



DCMA Instruction 933

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, "Defense Contract Management Agency (DCMA)," 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, with the exception of the Special Programs Command, Financial Improvement and Audit Readiness-related audits conducted by an independent public accounting firm, and corrective actions reported pursuant to Risk Management and Internal Control Program per DoD Instruction 5010.40, "Managers' Internal Control Program Procedures." Audit actions related to the Financial Improvement and Audit Readiness initiative will be conducted pursuant to the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer's "Financial Improvement and Audit Readiness Guidance"

- 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

SUMMARY OF CHANGES

This Instruction was rewritten. Agency users and stakeholders should read this Instruction in its entirety. The most notable changes are:

- Changed Instruction title from “Inspector General: Inspections, Assessments, and Evaluations” to “Inspector General: Inspections and Evaluation”
- Moved specific details related to preparing for, conducting, and completing reviews and the Agency Corrective Action Process to DCMA Manual 933-01, “Inspector General: Internal Inspections and Evaluation and Agency Corrective Action Process”
- Aligned the Instruction to focus on higher level inspection and evaluation responsibilities and processes
- Updated/added all review result definitions to include observations, policy gaps, notables, and commendables

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.

1.2. POLICY. It is DCMA policy that the Inspector General (IG) perform inspection, assistance, teaching and training functions to support the Agency's ability to enhance warfighter readiness and mission capability. It is DCMA policy to perform root cause analysis (RCA) and develop corrective action plans when the Inspections and Evaluation Team (IET) identifies Level II or Level III findings. The DCMA IG will adhere to the framework for the professional standards of inspections and evaluation in accordance with (IAW) The Council of the Inspector General on Integrity and Efficiency and the Quality Standards for Inspection and Evaluation (Blue Book). DCMA will execute this Instruction in a safe, efficient, effective, and ethical manner.

1.3. 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.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The DCMA Director will:

- a. Ensure the Agency conducts IG activities IAW DoD Directive 5106.04, “Defense Inspectors General.”
- 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’s Inspections and Evaluation plans.
- e. Direct the performance of independent reviews of DCMA’s implementation of statutory/regulatory policies and processes.

2.2. EXECUTIVE DIRECTOR/IG, OIA-IG. The Executive Director, OIA-IG will:

- 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 IAW record retention policies.
- e. Coordinate with the DoD IG to address issues of mutual concern that involve DCMA and other DoD components/agencies.
- f. Implement review procedures IAW DCMA Manual (DCMA-MAN) 933-01, “Inspector General: Internal Inspections and Evaluation and Agency Corrective Action Process.”
- g. Ensure training, guidance, standard operating procedures, and tools issued and deployed are IAW this Instruction and DCMA-MAN 933-01.

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 IAW DCMA-MAN 933-01.

b. Address policy gaps identified at IET reviews and entered into 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. OPERATIONAL UNIT COMMANDERS/ DIRECTORS. The commanders/directors will identify a designated support point of contact who will:

a. Serve as the primary focal point and coordinator for all subordinate organization's corrective action activities IAW DCMA-MAN 933-01.

b. Participate in scheduled ACAP team meetings to provide detail on corrective action status IAW DCMA-MAN 933-01.

2.5. REVIEWED ORGANIZATION COMMANDER/DIRECTOR OR DEPUTY. The reviewed organization commander/director or deputy will:

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 IAW DCMA-MAN 933-01.

2.6. IET MEMBERS. The IET members will:

a. Perform independent reviews of DCMA's implementation of statutory/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 IAW 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 IAW DCMA-MAN 933-01.

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's implementation of statutory/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 933-01 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/executing corrective action plans for identified findings.
- d. Establishing the ACAP.

GLOSSARY

G.1. DEFINITIONS.

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/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. The leader of a DCMA component who reports directly to the Office of Director, DCMA.

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 IAW DCMA-MAN 933-01.

Level I Finding. A noncompliance to a policy issuance not directly associated to a key control, i.e., policy and/or internal control plan, or directly related to a FAR, DFARS, or DoDI requirement.

Level II Finding. A noncompliance to a policy issuance directly associated to a key control, i.e., policy and/or internal control plan, or directly related 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 the IET will enter them into the Agency Results Tracking Tool.

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/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.

GLOSSARY

G.2. ACRONYMS.

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

REFERENCES

- Council of the Inspector General on Integrity and Efficiency Blue Book, “Quality Standards for Inspection and Evaluation,” December 2020
- DCMA Manual 933-01, “Inspector General: Inspections and Evaluation and Agency Corrective Action Process,” April 7, 2023
- Defense Federal Acquisition Regulation Supplement Part 242
- DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013
- 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
- Federal Acquisition Regulation Part 42
- 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”