

**Farm Credit Administration
Office of Inspector General**

**Audit, Inspection, and Evaluation Plan
Fiscal Years 2020-2021**



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, 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 2020 and 2021.¹ This plan was formulated using a risk-based approach, taking into account prior oversight work, the control environment, input from the FCA Board and 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 selected 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.

PLANNED AUDIT, INSPECTION, AND EVALUATION ACTIVITIES

Audits

FCA's Criminal Referral and Follow-Up Process (in process)

Farm Credit System (FCS) institutions are required by Federal regulation (12 C.F.R. § 612.2301) to provide notification and information to FCA and appropriate law enforcement authorities when they determine that there is a known or suspected criminal violation involving or affecting an institution's assets, operations, or affairs. The objective of this audit is to determine whether FCA's actions in response to criminal referrals and investigative activities in the FCS are effective.

FCA's Antiharassment Policy and Complaint Process

FCA has an *Antiharassment Policy and Complaint Process* to ensure that the Agency will not tolerate harassment in the workplace or reprisal for raising or participating in a harassment complaint or opposing harassment. The objective of this audit is to review whether the Agency is handling harassment complaints in accordance with the

¹ The plan includes in process reviews, which are annotated as "in process" in each section.

antiharassment policy and whether the Agency is providing adequate training to employees and contractors on the policy's requirements.

FCA's Enterprise Risk Management 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 Enterprise Risk Management (ERM) capability. The objective of this audit is to determine the Agency's progress toward an ERM capability and whether the Agency has an adequate internal control program.

Follow-up Audit on FCA's Risk Project

In 2016, the OIG reviewed FCA's Risk Project. The Risk Project was developed to evaluate and acquire tools to conduct risk and statistical analysis of the FCS and to enable users to create reports and dashboards for data-driven decision-making. We identified opportunities to improve the Risk Project and future information technology investments. The objective of this audit is to evaluate the status of FCA's risk and statistical analysis initiatives.

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 objective of this audit is to determine whether the Agency is adequately utilizing resources to deliver high-quality and efficient training.

Agency Hiring Practices

Each year, human resources staff in FCA's Office of Agency Services work with management to fill positions across the Agency. The objective of this audit is to determine whether the Agency effectively utilizes authorities and methods to hire new employees.

Inspections

Separating Employee Process

FCA employees and contractors are granted accesses and provided equipment to perform their duties and responsibilities, which must be revoked and recovered, respectively, at the end of their employment. In addition, separating employees may provide management with useful insight about why they decided to leave the Agency. The objective of this inspection is to determine whether FCA has effective separation procedures for employees and contractors leaving the Agency.

Property Management

FCA has a property management program to ensure integrity, accuracy, and effective, timely accountability of property as it moves through the lifecycle. The objective of this inspection is to determine whether FCA is adhering to the property management policies and procedures.

Examination Staff Scheduling and Rotation

The Farm Credit Administration is required to examine each FCS institution at such times as the 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 policies and 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.

Diversity and Inclusion Efforts

FCA's Office of Equal Employment Opportunity and Inclusion manages and directs the Agency-wide diversity, inclusion, and equal employment opportunity program. The objective of this inspection is to analyze the Agency's implementation of diversity and inclusion efforts.

Peer Reviews

Peer Review of FCA OIG's Inspection Operations (in process)

A peer review will be conducted of FCA OIG's system of quality control for its inspection operations. This will be the first time the FCA OIG's inspection operations are peer reviewed since the Council of Inspectors General on Integrity and Efficiency established new requirements for peer reviews.

Peace Corps Inspections and Evaluations Peer Review

FCA OIG will provide an assist for the Peace Corps Inspection and Evaluation Peer Review beginning in January 2020. Work is expected to be complete by June 2020.

WANT TO LEARN MORE ABOUT...

Our past audit, evaluation, and inspection activities?

The OIG publishes copies of audit, evaluation, and inspection reports on [our website](#), and on [Oversight.gov](#).

Our strategic plans for future work?

The [OIG's Strategic Plan](#) outlines our mission, vision, goals, actions, and performance measures for the office.

Our budget?

The [OIG's Budget Allocations by Products and Services](#) presents our resource requirements and planned activities for fiscal years 2019 and 2020.

What we are semiannually reporting to Congress?

The [OIG's Semiannual Report to Congress](#) communicates the impact of our audit, inspection, evaluation, investigation, and outreach efforts during the previous 6-month period.

How to report fraud, waste, or abuse?

The [OIG Hotline](#) accepts tips and complaints from all sources about fraud, waste or abuse in FCA programs and operations.



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REPORT FRAUD, WASTE, ABUSE, & MISMANAGEMENT

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Email: fca-ig-hotline@rcn.com

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