DCMA Manual 933-01

Inspector General: Internal Inspections and Evaluation and Agency Corrective Action Process

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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):"

- Implements policy in accordance with DCMA Instruction 933, "Inspector General: Inspections and Evaluation"

- Defines root cause analysis and corrective action plan milestones for noncompliances identified by the DCMA Inspector General, inspections and evaluation reviews
- Assigns responsibility for ensuring effective development, implementation, and validation of proposed corrective action plans created to address noncompliances, also known as findings
- Documents the root cause analysis/corrective action plan milestone timelines, including required activities and response times for both Level II and Level III findings

SUMMARY OF CHANGES

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

- Changed Manual title from "Corrective Action Plan Process for External and Internal Inspections, Assessments, Evaluations, and Audits" to "Inspector General: Internal Inspections and Evaluation and Agency Corrective Action Process"
- Added process for preparing, conducting, and completing internal inspections and evaluation
- Added definitions for all review results to include observations, policy gaps, notables, and commendables
- Defined designated support point of contact and their responsibilities for all levels of review, i.e., contract management office review versus region/center/headquarters reviews
- Created a milestone timeline for Level III findings
- Changed the process for Level III findings to include tasking them through the Headquarters Tasking System in accordance with DCMA Manual 4501-02, "Correspondence Program"
- Moved the Level II timeline process into Section 4
- Clarified Agency Corrective Action Plan team responsibilities versus Agency Corrective Action Plan Team Lead/Co-Lead responsibilities
- Removed Level IV/External Audit Finding requirements (see DCMA Instruction 934, "Inspector General: External Audits")

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Manual applies to all DCMA activities, including those in receipt of findings identified by the DCMA Inspector General (IG), Inspections and Evaluation Team (IET), unless higher-level regulations, policy, guidance, or support agreements pursuant to DCMA Manual 4501-05, "Enterprise Agreements," take precedence. Noncompliances identified as a result of Financial Improvement and Audit Readiness (FIAR)-related audits conducted by an independent public accounting firm and corrective actions reported under Risk Management and Internal Control Program in accordance with (IAW) DoD Instruction (DoDI) 5010.40, "Managers' Internal Control Program Procedures," are outside the scope of this Manual. 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 (FIAR) Guidance."

1.2. POLICY. It is DCMA policy that the IG perform inspections and evaluation, assistance, teaching, and training functions to support the Agency's ability to enhance warfighter readiness and mission capability. Internal inspections and evaluations, herein referred to as "reviews," may result in Level I, Level II, Level III findings, observations, notables, commendables, and policy gaps. It is DCMA policy to perform root cause analysis (RCA) and develop a corrective action plan (CAP) when the IET identifies Level II or Level III findings. An effective RCA will identify the basic cause or causes that when corrected will prevent future findings. DCMA will execute this Manual in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

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

a. Ensure the Agency conducts IG activities IAW DoD Directive 5106.04, "Defense Inspectors General."

b. Ensure all corrective actions of Agency systematic issues have been resolved and implemented.

c. Provide input to Agency Inspector General's Inspections and Evaluation plans.

2.2. EXECUTIVE DIRECTOR/IG, 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. Approve the IET annual schedule and plans.

c. Direct and manage IET members as necessary for carrying out the functions, powers, and duties of the IET.

d. Provide IET notification letters to the selected organization for review and their higher level Operational Unit (OU) commander/director, deputy, and designated support point of contact (POC).

e. Ensure DCMA IG records are maintained IAW record retention policies.

f. Identify Agency Corrective Action Process (ACAP) Team Lead/Co-Lead.

2.3. CAPABILITY BOARD. The Capability Board or designated POC will:

a. Receive and process Level III findings entered by the IET through the Headquarters (HQ) Tasking System (HTS) and:

(1) Coordinate with the applicable HQ component/subject matter expert(s) to ensure each Level III finding tasked through the HTS, has an identified RCA and CAP and all corrective actions for Level III findings are implemented and validated.

(2) Provide a Letter of Assurance (LOA) to the ACAP Team Lead/Co-Lead ensuring RCAs and CAPs are developed and endorsed by the applicable HQ component head.

(3) Notify and coordinate milestone progress with the IET review leads or designee identified in the HTS task. (See Table 2).

(4) Provide an LOA to the ACAP Team Lead/Co-Lead ensuring CAPs are implemented, validated, and endorsed by the applicable HQ component head.

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. HQ COMPONENT HEAD. The HQ Component Head will:

a. Review and endorse RCAs and CAPs developed for Level III Findings tasked through the HTS and coordinate with the applicable Capability Board or designated POC to provide an LOA documenting the endorsement.

b. Endorse that CAPs are implemented and validated for Level III Findings tasked through the HTS and coordinate with the applicable Capability Board or designated POC to provide an LOA documenting the endorsement.

2.5. OU COMMANDERS/DIRECTORS. OU commanders/directors will identify a designated support POC for Level I and Level II findings who will:

a. Ensure assistance and coordination with the reviewed organization occurs to ensure RCA/CAP activities are completed for reviews conducted.

b. Provide an LOA to the OIA-IG Executive Director, review leads, and ACAP Team Lead/Co-Lead ensuring all Level I findings have been corrected and RCAs have been approved for Level II Findings.

c. Ensure timely corrective action progression. (See Table 1.)

d. Participate in monthly ACAP Team meetings.

e. Ensure follow-up and validation of CAPs is completed to verify CAPs are implemented and actions taken will help prevent future findings.

f. Provide an LOA to the OIA-IG Executive Director, review leads, and ACAP Team Lead/Co-Lead ensuring all CAPs have been implemented, validated, and closed.

g. Ensure milestone timeline events are documented in the Agency Results Tracking Tool (ARTT).

h. Review and approve extension requests and communicate them to the ACAP Team.

i. Collaborate with OU subject matter experts to review Level II findings, evaluate root causes, and develop proactive solutions to mitigate future noncompliances, at least annually.

2.6. IET REVIEW LEADS OR DESIGNEE. The IET review leads or designee will:

a. Post and update planned reviews to the internal annual review schedule.

b. Prepare the IET notification letter and data call for the OIA-IG Executive Director.

c. Interface and coordinate briefings and logistics, i.e., kick-off/data call brief, in-brief, visit requests, with the reviewed organization senior leadership.

d. Share information regarding collateral duty support as an IET augmentee to reviewed organizations.

e. Ensure review results are recorded accurately in the ARTT. Facilitate briefing to the reviewed organization communicating review results as identified in the review schedule.

f. Prepare the IET Summary Report and Report/Tasking Memorandum, which establishes the requirements for RCA/CAP documentation.

g. Deliver the IET Summary Report and Report/Tasking Memorandum to the reviewed organization, their chain of command, the OIA-IG Executive Director, and the ACAP Team Lead/Co-Lead.

h. Obtain the reviewed organization's POC name(s) and ensure permissions are granted to the ARTT.

i. Participate in monthly ACAP Team meetings.

j. Review and acknowledge extension request and communicate them to the ACAP Team.

k. Submit Level III findings through the HTS and post the approved RCA/CAP to the ARTT after it is implemented and closed in the HTS.

l. Collaborate with reviewed organization commander/director and deputy when conducting a review at a level higher than a Contract Management Office (CMO), i.e., region, center, HQ, or other OU, to determine and identify the appropriate designated support POC. In the absence of a designated support POC from the reviewed organization, identify a designated support POC from the IET. The designated support POCs will perform tasks IAW Paragraph 2.5.

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

a. Ensure the availability of personnel during reviews.

b. Provide a primary review POC upon receipt of the IET notification letter and data call.

c. Ensure that requests for data, entrance clearance, and other logistics matters are processed in support of a review at their organization.

d. Collaborate with the IET review lead when a review is conducted at a level higher than a CMO, i.e., region, center, HQ, or other OU, to determine and identify the appropriate designated support POC.

e. Ensure that all CAP documentation is maintained in the ARTT and that proper permission levels are granted to the applicable POCs. Support data may be attached in the ARTT. Maintain all RCA/CAP data to facilitate follow-up, validation, and closure efforts.

f. Initiate and provide LOA to the designated support POCs ensuring all Level I findings have been corrected and RCA has been approved for Level II findings.

g. Ensure that each Level II finding has a validated RCA and CAP. Review and approve all RCA and CAPs. Approval will be documented in the ARTT.

h. Ensure timely corrective action progression. Justify and coordinate milestone timeline extension requests with the designated support POCs when milestone times cannot be met. (See Table 1.)

i. Assign primary and alternate CAP POCs, and provide names to the IET review leads. CAP POCs will:

(1) Document and maintain the RCA/CAP milestone timeline data in the ARTT.

(2) Communicate RCA/CAP status with the appropriate designated support POCs.

2.8. ACAP TEAM. The ACAP Team will:

a. Consist of the ACAP Team Lead/Co-Lead, DCMA IET review leads, and designated support POCs.

b. Meet monthly to discuss RCA/CAP status and potential problem areas to ensure timely completion of milestone timeline events. (See Section 4.)

c. Maintain open lines of communication with the IET review leads, the reviewed organization POC, OU/HQ component or designated support POCs, and capability boards.

2.9. ACAP TEAM LEAD/CO-LEAD. The ACAP Team Lead/Co-Lead will:

a. Facilitate the monthly ACAP Team meeting.

b. Develop, publish, and maintain analytical tools necessary to track RCA/CAP status.

c. Monitor and communicate corrective action progress IAW the milestone timelines. (See Section 4.)

d. Develop and maintain the ACAP briefing to be presented during reviews.

e. Enter the date the Report/Tasking Memorandum was issued in the ARTT.

f. Review the LOA indicating the validation and closure of all reviewed organization Level II CAPs and ensure all milestone timeline events are accurately documented in the ARTT, enter the final approval and closure date.

g. Review the LOA indicating the validation and closure of all Level III CAPs and close Level III findings in the ARTT.

SECTION 3: PREPARE, CONDUCT, AND COMPLETE REVIEWS

3.1. OVERVIEW. 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.

3.2. PREPARE FOR REVIEWS.

a. The IET will collaborate with component heads and Capability Board Managers to understand and refine assessment criteria, high risk processes, procedures, and key controls.

b. The IET will maintain active engagement with component heads and Capability Board Managers throughout the review process, as applicable.

c. The IET review leads, or designee, will develop and update the internal annual review schedule.

d. The IET members will solicit and coordinate augmentee support, as needed, prior to each review.

e. For each planned review the IET review leads, or designees, will:

(1) Determine the scope of each planned review.

(2) Prepare the IET notification letter and data call for the OIA-IG Executive Director, who will send it to all required personnel. (See Paragraph 2.2.d.)

(3) Create a temporary Review in Progress site that provides a collaborative environment for the IET, which includes a data call library for the reviewed organization to upload data call artifacts. The IET will maintain the site until the final IET Summary Report has been delivered to the reviewed organization by the IET review leads.

(4) Coordinate with the primary review POC to determine reviewed organization data call POCs that will be granted access to the data call library. The IET will provide a data call brief and instructions to the identified reviewed organization data call POCs.

(5) Coordinate and deliver a kick-off briefing to the reviewed organization that includes an overview of the process, review timeline, and final product delivery.

(6) Coordinate and deliver augmentee training to augmentees, as applicable.

(7) Provide the detailed review schedule to the reviewed organization.

(8) Coordinate additional logistics, i.e., visit request, travel, and meeting locations, as necessary.

f. The reviewed organization will upload the data call artifacts requested into the data call library by the due dates identified in the IET notification letter and data call.

g. The IET members will review the data call artifacts for completeness and determine if additional information is needed. The IET members will analyze the data for compliance to statutory/regulatory policies and processes based on developed assessment criteria.

3.3. CONDUCT REVIEWS.

a. The IET review leads will coordinate and deliver the IET in-brief as identified in the detailed review schedule. The reviewed organization will also provide an overview brief of their organization as identified in the schedule.

b. The IET members will coordinate and conduct interviews IAW the detailed review schedule. During the course of these interviews, the IET members will:

(1) Discuss data analysis performed.

(2) Discuss any noncompliances identified.

(3) Provide teaching and training as needed.

c. The IET will enter all review results, to include all findings, observations, notables, commendables, and policy gaps into the ARTT. The IET review lead or designee will provide review results to the reviewed organization. The IET will brief the results to the reviewed organization as identified in the review schedule to ensure all findings are understood by the reviewed organization.

d. The ACAP Team Lead or designee will coordinate and deliver the ACAP brief to the reviewed organization prior to concluding the review. The location of the reviewed organization's results will be included in the briefing. In addition, the IET will provide a demonstration of the ARTT to include the process for adding RCA/CAP information to existing findings.

e. The IET review lead or designee will coordinate and deliver a brief to the cognizant region/OU component of the reviewed organization to include a summary of review results and recommendations to help improve the reviewed organization's ability to prepare for and perform its assigned mission.

3.4. COMPLETE REVIEWS.

a. Upon completion of the review, the IET review lead or designee will finalize all the results from the review and provide a final roll-up to the reviewed organization via an Excel spreadsheet from the ARTT.

b. The IET review lead, or designee, will submit identified commendables and/or policy gaps to the Issuance Feedback System or equivalent, and will be addressed by the applicable capability board or designated POC. The IET review lead, or designee, will submit Level III findings to the HTS. (See Paragraph 4.3.)

c. The reviewed organization will provide a consolidated list of POCs to the IET review leads and the ACAP Team Lead/Co-Lead within 14 business days from the last day of the review. Upon receipt, the ACAP Team Lead/Co-Lead will grant the reviewed organization POCs proper permissions to the ARTT.

d. The IET will draft the Summary Report and the IET review lead will provide a copy to the reviewed organization for review and comment/feedback.

e. The IET review leads will finalize and deliver the IET Summary Report and Report/Tasking Memorandum to the reviewed organization, their chain of command, OIA-IG Executive Director, and the ACAP Team Lead/Co-Lead.

f. The ACAP Team Lead/Co-Lead will enter the date of the Report/Tasking Memorandum into the ARTT. This initiates the corrective action process. (See Section 4.)

SECTION 4: LEVEL I, II, III FINDING CORRECTIVE ACTION PROCESS

4.1. OVERVIEW. This section identifies the process for documenting Level I, II, and III findings, RCA, corrective actions, and validation efforts. Findings, RCA, corrective action analysis, and validation efforts will be documented in the ARTT and monitored by the ACAP Team.

a. Designated Support POC(s) and Level of Review. The designated support POC(s), as referenced throughout this Manual, depends on the level of review performed. If the review is performed at the CMO level, the designated support POC(s) will be identified by the OU commander/director. For any reviews performed higher than the CMO level, i.e., region, center, HQ, the designated support POC(s) will be identified IAW Paragraph 2.6.l.

b. Timelines. The timelines identified in Table 1 for Level II findings and Table 2 for Level III findings outline the process for documenting RCA, CAP development, and subsequent CAP validation/closure efforts. Level I findings do not require RCA or CAPs. The RCA/CAP timelines will be measured in calendar days. The timeline for Level II findings begins when a Report/Tasking Memorandum has been issued by the IET and ends when all CAPs have been validated and findings have been closed. The timeline for Level III findings begins when the finding has been input into the HTS and ends when the CAP has been validated and closed. Completion of the milestones will follow the established timelines unless extensions are granted. (See Tables 1 and 2.) Extensions to the Level II milestone timelines must be supported by a documented rationale approved by the designated support POC. Extensions to the Level III milestone timelines must be supported by a documented rationale approved by the Capability Board or designated POC.

Table 1. Level II Timeline

	DAYS	REWORK DAYS
RCA		
• Reviewed Organization Time	30	
• Higher Level Organization Finding POC Review Time	14	
• Reviewed Organization Rework Time		7
• Higher Level Organization Finding POC 2nd Review Time - support will be provided to ensure the second pass is approved		7
CAP Development		
• Reviewed Organization Time	30	
• Higher Level Organization Finding POC Review Time	21	
• Reviewed Organization Rework Time		7
• Higher Level Organization Finding POC 2nd Review Time - support will be provided to ensure the second pass is approved		7
CAP Execution/Validation		
• Reviewed Organization Time	150	
• Higher Level Organization Finding POC Review Time	30	
• Reviewed Organization Rework Time		30

	DAYS	REWORK DAYS
• Higher Level Organization Finding POC 2nd Review Time - support will be provided to ensure the second pass is approved		14
TOTAL Time - No Rework	**275**	
MAX Time - Max Rework at Each Process		**347**

Table 2. Level III Timeline

	DAYS
RCA and CAP Development	
• Capability Board RCA/CAP Development Time	60
• HQ Component Head Endorsement Time	10
CAP Execution/Validation	
• Capability Board CAP Execution/Validation Time	365
• HQ Component Head CAP Endorsement Time	10
TOTAL Time	**445**

4.2. LEVEL I AND II RCA/CAP PROCESS.

a. Identifying Finding POCs.

(1) Once the Report/Tasking Memorandum has been issued by the IET, the reviewed organization will identify and document a finding POC for each Level II finding in the ARTT.

(2) Once the Report/Tasking Memorandum has been issued by the IET, the applicable designated support POC will ensure higher level organization finding POCs have been identified and documented for each Level II finding in the ARTT. The designated support POC will ensure higher level organization finding POCs have permission to contribute to the ARTT.

b. Level I Finding Actions and Level II RCA Development.

(1) The reviewed organization will address each Level I finding to ensure the finding has been resolved and the resolution prevents reoccurrence.

(2) For each Level II finding documented in the ARTT, the reviewed organization will perform RCA using any method, for example fishbone, five why's, cause effect matrix, or continuous process improvement methodology.

(3) The reviewed organization will coordinate RCA development with the higher level organization finding POCs. The reviewed organization will present the RCA to the higher level organization finding POCs no later than 30 calendar days after receipt of the Report/Tasking Memorandum. An effective RCA will identify the basic cause that when corrected will prevent reoccurrence of the finding.

(4) The reviewed organization will annotate a brief summary of the RCA in the ARTT, or attach the RCA document(s) to the list item, enter the RCA completion date, and inform higher level organization finding POCs that the RCA has been submitted.

(5) The reviewed organization commander/director will submit an LOA to the designated support POCs within 30 days of receiving the Report/Tasking Memorandum that documents:

(a) All Level I findings have been either addressed or closed.

(b) RCAs have been completed for each Level II finding.

(6) The designated support POCs will review the LOA for completeness and provide it to ACAP Team Lead/Co-Lead, who will post it to the RCA/Level I LOA library.

(7) The higher level organization finding POCs will perform root cause validation, determine status, and notify the reviewed organization within 14 calendar days from receiving the LOA. Validation will be performed to ensure sound RCA has been performed, and that the identified root cause, when corrected, will prevent finding reoccurrence. The higher level organization finding POCs will document the RCA status, status date, root cause validation summary, and root cause group in the ARTT. If the root cause indicates a systemic weakness, the higher level organization finding POC may coordinate with the managers' internal control program coordinator IAW DCMA Manual 4301-11, "Volume 1: Management Controls: Manager's Internal Control Program." In addition, the higher level organization finding POCs will document the reviewed organization CAP due date signifying when the CAP is due to the higher level organization finding POCs for review upon acceptance of the reviewed organization's RCA.

(8) If the RCA has not been accepted and rework will be needed, the higher level organization finding POCs will immediately notify the reviewed organization. The reviewed organization and higher level organization finding POCs will follow the rework process and timeframes. (See Table 1.)

c. CAP Development, Validation, and Review Close-Out.

(1) Each Level II finding documented in the ARTT 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 by the reviewed organization in coordination with the designated support POCs and will contain the detailed plans to correct and prevent reoccurrence of the finding based on the RCA accepted by the higher level organization finding POCs.

(2) The CAP will identify the management controls, elements, or processes that when implemented will prevent the root cause from reoccurring. The reviewed organization will annotate the CAP in the ARTT or attach the CAP document(s) to the list item.

(3) All CAPs require approval of the reviewed organization commander/director prior to submission to the higher level organization finding POCs. The reviewed organization will enter the CAP submission date in the ARTT, document commander/director CAP approval, and inform the higher level organization finding POCs that the CAP has been submitted.

(4) The higher level organization finding POCs will review the reviewed organization's developed CAP within 21 days from receiving the completed CAP to ensure it contains adequate management controls, elements, or processes that will prevent the root cause from reoccurring. The higher level organization finding POCs will document the CAP status and status date in the ARTT.

(5) If the CAP is not accepted and rework is needed, the higher level organization finding POCs will immediately notify the reviewed organization. The reviewed organization and higher level organization finding POCs will follow the rework process and timeframes identified in Table 1.

(6) All CAP management controls, elements, or processes must be fully implemented by the reviewed organization no later than 150 calendar days after the higher level organization finding POCs accept the CAP unless an extension is granted. If required, the reviewed organization will submit a documented extension request to the designated support POC stating the reason for extension. The designated support POC will approve extensions to the milestone timeline when warranted and update milestone timeline information in the ARTT. The designated support POC will provide the extension information to the ACAP Team.

(7) The reviewed organization will enter the date when all CAP tasks have been completely implemented. The reviewed organization will notify the higher level organization finding POCs upon CAP completion.

(8) The higher level organization finding POCs 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.

(9) The higher level organization finding POCs will document the follow-up and validation due date, a summary of the review, and the date the review was completed in the ARTT.

(10) The designated support POC will notify the reviewed organization, IET review leads and ACAP Team Lead/Co-Lead upon completion of CAP validation. The designated support POC will provide the OIA-IG Executive Director an LOA indicating the validation and closure of all reviewed organization CAPs.

(11) Upon notification from the designated support POC, the ACAP Team Lead/Co-Lead will:

(a) Ensure all milestone timeline events are accurately documented in the ARTT.

(b) Enter the date the tasking was closed in the ARTT.

(c) Post the LOA to the close out LOA document library.

(d) Remove the reviewed organization ARTT view.

(e) Remove reviewed organization permissions to the ARTT.

4.3. LEVEL III FINDINGS. When a Level III finding has been identified:

a. The IET review leads or designee will enter the Level III finding into the HTS identifying the applicable capability board as the Office of Primary Responsibility and the applicable HQ component as the Office of Coordinating Responsibility.

b. The applicable capability board will receive and process Level III findings entered by the IET through the HTS and will ensure timely Level III corrective action progression (see Table 2).

c. The capability board identified for each Level III finding in HTS will collaborate with the IET and applicable HQ component/subject matter expert(s) to ensure:

(1) Data to support the issuance of the Level III finding is made available to the Capability Board by the IET.

(2) RCA is performed and a CAP is developed.

(3) Endorsement is gained and documented for the RCA and CAP from the applicable HQ Component Head in an LOA.

(4) Execution and validation of the CAP is performed.

(5) Endorsement is gained and documented for the completed and validated CAP from the applicable HQ Component Head in an LOA.

d. The capability board will provide the documented RCA, CAP, and endorsement documentation to the IET IAW the HTS task in order to close the task.

e. Upon receipt of endorsement documentation, the IET will close the Level III finding in the ARTT.

4.4. ACAP TEAM

a. The ACAP Team will meet monthly to discuss RCA/CAP status and potential problem areas to ensure timely completion of milestone timeline events for Level I, Level II, and Level III

findings. The ACAP Team consists of the ACAP Team Lead/Co-Lead, IET review leads, and designated support POCs. ACAP information will be maintained by the ACAP Team Lead/Co-Lead and will be made available to all team members to include the OIA-IG Executive Director.

b. The ACAP Team Lead/Co-Lead will schedule and facilitate monthly ACAP Team meetings to monitor corrective action progress in the ARTT and inform the reviewed organization commander/director or deputy, the IET review lead, and the designated support POC of any detected inaccuracies and schedule delays not addressed. Additionally, Level II finding CAPs will be sampled through the ACAP team meetings.

c. The ACAP Team Lead/Co-Lead will develop and maintain the analytical tools required to monitor milestone timeline events in the ARTT.

d. The ACAP Team will provide RCA/CAP assistance as necessary to the reviewed organization.

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.

Augmentee. A subject matter expert temporarily detailed to support the IET.

CAP. The detailed plan identifying management controls, tactics, techniques, procedures, training, resources, and working environment changes likely to preclude future noncompliance.

Capability Board. The cross-functional governance entity responsible for policy (instructions and manuals), tools and training for one of the 11 major services required by our internal and external customers. Although each Capability Board has a specific mission capability (major service) as its focus and concern, it is comprised of technical experts and representatives from each of the other 10 Capability Boards, in order to foster cross-functional collaboration and transparency, as part of the overarching Business Capability Framework.

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.

Designated Support POC. Identified POC who assists and coordinates with the reviewed organization, i.e., CMO, HQ, center, region, or other OU, to ensure RCA/CAP activities are progressing toward completion.

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), DoDI, or DCMA policy issuance, constitutes a finding.

Higher Level Organization Finding POC. Identified POC who reviews and approves RCA/ CAP and validates CAP execution for each assigned finding at a reviewed organization, i.e., CMO, HQ, center, region, or other OU.

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 HTS by the IET.

LOA. A signed document assuring that actions contained within have been completed.

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 ARTT.

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.

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.

Systemic Weakness. Specific instance of a failure in a system of control or lack of control that is pervasive within the Agency and materially affects internal controls across organizational and program lines, usually affecting more than one Assessable Unit.

GLOSSARY

G.2. ACRONYMS.

ACAP	Agency Corrective Action Process
ARTT	Agency Results Tracking Tool
CAP	corrective action plan
CMO	Contract Management Office
DFARS	Defense Federal Acquisition Regulation Supplement
DoDI	DoD Instruction
FAR	Federal Acquisition Regulation
FIAR	Financial Improvement and Audit Readiness
HQ	Headquarters
HTS	HQ Tasking System
IET	Inspections and Evaluation Team
IG	Inspector General
LOA	Letter of Assurance
OIA-IG	Office of Internal Audit and Inspector General
OU	Operational Unit
POC	point of contact
RCA	root cause analysis

REFERENCES

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DCMA Manual 4301-11, "Volume 1: Management Controls: Manager's Internal Control Program," June 24, 2019
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DCMA Manual 4501-05, "Enterprise Agreements," March 7, 2022
Defense Federal Acquisition Regulation Supplement Part 242
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
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DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013, as amended
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Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, "Financial Improvement and Audit Readiness (FIAR) Guidance," April 3, 2017