



DCMA Instruction 5102

Inspector General: Inspections and Evaluation

Office of Primary Responsibility:	Office of Internal Audit and Inspector General
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Approved by:	David G. Bassett, LTG, USA, Director

Purpose: This issuance, in accordance with DoD Directive 5105.64 establishes policy, assigns responsibilities, and provides instructions for Inspector General inspections and evaluation activities to include:

- Establishing policy for preparing, conducting, and completing inspections and evaluations.
- Reissuing and updating the policy for the Agency Corrective Action Process for addressing noncompliances, also known as findings, resulting from DCMA Inspector General, inspections and evaluation reviews

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance:

- a. Applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.
- b. Pertains to Financial Improvement and Audit Readiness-related audits conducted by an independent public accounting firm or corrective actions reported pursuant to Risk Management and Internal Control Program pursuant to DoD Instruction 5010.40. Audit actions related to the Financial Improvement and Audit Readiness initiative are conducted pursuant to the Office of the Under Secretary of Defense (Comptroller) and Chief Financial Officer's "Financial Improvement and Audit Readiness Guidance."
- c. Does not apply to the Special Programs Command.

1.2. POLICY.

It is DCMA policy that:

- a. DCMA will perform root cause analysis (RCA) and develop corrective action plans when the Inspections and Evaluation Team (IET) identifies Level II or Level III findings.
- b. The DCMA IG will adhere to the framework for the professional standards of inspections and evaluation in accordance with The Council of the Inspector General on Integrity and Efficiency and the Quality Standards for Inspection and Evaluation (Blue Book).
- c. The DCMA IG will perform inspections, evaluations, teaching, and training to support the agency's ability to enhance warfighter readiness and mission capability.
- d. DCMA will execute this instruction in a safe, efficient, effective, and ethical manner.

1.3. RECORDS MANAGEMENT.

- a. DCMA employees will maintain all records created as a result of this issuance pursuant to DoDI 5015.02, the National Archives and Record Administration General Records Schedules (GRS), Volume 1 of DCMA Manual (DCMA-MAN) 4501-04, "Records and Information Management Program," and Volume 2 of DCMA-MAN 4501-04, "Records Retention Schedule."
- b. Appendix 1A outlines records created as a result of this issuance, identifies the office of primary responsibility (OPR) records custodian, and details correlating storage requirements. Records responsibilities are pursuant to Volume 1 of DCMA-MAN 4501-04. The approved DCMAF 4501-04, "Records File Plan," is linked on the resource page for this manual.

1.4. SCOPE.

The DCMA IG incorporates Agency Director's goals, expectations, standards, vision and operating methods into independent inspections and evaluation reviews, herein called "reviews," that are risk based and systematic across the DCMA Business Capability Framework.

Assessment criteria may change over time and each one may not be assessed at every reviewed organization. Reviews provide information that is timely, credible, and useful for Agency managers, policymakers, and others. Reviews incorporate the detection to prevention philosophy by using data to identify areas that have a higher risk for noncompliance, systematic and functional degradation over time and are directly related to Agency mission accomplishment.

1.5. SUMMARY OF CHANGES.

This instruction has been administratively changed. The most notable changes are:

- Removed any reference to regions.
- Removed and updated old structure terminology.

APPENDIX 1A. DCMA 5102 RECORDS

Step, Function, Activity, or Section	Record(s) Created - Key Documentation	Record Series	Storage Location Include direction for OPR records custodian	OPR Records Custodian
Issuance Development	Issuance drafts, DCMAF 4501-01-2, e-mails	Series 400.00	DoD365	Issuance AO
Issuance Coordination	Issuance draft, DCMAF 4501-01-1, DCMAF 4501-01-2, coordination action memorandum, e-mails	Series 400.00	DoD365	Issuance Program Manager
Issuance Signature Package	Issuance draft, signature package action memorandum, policy notice memorandum, adjudicated DCMAF 4501-01-2, communication plan, training plan, director's brief, e-mails	Series 400.00	DoD 365	Issuance Program Manager
Issuance Approval and Publication	Published issuance, approved action memorandum, published policy notice memorandum, e-mails	Series 400.00	DoD 365	Issuance Program Manager
Issuance Union Review	Union release, issuance draft, e-mails	Series 400.00	DoD 365	Issuance Program Manager
Issuance Deviations and Waivers	Action memorandums, waiver memorandums, deviation memorandums, e-mails	Series 400.00	DoD 365	Issuance Program Manager

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA.

The DCMA Director must:

- a. Ensure the agency conducts IG activities in accordance with DoD Directive 5106.04.
- b. Assess agency-wide operations, performance, administrative processes, and internal controls.
- c. Personally appoint in writing the Executive Director/IG, Office of Internal Audit and IG (OIA-IG).
- d. Provide input to Agency IG-Inspections and Evaluation plans.
- e. Direct the performance of independent reviews of DCMA implementation of statutory and regulatory policies and processes.

2.2. EXECUTIVE DIRECTOR AND IG, OIA-IG.

The Executive Director, OIA-IG must:

- a. Adhere to IG quality standards of integrity, objectivity, independence, professional judgement and confidentiality.
- b. Direct and manage IET members as necessary for carrying out the functions, powers, and duties of the OIA-IG.
- c. Serve as a member of the Agency Director's personal staff and provide advice and counsel.
- d. Ensure DCMA IG records are maintained in accordance with record retention policies.
- e. Coordinate with the DoD IG to address issues of mutual concern that involve DCMA and other DoD components or agencies.
- f. Implement review procedures in accordance with DCMA-MAN 5102-01, "Inspector General: Internal Inspections and Evaluation and Agency Corrective Action Process."
- g. Ensure training, guidance, standard operating procedures, and tools issued and deployed are in accordance with this instruction and DCMA-MAN 5102-01.

2.3. COMPONENT HEADS.

The component heads must:

- a. Manage the Agency Corrective Action Process (ACAP) and endorse the validated and completed corrective actions for Level III findings in accordance with DCMA-MAN 5102-01.
- b. Address policy gaps identified at IET reviews and entered into the Issuance Feedback System or equivalent.
- c. Determine if there is a wider applicability throughout the agency of commendables and notables identified at IET reviews.

2.4. HIGHER-LEVEL ORGANIZATION COMMANDERS/ EXECUTIVE DIRECTORS, OR DIRECTORS.

The higher- level organization commanders, executive directors, or directors will identify a designated support point of contact.

2.5. HIGHER-LEVEL ORGANIZATION POINT OF CONTACT.

The higher-level organization point of contact must:

- a. Serve as the primary focal point and coordinator for all subordinate organization's corrective action activities in accordance with DCMA-MAN 5102-01.
- b. Participate in scheduled ACAP team meetings to provide detail on corrective action status in accordance with DCMA-MAN 5102-02.

2.6. REVIEWED ORGANIZATION COMMANDER, EXECUTIVE DIRECTOR, DIRECTOR, OR DEPUTY.

The reviewed organization commander, executive director, director, or deputy must:

- a. Ensure the availability of personnel during reviews.
- b. Ensure that requests for data, entrance clearance, and other logistics matters are processed in support of a review at their organization.
- c. Perform corrective action activities in accordance with DCMA-MAN 5102-01.

2.7. IET MEMBERS.

The IET members must:

- a. Perform independent reviews of DCMA implementation of statutory and regulatory policies and processes across all capabilities as directed by the Agency Director.

- b. Make inquiries into any matter within the scope of the Agency Director's authority in accordance with DoD Directive 5106.04 and the Public Law 95-452, 92 Statute 1101, also known as "Inspector General Act of 1978."
- c. Provide teaching and training using functional expertise to assess, assist, and enhance the ability of DCMA to prepare for and perform its assigned mission.
- d. Adhere to the IG quality standards of integrity, objectivity, independence, professional judgement and confidentiality.
- e. Understand the Agency Director's goals, expectations, standards, vision, and operating methods.
- f. Manage the ACAP for assessed DCMA organizations in accordance with DCMA-MAN 5102-01.
- g. Identify criteria and training requirements for subject matter experts to perform reviews.

SECTION 3: GENERAL PROVISIONS

3.1. DESCRIPTION.

The DCMA IG is focused on independent reviews of DCMA implementation of statutory and regulatory policies and processes across all capabilities, along with providing functional expertise through teaching and training. The purpose of reviews is to assess, assist, and enhance the ability of DCMA to prepare for and perform its assigned mission. These reviews ensure organizational alignment with the DCMA strategic plan, lines of effort, objectives, vision, and mission. Reviews may result in Level I, Level II, Level III findings, observations, notables, commendables, and policy gaps. Effective RCA will identify the basic cause or causes that when corrected will prevent reoccurrence of the finding.

3.2. MANUAL.

DCMA-MAN 5102-01 supports this instruction and prescribes procedures for:

- a. Developing an Agency Inspector General Inspections and Evaluation Plan, assessment criteria, and review schedule.
- b. Preparing for, conducting, completing, and documenting planned reviews.
- c. Performing RCA and developing and executing corrective action plans for identified findings.
- d. Establishing the ACAP.

GLOSSARY

G.1. ABBREVIATIONS AND ACRONYMS.

ACRONYM	MEANING
ACAP	Agency Corrective Action Process
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
DoDI	DoD Instruction
FAR	Federal Acquisition Regulation
IET	Inspections and Evaluation Team
IG	Inspector General
OIA-IG	Office of Internal Audit and Inspector General
RCA	root cause analysis

GLOSSARY

G.2. DEFINITIONS.

TERM	MEANING
Agency IG's Inspections and Evaluation Plan	A plan developed as a result of input provided from the Agency Director regarding goals, expectations, standards, vision and operating methods.
assessment criteria	Statutory or regulatory policy and process requirements.
commendable	Those areas where a reviewed organization has been operating in an outstanding manner. Commendables are “best practices” or procedures that may be shared with other organizational units. Commendables are entered into the Issuance Feedback System or equivalent by the IET.
component heads	Defined in DCMA-MAN 4501-03, “Organization Structure, Mission and Function.”
corrective action plan	The detailed plan identifying management controls, tactics, techniques, procedures, training, resources, and working environment changes likely to preclude future noncompliances.
finding	Areas where the reviewed organization does not comply with an identifiable standard, (e.g., Federal Acquisition Regulation (FAR)/Defense Federal Acquisition Regulation Supplement (DFARS), DoD Instruction (DoDI), or DCMA policy issuance), constitutes a finding. The organization is required to document and take corrective action in accordance with DCMA-MAN 5102-01.
higher-level organization	Organization one level above the reviewed organization (i.e., if a Contract Management Office is reviewed, the higher-level organization is the cognizant command).
Level I finding	A noncompliance to a policy issuance not directly associated to a key control (i.e., policy, internal control plan, or not a FAR, DFARS, or DoDI requirement).
Level II finding	A noncompliance to a policy issuance directly associated to a key control (i.e., policy, internal control plan, or noncompliance to a FAR, DFARS, or DoDI requirement). In the event where a key control is identified but is not associated

with a specific paragraph, any noncompliance against the DCMA policy issuance results in a level II finding.

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 the agency or lack of guidance that directly impacts FAR/DFARS/DoDI requirements. A new Level III finding will not be written if a previous Level III finding for the same issue remains open. Level III findings are entered into the Headquarters Tasking System by the IET.

notable

Areas where a reviewed organization has been operating in an excellent manner. Unlike commendables, notables may not be applicable across the agency and are entered into the Agency Results Tracking Tool by the IET.

observation

An observation is a condition where a standard may not have been violated (i.e., where the policy says “should,” “may,” “can,” or may not exist, but where economy, efficiency, or effectiveness may be improved by recommended corrective actions).

personal staff

Personal staff includes enlisted aids, the executive officer, chief of staff, personnel the Agency Director wishes to supervise directly, and personnel who by law have a special relationship to the Agency Director.

policy

Rules and requirements approved by the Agency Director used throughout the agency to efficiently and effectively comply with higher authority policy and mission objectives. Policy provides clear and concise direction to policy users.

policy gap

An issue that results from unclear or non-existent agency policy or inadequate agency processes or tools. Policy gaps are entered into the Issuance Feedback System or equivalent.

procedures

Standard, detailed steps prescribing how to perform specific tasks in support of one or more policy statements and are written in an approved issuance.

RCA

Determination based on any method, for example fishbone, five why's, Cause Effect Matrix, or Continuous Process Improvement methodology of why a particular noncompliance was allowed to exist.

result	An outcome of reviews, including Level I findings, Level II findings, Level III findings, observations, notables, commendables, or policy gaps.
reviews	Reviews are risk based and systematic across the DCMA capabilities management framework. Reviews encompass independent inspections, evaluations, assistance, and teaching and training.
subject matter expert	A person with expert knowledge and deep understanding of a particular process and function who is an authority in a particular area or topic.

REFERENCES

Council of the Inspector General on Integrity and Efficiency Blue Book, “Quality Standards for Inspection and Evaluation,” December 2020

DCMA Manual 4501-03, “Organization Structure, Mission and Functions, April 3, 2019

DCMA Manual 4501-04, Volume 1, “Records and Information Management Program,” April 16, 2021

DCMA Manual 4501-04, Volume 2, “Records Retention Schedule,” April 14, 2021

DCMA Manual 5102-01, “Inspector General: Inspections and Evaluation and Agency Corrective Action Process,” April 7, 2023, as amended

Defense Federal Acquisition Regulation Supplement, Part 242, current edition

DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013, as amended

DoD Directive 5106.04, “Defense Inspectors General,” May 22, 2014, as amended

DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013, as amended

DoD Instruction 5015.02, “DoD Records Management Program,” February 24, 2015, as amended

Federal Acquisition Regulation, Part 42, current edition

Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, “Financial Improvement and Audit Readiness (FIAR) Guidance,” April 3, 2017

Public Law 95-452, 92 Statute 1101, “Inspector General Act of 1978”