



# FCA Board Meeting December 2022

Tab 3

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## Semi-Annual Report on Office of Examination Operations December 8, 2022

**Dan Fennewald, Deputy Director and  
Angela Greenlee, Director of Operations  
Office of Examination**





# OE Operations Agenda Topics

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- ▶ Fiscal Year 2022 Operating Plan Objectives:
  - Risk Supervision and Examination Activities
    - FY 2022 National Oversight Plan (NOP)
  - Public Mission
  - Operational Efficiency and Effectiveness
  - Human Capital Update
  
- ▶ Summary





# Risk Supervision & Examination Activities

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## FCS Institution Activities and Guidance:

- ▶ Conducted examination and/or oversight activities at all funding banks, all associations, and 8 other entities.
- ▶ Issued 53 reports of examination, 43 interim activity letters, and 76 FIRS Letters
- ▶ Conducted a higher level of supervisory oversight at four institutions
- ▶ Issued examination guidance





# Risk Supervision & Examination Initiatives

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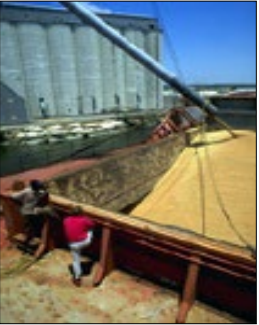
## OE Operating Plan Strategies & NOP Risk Topics:

### ▶ Cybersecurity and Loan Underwriting

- Completed all 7 strategies related to FCS technology initiatives, cybersecurity, LUS/risk ratings, drought, and cash grain analysis

### ▶ Public Mission

- Completed both strategies related to the Young, Beginning, and Small Farmers (YBS) rating system and best lending practices



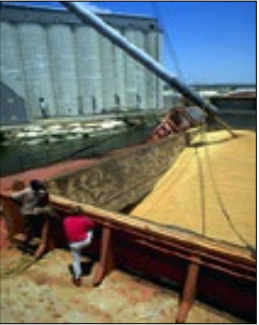


# Operational Efficiency & Effectiveness

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## OE Operating Plan Strategy:

- ▶ **Examination Tools & Technology Initiatives**
  - Completed strategies related to our Enterprise Documentation & Guidance application (EDGE) and our data analysis tools with assistance from the Office of Information Technology and the Office of Data Analytics and Economics



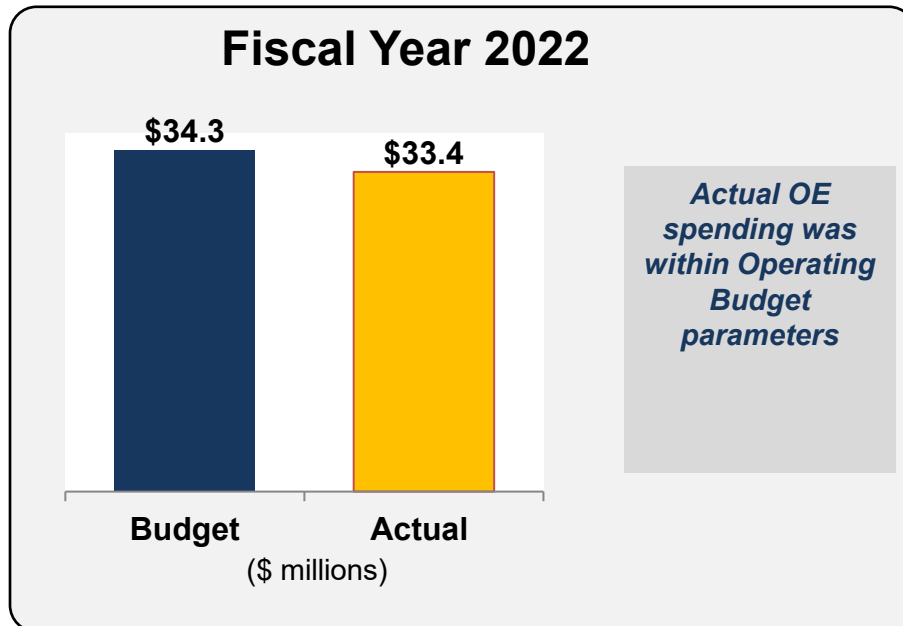




# Operational Efficiency & Effectiveness

## ▶ OE budget results (Fiscal Year ended 9/30/2022)

- Actual expenses were \$0.9 million under our \$34.3 million budget
- Actual Full Time Equivalentents (FTEs) were almost 10 under budget



FTEs	
▪ Budgeted Full Year FTEs	184.8
▪ Actual Full Year FTEs	175.0
Under Budget	-9.8





# Human Capital Update

- ▶ Hiring and developing Associate Examiners
- ▶ Development opportunities
- ▶ Post-commission training
- ▶ OE-All hybrid conference

## Total OE Staff

Total OE Staff	Planned	Actual	Variance
Beginning FY 2022	184	183	-1
Attrition   Retirements	-17	-32	-15
Hirings	16	22	6
Ending FY 2022	183	173	-10

## Commissioned Examiners

Commissioned Examiners	Planned	Actual	Variance
Beginning FY 2022	87	87	0
Attrition   Retirements	-8	-18	-10
Hirings	0	4	4
Newly Commissioned	10	11	1
Ending FY 2022	89	84	-5





# Summary

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- ▶ Effectively conducted oversight and examination activities throughout FY 2022
- ▶ Accomplished 2022 OE Operating Plan objectives and strategies
- ▶ Ended the fiscal year under budget
- ▶ Remained focused on ensuring OE had sufficient highly skilled staff to accomplish our mission







# Discussion

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**THANK YOU**