

**Farm Credit Administration
Office of Inspector General**

**Audit, Inspection, and Evaluation Plan
Fiscal Years 2022-2023**

FCAOIG

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Office of Inspector General

AUDIT, INSPECTION, AND EVALUATION PLAN

The Office of Inspector General (OIG) is tasked with providing independent and objective oversight of the Farm Credit Administration (FCA or Agency) and keeping the FCA Board and Congress fully and completely informed as to problems and deficiencies relating to FCA programs and operations. Pursuant to its responsibilities, the OIG performs audits, inspections, and evaluations to ensure that FCA programs are administered effectively and with appropriate controls, and to identify opportunities for improvement.

Below are audit, inspection, and evaluation activities planned for Fiscal Years 2022 and 2023. This plan was formulated using a risk-based approach, considering prior oversight work, the control environment, input from senior management, statutory requirements, and resource allocations and prioritizations. The planned activities may be adjusted in response to changing needs or circumstances.

REQUIRED ANNUAL REVIEWS

FCA's Financial Statements Audit

The Accountability of Tax Dollars Act of 2002 requires executive agencies not covered by the Chief Financial Officers Act to obtain annual audits in accordance with generally accepted government auditing standards. The OIG contracts with an independent accounting firm to audit FCA's financial statements, internal control over financial reporting, and compliance with laws and regulations relating to the determination of financial statement amounts. The OIG will transmit the audit firm's opinion to the Agency. The OIG will ensure that the independent accounting firm incorporates an appropriate audit scope and deliverables within appropriate timeframes.

Federal Information Security Modernization Act (FISMA)

FISMA requires Inspectors General to conduct an annual evaluation of their respective agency's information security program and report the results to the Office of Management and Budget (OMB) and the Department of Homeland Security (DHS). The objective of this evaluation is to conduct an independent evaluation of FCA's information security program using the metrics identified by DHS to determine the effectiveness of the information security program and practices. The OIG may contract with an independent accounting firm to conduct FCA's FISMA evaluation. If a contractor is used, the OIG monitors the audit firm and transmits the firm's evaluation to the Agency.

Payment Integrity Information Act (PIIA) Evaluation

PIIA requires Inspectors General to conduct an annual evaluation of their respective agency's efforts to prevent and reduce improper payments. The review includes determining whether the Agency is publishing improper payments information in the annual financial statement and conducting program-specific risk assessments to identify those susceptible to improper payments. The objective of this evaluation is to determine whether FCA has met all applicable requirements of the PIIA and evaluate efforts to prevent and reduce improper payments.

PLANNED AUDIT, INSPECTION, AND EVALUATION ACTIVITIES

Audits

FCA's Office of Data Analytics and Economics (ODAE)

With the goal of moving further toward a more objective data-driven approach to policy making, the FCA Board approved the creation of ODAE in November 2019. ODAE is primarily responsible for facilitating an agency-wide strategy for analytics and providing economic analysis services to support the FCA Board and offices regarding their decision-making and regulatory activities. ODAE was also created to support the Foundations for Evidence-

Based Policymaking Act of 2018 (signed into law on January 14, 2019). The objective of this audit is to evaluate ODAE's organizational structure, goals, and objectives in achieving the Agency's mission.

FCA's Enterprise Risk Management (ERM) Capability and Internal Control Program

Federal managers should effectively manage risks that the Agency faces in achieving strategic objectives and that arise from its activities and operations. In July 2016, OMB issued a revised Circular A-123 to modernize existing efforts to improve accountability in Federal programs and operations by requiring the implementation of an ERM capability. The objective of this audit is to determine whether the Agency has established an adequate ERM and internal control program.

FCA's Contracting Process

FCA's contracting program has moved to the FCA's Office of the Chief Financial Officer. The goal of the program is to acquire products and services that meet program needs and are the best value to the Agency in a timely and effective manner. As a non-appropriated fund agency, FCA's procurement policies are set forth in Policy and Procedures Manual 812, *Contracting/Procurement Policy*, and the Agency's Contracts Desk Manual. The objective of this audit is to determine whether FCA's contracting process is efficient and effective.

Agency-wide Training Initiatives

There are multiple agency-wide training requirements for areas such as computer security, continuity of operations, equal employment opportunity and diversity, and antiharassment. The Agency also has an extensive examiner commissioning program. The objective of this audit is to determine whether the Agency is adequately coordinating and utilizing resources to deliver efficient and effective training.

FCA's Information Technology (IT) Asset Acquisition Process

In order to perform the mission, Agency personnel need IT assets. The Agency refreshes IT assets, such as mobile devices, laptops, and tablets on a regular basis. The objective of this audit is to determine whether FCA's process for IT acquisitions is adequately planned and implemented.

FCA's Policy and Regulation Development Process

FCA's Office of Regulatory Policy manages policy and regulation development activities that aim to ensure the safety and soundness of the Farm Credit System (FCS). FCA's policy and regulation development activities include the analysis of policy and strategic risks. The objective of this audit is to determine whether the regulation and policy development process is operating efficiently and complies with applicable Agency policy and Federal requirements.

Inspections and Evaluations

Examination Staff Scheduling and Rotation

FCA is required to examine each FCS institution at such times as the FCA Board determines, but no less than every 18 months. Rotating examiners is an important element of FCA's arms-length role to ensure oversight work is fair, impartial, and independent. Staff rotation also supports the consistent application of requirements across institutions and provides valuable learning opportunities. The objective of this inspection is to identify and evaluate FCA's process for scheduling and rotating FCA examination staff.

Office of Examination Recruiting

Each year, the Office of Examination expends resources to recruit new talent for FCA's examination staff. The objective of this inspection is to determine whether FCA is allocating appropriate resources to, and analyzing results of, its recruiting efforts.

Similar Entity Lending Oversight Process

The Farm Credit Act allows FCS institutions to participate in similar entity lending to provide institutions and non-system lenders with a tool to manage risk. In 2016, FCA issued a booklet describing safeguards to help FCS institutions ensure compliance with similar entity lending laws and regulations. The objective of this inspection is to evaluate the Agency's oversight of similar entity lending in the FCS.

Review of Enhanced Personnel Security Program

5 U.S.C. § 11001 requires Inspectors General, beginning two years after implementation of an enhanced personnel security program, to conduct a review to assess the effectiveness and fairness to individuals who have been determined eligible for access to classified information or eligible to hold a sensitive position. Assessments are made in accordance with performance measures and standards to be established by the Director of National Intelligence. The objective of this inspection is to determine whether FCA has adequately implemented an enhanced personnel security program in accordance with applicable guidelines.

External Communications from FCA

There are several mechanisms FCA uses for external communication, including social media and a website. External communication is valuable to the Agency and the public, but processes need to be in place to ensure information is disseminated and controlled accurately. The objective of this inspection is to determine whether FCA's external communications are efficient and properly controlled.

Peer Reviews

FCA OIG Peer Review of Corporation for Public Broadcasting OIG Inspection and Evaluation Operations

The Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspections and Evaluations (Blue Book) requires an external peer review of inspection and evaluation organizations every three years. The OIG staff is scheduled to conduct the Corporation for Public Broadcasting OIG's external inspection and evaluation peer review beginning October 2021.

Peer Review of FCA OIG Audit Operations

Government Auditing Standards require audit organizations that perform audits or attestation engagements to undergo an external peer review every three years. The Federal Trade Commission OIG is scheduled to conduct FCA OIG's external peer review starting in April 2022. The review will cover our system of quality control for the audit organization.

Peer Review of FCA OIG Inspection and Evaluation Operations

The Securities and Exchange Commission OIG is scheduled to conduct FCA OIG's external peer review starting in April 2022. The review will cover our inspection and evaluation organization's compliance with Blue Book standards.

FCA OIG Peer Review of Capitol Police OIG Audit Operations

The OIG staff is scheduled to conduct the Capitol Police OIG's external audit peer review beginning October 2023.



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REPORT FRAUD, WASTE, ABUSE, & MISMANAGEMENT

Fraud, waste, abuse, and mismanagement in government concerns everyone: Office of the Inspector General staff, FCA employees, Congress, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to FCA programs and operations. You can report allegations to us in several ways:

**Phone: (800) 437-7322 (Toll-Free)
(703) 883-4316**

Fax: (703) 883-4059

Email: fca-ig-hotline@rcn.com

**Mail: 1501 Farm Credit Drive
McLean, VA 22102-5090**

To learn more about reporting wrongdoing to the OIG, please visit our website at <https://www.fca.gov/about/inspector-general>.