

**Farm Credit Administration  
Office of Inspector General**

**Audit, Inspection, and Evaluation Plan  
Fiscal Years 2023-2024**

**FCAOIG**

Farm Credit Administration  
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, 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 2023 and 2024. 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. 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. OIG will transmit the audit firm's opinion to the Agency. 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. OIG may contract with an independent accounting firm to conduct FCA's FISMA evaluation. If a contractor is used, OIG monitors the audit firm and transmits the firm's evaluation to the Agency.

### **Payment Integrity Information Act (PIIA) Inspection**

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, objectives, and responsibilities in achieving the Agency's mission.

### **FCA's Policy and Regulation Development Process**

At the direction of the FCA board, 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 or System). 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.

### **Controls over Payroll, Compensation, and Benefits**

FCA's Office of Agency Services (OAS) manages the payroll, compensation, and benefits programs for employees. OAS works with contractors that provide financial management and payroll administration services. The objective of this audit is to determine whether there are adequate controls over the payroll, compensation, and benefit programs.

### **FCA's Contracting Process**

FCA's contracting program has moved to FCA's Office of the Chief Financial Officer. The goal of the program is to acquire products and services that meet program needs and provide 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 Learning Initiatives**

The Agency has a learning and organizational change team responsible for leadership development, learning, education, and training at the Agency. 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 for learning initiatives.

### **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 periodic basis. The objective of this audit is to determine whether FCA's process for IT acquisitions is adequately planned and implemented.

### **Inspections and Evaluations**

#### **Merger Review Process**

Under the Farm Credit Act of 1971, as amended, FCA is authorized to approve mergers between FCS institutions. There are multiple offices principally involved in reviewing merger activity. These offices have seen turnover in management, staff, and reorganization. In addition, merger activity has greatly increased within the System. The objective of this inspection is to determine whether FCA has an effective and efficient process to review merger activity.

#### **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.

### **Peer Reviews**

#### **FCA OIG Peer Review of Capitol Police OIG Audit Operations**

*Government Auditing Standards* require audit organizations that perform audits or attestation engagements to undergo an external peer review every three years. OIG staff is scheduled to conduct the Capitol Police OIG's external audit peer review beginning October 2022.

#### **FCA OIG Peer Review of Election Assistance Commission OIG Audit Operations**

OIG staff is scheduled to conduct the Election Assistance Commission OIG's external audit peer review beginning April 2024.



Farm Credit Administration  
Office of Inspector General

## **REPORT FRAUD, WASTE, ABUSE, & MISMANAGEMENT:**

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