Directorate or cognizant Region/HQ Component, who will then post it to the LOA Document Library in the Agency CAP Tracking tool. The LOA will also document the closure of all Level I findings. The reviewed organization will enter the RCA completion date, a summary of the RCA or attach document to list item, and the findings root cause in the Agency CAP Tracking tool.

f. The International Directorate or cognizant Region/HQ Component has 14 calendar days from receiving the RCA to perform root cause validation, determine status, and notify the reviewed organization. The status (CMO assessment only), Region RCA Status Date (CMO assessment only), Root Cause Validation Summary, and Root Cause Group fields will be documented in the Agency CAP Tracking tool. The Region/HQ Component-populates the CMO CAP Due to Region/HQ Component Date signifying when the CAP is due to the Region/HQ Component for review upon acceptance of the reviewed organization's RCA. The reviewed organization's CAP is due 30 calendar days after RCA acceptance.

g. For CMO assessments, the Revised Region RCA Status and Revised Region RCA Status Date fields are used by the Region to update RCA status if the initial RCA is not accepted. The Region will immediately notify the reviewed organization when an RCA has been rejected. Reviewed organizations have 7 calendar days to submit a revised RCA if the initial RCA is rejected.

h. The CAP Submission Date is the date the reviewed organization submits the CAP to the Region/HQ Component for review signifying CAP development is complete, approved by the reviewed organization Commander/Director, and ready for the Region/HQ Component to review. The Commander's/Director's approval of the CAP will be documented in the Agency CAP Tracking tool Commander/Director CAP Approved field. The CAP will include all corrective actions, management controls, and actions deemed necessary to prevent the finding from reoccurring. The reviewed organization may provide a summary of the CAP or attach document to the list item. The reviewed organization will notify the cognizant Region/HQ Component upon CAP submittal.

i. The Region/HQ Component will conduct a review of the developed CAP to ensure it contains adequate management controls, elements, or processes that will prevent the root cause from reoccurring.

j. Upon review of the CAP for CMO assessments, the Region will update the CAP status in the Region CAP Status field, enter the status date in the Region CAP Status Date field and notify the reviewed organization. The Region has 21 calendar days from receiving the CAP to determine status and notify the reviewed organization.

k. For CMO assessments, revised Region CAP Status and Revised Region CAP Status Date fields are used by the Region to update CAP status if the initial CAP is not accepted. The reviewed organization has 7 calendar days to submit a revised CAP if the initial CAP is rejected. The Region will immediately notify the reviewed organization when a CAP has been rejected.

l. The CAP completion date is the date entered by the reviewed organization signifying all CAP tasks initiated during development are complete. For CMO assessments, the reviewed organization will notify the Region upon CAP completion. CAP completion is due 150 calendar days after CAP approval by the Region/HQ Component.

m. The Region/HQ Component will enter the Region/HQ Component follow-up and validation due date once they have been notified that the CAP is complete. A follow-up and validation review will be completed on all reviewed organization CAPs. This review is due within 30 calendar days of the reviewed organization completing all CAP tasks. The Region/HQ Component will document their review in the Follow-up and Validation field and enter the date the review was conducted in the Region Follow-up and Validation Completed Date field. Document the follow-up and validation by entering a summary in the Follow-up and Validation field.

n. The Region/HQ Component will notify the reviewed organization and the IG-I&E when the follow-up and validation review is complete. The Region/HQ Component will provide the Office of Internal Audit & Inspector General (OIA-IG) Executive Director an LOA indicating the validation and closure of all reviewed organization CAPs.

o. The IG-I&E will ensure all Milestone Timeline events are accurately documented in the Agency CAP Tracking tool, close the Tasking Memorandum, and then enter the date the Tasking Memorandum was closed in the Final Approval and Closure Date field.

Table 1. Level II Timeline

RCA:
Reviewed Organization: 30 calendar days from receiving Tasking Memorandum to submit Commander/Director approved RCA and LOA stating all Level I findings are closed
Region/HQ Component: 14 calendar days to review and respond
Reviewed Organization: If rejected, 7 calendar days to submit revision to RCA (the Region/HQ Component should be providing support to ensure the second pass is approved)
Region/HQ Component: 7 calendar days to review and respond

CAP Development:
Reviewed Organization: 30 calendar days from RCA acceptance to develop and submit CAP
Region/HQ Component: 21 calendar days to review and respond
Reviewed Organization: If rejected, 7 calendar days to submit revision to CAP (the Region/HQ Component should be providing support to ensure the second pass is approved)
Region/HQ Component: 7 calendar days to review and respond

	DAYS	DAYS
Reviewed Org Time	30	
Region Time	14	
Reviewed Org Rework Time		7
Region 2nd Review		7
CAP Development		
Reviewed Org Time	30	
Region Time	21	
Reviewed Org Rework Time		7
Region 2nd Review		7
CAP Execution/Validation		
Reviewed Org Time	150	
Region Time	30	
Reviewed Org Rework Time		30
Region 2nd Review		14
TOTAL Time NO Rework	275	
MAX Time W/ Rework @ EACH PROCESS		347

CAP Validation:
Reviewed Organization: 150 calendar days from CAP approval to implement/execute CAP
Region/HQ Component: 30 calendar days to review, respond, and close
Reviewed Organization: If rejected, 30 calendar days to resolve Region/HQ Component disapproval (the Region/HQ Component should be providing support to ensure the second pass is approved)

SECTION 2: RESPONSIBILITIES

2.1. AGENCY DIRECTOR. The Director, DCMA, will:

a. Ensure the Agency is in compliance with DoDD 5105.64, "Defense Contract Management Agency (DCMA)."

b. Review, approve, and sign (or delegate Signature Authority as appropriate) final Agency responses to audit Draft/Final Report and Follow-up inquiries.

c. Approve the Agency Inspector General's inspection, assessment, and evaluation plans.

d. Ensures all corrective actions of Agency systematic issues have been resolved and implemented.

2.2 EXECUTIVE DIRECTOR/INSPECTOR GENERAL, OFFICE OF INTERNAL AUDIT AND INSPECTOR GENERAL (OIA-IG). The Executive Director, OIA-IG will:

a. Adhere to IG quality standards of integrity, objectivity, independence, professional judgement and confidentiality.

b. Select, appoint, and employ such officers as necessary for carrying out the functions, powers, and duties of the IG-I&E.

c. Maintain DCMA IG records and release them only as authorized.

2.3. HQ COMPONENT HEADS. HQ Component heads will:

a. Provide IAT POC information within 2 business days or agreed upon suspense date, when requested for audits within the Component purview.

b. Notify the IAT through the InternalReviewTeam@dcma.mil inbox of any site visit scheduled and subsequently completed.

c. Attend entrance/exit conference and work with external auditors during the field work stage.

d. Ensure draft/final reports and follow-up responses are vetted through all Components Heads covering the audit subject.

e. Provide official comments with corrective action dates to draft/final reports and follow-ups within timeframe established by IAT to ensure external audit agency suspense's are met.

f. Review and approve Component final comments to draft/final reports and follow-ups before sending to IAT and ensure responses include corrective action dates for implementation.

g. Monitor and provide updates on open Level IV recommendations at Senior Leader meetings.

2.4. HQ GENERAL COUNSEL (GC). HQ GC will:

a. Review Component responses to draft/final *IAT* reports and follow-ups within 2 business days or agreed upon suspense date to provide a concurrence or non-occurrence.

2.5. INTERNAL AUDIT TEAM (IAT). The IAT will appoint a member to:

a. Check IAT inbox frequently to determine if responses, new audits, reports, Directorate taskings, etc., have been received and take appropriate action as necessary.

b. Coordinate new audit notifications received from the DoD-Inspector General (IG); DoD Audit Agencies such as the Army Audit Agency; and non-DoD federal audit agencies, such as the National Aeronautics and Space Administration (NASA) OIG and the Government Accountability Office (GAO).

c. Coordinate entrance and exit conferences between external auditor and Directorate POC.

d. Coordinate DCMA responses to draft/final reports, follow-up inquiries, requests for information, and single audits from the DoDIG; DoD Audit Agencies such as the Army Audit Agency; and non-DoD Federal Audit Agencies; such as the NASA OIG and the GAO.

e. Review and verify component responses as appropriate and complete prior to submitting a Director's signature package to Correspondence Control Team (CCT).

f. Upload audit announcement, draft/final reports, follow-up inquires, and DCMA responses with supporting documentation to the Agency CAP tracking tool in accordance with the External Audit Standard Operating Procedures.

g. Submit approved responses to the External Auditor and update the Agency CAP Tracking tool by annotating action taken and uploading a copy of the DCMA response.

h. Forward Agency Director approved responses to external audit agency within allotted suspense date.

i. Follow-up, monitor, track, and record external audit recommendations until closed by external audit agency.

j. Track and record external site visits.

2.6. STRATEGIC PLANNING AND ANALYSIS DIVISION. The Strategic Planning and Analysis Division will:

a. Serve as the liason for all aspects of coordination for disposition of a specific Level III Finding and assign Level III findings through the DCMA Intake System after submission by the IG-I&E.

b. Coordinate with HQ Directorates, Centers and Functional Directorates (FD), Capability Managers, and reviewed organizations, as appropriate.

c. Gain endorsement of the proposed CAP by the cognizant Directorate/Center Director.

d. Coordinate with IG-I&E personnel to post the approved RCA/CAP to the Agency CAP Tracking tool.

2.7. AGENCY CORRECTIVE ACTION PROCESS (ACAP) TEAM. The ACAP team meets monthly to discuss RCA/CAP status and potential problem areas to ensure timely completion of Milestone Timeline events. The ACAP Team consists of the ACAP Team Lead, DCMA IG-I&E Lead, International Directorate, Region/HQ Component, and reviewed organization POCs.

a. ACAP Team Lead. The ACAP Team Lead is appointed by the OIG-I&E Executive Director as POC, coordinator, and chairperson for ACAP monthly meetings and will:

(1) Maintain open line of communication with the IG-I&E Lead, the reviewed organization POC, and International Directorate, Region/HQ Component POC, or Center POC or support equivalent.

(2) Monitor CAP progress in accordance with the Milestone Timeline in Table 1.

(3) Develop, publish, and maintain analytical tools necessary to track RCA/CAP status.

(4) Submit Level III findings through the DCMA Intake System and coordinate with Strategic Planning and Analysis Division to post the approved RCA/CAP to the Agency CAP Tracking tool.

(5) Monitor/report Level III status to the OIG-I&E Executive Director.

b. IG-I&E Lead. The IG-I&E Lead will:

(1) Conduct final review ensuring all documentation is complete and that RCA, CAP, and Region/HQ Component validation efforts correct and prevent finding reoccurrence.

(2) Participate in monthly RCA/CAP status meetings.

c. Region/HQ Component POC. Region/HQ Component's appointed functional specialist will:

(1) Coordinate RCA/CAP activities and document Milestone Timeline events in the Agency CAP Tracking tool.

(2) Participate in monthly RCA/CAP status meetings to communicate the status of Milestone Timeline events with the Reviewed Organization CAP POC and the ACAP Team Lead.

d. Reviewed Organization POC. The reviewed organization POC will:

(1) Coordinate RCA and CAP activities and document Milestone Timeline events in the Agency CAP Tracking tool.

(2) Participate in monthly RCA/CAP status meetings.

2.8. INTERNATIONAL DIRECTORATE, REGION/HQ COMPONENT AND CENTER COMMANDERS/DIRECTORS. Commanders/Directors will appoint a POC in the Agency CAP Tracking tool who will:

a. Assist the reviewed organization with RCA and CAP activities.

b. Ensure timely CAP progression in accordance with Table 1.

c. Participate in the ACAP team.

d. Perform follow-up and validation reviews.

e. Provide an LOA to the OIA-*IG Executive* Director ensuring all CAPs have been validated and are closed.

2.9. IG-I&E LEAD OR DESIGNEE. The IG-I&E Lead or designee must:

a. Post and update planned reviews to the On-Site Review Schedule.

b. Ensure review results are recorded accurately in the Agency CAP Tracking tool. Facilitate a daily briefing to the reviewed organization communicating review results. Conduct a corrective action process briefing prior to concluding the on-site review.

c. Obtain the reviewed organization's POC names and ensure permissions are granted to the Agency CAP Tracking tool. The reviewed organization POC is the functional specialist responsible for coordinating RCA and CAP activities and documenting Milestone Timeline events in the Agency CAP Tracking tool.

d. Initiate a CAP Tasking Memorandum in the HQ Tasking site to develop the required CAP

document. Provide notice of the tasking to the reviewed organization and their chain of command. Enter the date the Tasking Memorandum was issued in the CAP Tasking Memorandum Issue Date field in the Agency CAP Tracking tool.

e. Review the Region/HQ Component's LOA and ensure all Milestone Timeline events are accurately documented in the Agency CAP Tracking tool, enter the Final Approval and Closure Date, then close the Tasking Memorandum.

2.10. REVIEWED ORGANIZATION COMMANDER/DIRECTOR OR DEPUTY. The reviewed organization Commander/Director or deputy must:

a. Ensure that all CAP documentation is maintained in appropriate DCMA 360 sites and that proper permission levels are granted to the applicable POCs. Attachments of support data may be used in the Agency CAP Tracking tool. Maintain all RCA and CAP data to facilitate follow-up, validation, and closure efforts.

b. Initiate LOA ensuring all Level I findings have been corrected and RCA has been approved for Level II Findings.

c. Ensure that all Level II findings have an individually validated RCA and CAP. Review and approve all RCA and CAPs. Approval will be documented in the Agency CAP Tracking tool.

d. Ensure timely CAP progression in accordance with Table 1. Justify and coordinate Milestone Timeline extension requests with the Region when Milestone Timeline events cannot be accomplished per Table 1.

e. Designate primary and alternate CAP POCs, and provide names to the IG-I&E Lead. CAP POCs will:

(1) Populate and maintain the RCA and CAP data in the Agency CAP Tracking tool.

(2) Participate in monthly ACAP meetings and communicate RCA and CAP status with the ACAP Team.

SECTION 3: PROCEDURES

3.1. OVERVIEW. This Section identifies the process for documenting non-compliance (findings), RCA, corrective actions, verification, and validation efforts. Findings, RCA, corrective action analysis, verification, and validation efforts will be documented on the Agency CAP Tracking tool.

3.2. IG-I&E LEAD OR DESIGNEE.

a. Prior to the on-site review, a CMO view hyperlink will be established for the reviewed organization on the Agency CAP Tracking tool. The location and purpose of the hyperlink will be briefed by the IG-I&E at the in-brief.

b. During the on-site review, all findings, observations, bright spots, and policy gaps will be entered in the Agency CAP Tracking tool via the CMO view hyperlink. Each evening the IG-I&E Lead or designee will provide review results to the reviewed organization via an Excel spreadsheet exported from the Agency CAP Tracking tool. The results will be briefed to the reviewed organization the following morning.

c. The IG-I&E Lead or designee will brief the corrective action process to the reviewed organization prior to concluding the review.

d. The IG-I&E will complete an Executive Summary and Summary Report then initiate a CAP Tasking Memorandum for addressing the findings. The CAP Tasking will be issued to the reviewed organization and the cognizant Region/HQ Component via the HQ Tasking site.

e. Email the CAP Tasking Memorandum to the Commander/Director of the Region/HQ Component, Commander/Director or Deputy of the reviewed organization, the Region/HQ Component CAP POC or support equivalent, and the ACAP Team Lead upon completion of the mission review.

f. Enter the date the CAP Tasking was issued in the CAP Tasking Memorandum Issue Date column of the Agency CAP Tracking tool using the CMO view hyperlink. This date begins the RCA/CAP Milestone Timeline.

g. Provide RCA and CAP assistance as necessary to the reviewed organization and cognizant Region/HQ Component.

h. Review the Region/HQ Component's LOA and ensure all Milestone Timeline events are accurately documented in the Agency CAP Tracking tool, enter the Final Approval and Closure Date, then close the Tasking Memorandum.

3.3. REVIEWED ORGANIZATION.

a. The CAP Milestone Timeline begins upon receipt of CAP Tasking notification.

b. For each Level II finding documented in the Agency CAP Tracking tool, perform RCA based on Continuous Process Improvement (CPI) Lean Six Sigma (LSS) methodology (solicit assistance from a LSS Green/Black Belt if necessary).

c. Coordinate RCA with the Region/HQ Component POC or designated support equivalent. The RCA will be presented to the cognizant Region/HQ Component no later than 30 calendar days after receipt of the CAP Tasking Memorandum. An effective RCA will identify the basic cause that when corrected will prevent reoccurrence of the finding.

d. Annotate a brief summary of the RCA in the RCA column in the Agency CAP Tracking tool, or attach the RCA document(s) to the list item.

e. Enter the RCA completion date in the RCA completion date column of the Agency CAP Tracking tool, and inform the cognizant Region/HQ Component POC that the RCA has been submitted.

f. Each Level II finding documented in the Agency CAP Tracking tool requires the development and implementation of a CAP. The CAP is due 30 calendar days after the RCA acceptance date. The CAP will be developed in coordination with the Region/HQ Component CAP POC and will contain the detailed plans to correct and prevent the finding based on the RCA accepted by the Region/HQ Component.

g. The CAP will identify the management controls, elements, or processes that when implemented will prevent the root cause from reoccurring. Annotate the CAP in the Level II CMO CAP column in the Agency CAP Tracking tool or attach the CAP document(s) to the list item.

h. All CAPs require approval of the reviewed organization Commander/Director prior to submission to the Region/HQ Component.

i. Enter the CAP completion date in the CAP completion date column of the Agency CAP Tracking tool, check the CMO Commander/Director CAP Approved block, and inform the cognizant Region/HQ Component POC that the CAP has been submitted.

j. All CAP management controls, elements, or processes must be fully implemented no later than 150 calendar days after the Region/HQ Component accepts the CAP.

3.4. INTERNATIONAL DIRECTORATE, REGION/HQ COMPONENT AND CENTER SUPPORT POC.

a. Receive the CAP Tasking Memorandum and assign functional specialists as POCs for each Level II finding. Provide names of POCs to the IG-I&E Team Lead to ensure permissions are granted.

b. Provide assistance with RCA and CAP development to the reviewed organization.

c. Grant extensions to the Milestone Timeline when warranted by the reviewed organization documented request. Update Milestone Timeline information in the Agency CAP Tracking tool.

d. Perform root cause validation to ensure sound RCA was performed, and that the identified root cause, when corrected, will prevent finding reoccurrence. Enter root cause validation information in the Agency CAP Tracking tool.

e. Upon acceptance of the RCA, select a root cause group in the Agency CAP Tracking tool, and enter the CMO CAP Due to Region Date. The reviewed organization CAP is due 30 calendar days after RCA acceptance.

f. The Region/HQ Component will the review the reviewed organization's developed CAP to ensure it contains adequate management controls, elements, or processes that will prevent the root cause from reoccurring.

g. The Region/HQ Component will perform a follow-up and validation within 30 calendar days of receiving the notification that the reviewed organization's CAP is complete. Follow-up and validation is conducted to ensure all CAP corrective actions, management controls, and actions deemed necessary to prevent the finding from reoccurring have been implemented and are effective. The Region/HQ Component will ensure all findings have been corrected, and previously deficient areas now comply with Agency Policy, and if applicable, Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) requirements.

h. Document follow-up and validation status in the Agency CAP Tracking tool, and notify the IG-I&E Lead and ACAP Team Lead upon completion.

3.5. ACAP TEAM.

a. The ACAP team meets monthly to discuss RCA/CAP status and potential problem areas to ensure timely completion of Milestone Timeline events. The ACAP Team consists of the ACAP Team Lead, IG-I&E Lead, Region/HQ Component POCs, and reviewed organization's POCs (if necessary).

b. The ACAP Team Lead will schedule and facilitate monthly ACAP Team meetings to monitor CAP progress in the Agency Corrective Action Plan Tracking Project and inform the reviewed organization Commander/Director or Deputy, the IG-I&E Lead, and the Region/HQ Component CAP POC of any detected inaccuracies and schedule delays not addressed. Additionally, Level II finding corrective action follow-up will be sampled through the ACAP Team meetings. Meetings will be conducted via eConnect and conference lines. The ACAP Team Lead will ensure hyperlinks and conference numbers are communicated with the team members.

c. The ACAP Team Lead will develop and maintain the analytical tools required to monitor Milestone Timeline events on the Agency CAP Tracking tool.

d. Status of monthly meetings will be briefed to the IG Executive Director.

3.6. LEVEL III FINDINGS. The ACAP Team Lead (or designee) will enter the Level III finding into the DCMA Intake System and inform the appropriate Capability Manger(s) through a tasking memo. The DCMA Strategic Planning & Analysis Division will assign/track Level III findings through the DCMA Intake System (the IG-I&E will monitor Level III findings progression). After Level III findings are completed through the DCMA Intake System, the IG-I&E will validate/verify the completion and closure of corrective actions (see Resource Page for Agency CAP Tracking tool documentation requirements).

3.7. LEVEL IV FINDINGS.

a. External audit agency issues a draft/final report with findings and recommendations to DCMA.

b. The IAT reviews the draft/final report and creates Level IV findings for each finding and recommendation in the report.

c. IAT sends the draft/final report and Level IV Findings with suspense dates to the POC from the responsible Directorate for response.

d. The Directorate POC prepares the response and sends to their Component Head and Capability Manager for approval.

e. The response is then sent to the IAT with dates for implementation.

f. The IAT reviews the response and sends the response to HQ GC for their review and concurrence.

g. After HQ GC has concurred with the response, the IAT prepares the CCT package to go up for the Director's signature.

h. The Director reviews, approves and signs (or can delegate signature) the final DCMA response(s) and sends the document back to IAT, who then sends the responses to the external audit agency. Audit information is then entered into DCMA Intake System.

i. Open recommendations are tracked on the Agency CAP Tracking tool.

GLOSSARY

G.1. DEFINITIONS.

Assessments. Encompasses inspections, evaluations, assistance, and teach and train functions of the identified entity.

Corrective Action Plan (CAP). The detailed plan identifying management controls, tactics, techniques, procedures, training, resources, and working environment changes likely to preclude future non-compliance.

DCMA Intake System. Designed to improve identification, tracking and prioritization of Agency requirements and identified issues.

Finding. Those areas non-compliant with a regulation or policy/instruction requirement or failure to adequately answer a Management Framework question. Any finding will have a recommendation associated with it. Each finding will also quantify whether it is systemic in nature or a one-time occurrence.

Level I Finding. A non-compliance to policy issuances not directly associated to a policy key control or directly related to a FAR, DFARS, or DoDI.

Level II Finding. A non-compliance to policy issuances directly associated to a policy key control or directly related to a FAR, DFARS, or DoDI.

Level III Finding. Identical Level II findings at three or more reviewed organizations within a calendar year. Findings are systemic in nature and potentially influence agency or lack of guidance that directly impacts FAR/DFARS/DoDI requirements.

Level IV Finding. Any external audit agency (e.g., DoDIG) that identifies a statutory, regulatory, or DCMA policy issuance non-compliance(s) as a major or minor finding.

Region Root Cause Validation Summary. The cognizant Region/HQ Component will perform a validation of the reviewed organization's RCA. The validation is conducted to determine the effectiveness of the RCA. A brief narrative of this effort will be documented in the Agency CAP Tracking tool. A hyperlink may be provided to specific records detailing the effort.

Region/HQ Component Follow-up and Validation. Upon the CMO's completion of the RCA and CAP, the cognizant Region/HQ Component will perform a follow-up and validation of the CAP. The validation is conducted to determine the effectiveness of the CAP. A brief narrative of this effort will be documented in the Agency CAP Tracking tool.

Root Cause Analysis (RCA). Determination based on CPI LSS methodology of why a particular non-compliance was allowed to exist.

GLOSSARY

G.2. ACRONYMS.

ACAP	Agency Corrective Action Process
CAP	Corrective Action Plan
CCT	Correspondence Control Team
CMO	Contract Management Office
CPI	Continuous Process Improvement
DFARS	Defense Federal Acquisition Regulation Supplement
DODI	DoD Instruction
FAR	Federal Acquisition Regulation
FD	Functional Directorate
FIAR	Financial Improvement and Audit Readiness
GAO	Government Accountability Office
GC	General Counsel
HQ	Headquarters
IAT	Internal Audit Team
IG	Inspector General
IG-I&E	DCMA Inspector General - Inspections and Evaluations Team
LOA	Letter of Assurance
LSS	Lean Six Sigma
NASA	National Aeronautics and Space Administration
OIA-IG	Office of Internal Audit and Inspector General
POC	Point of Contact
RCA	Root Cause Analysis

REFERENCES

DoD Director 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," April 21, 2014