

FARM CREDIT ADMINISTRATION OFFICE OF INSPECTOR GENERAL



SEMIANNUAL REPORT TO CONGRESS

APRIL 1, 2024 – SEPTEMBER 30, 2024

FCAOIG

Farm Credit Administration
Office of Inspector General

A MESSAGE FROM THE ACTING INSPECTOR GENERAL

I am pleased to submit this Semiannual Report to Congress, summarizing the activities and accomplishments of the Farm Credit Administration (FCA or Agency) Office of Inspector General (OIG) for April 1, 2024, through September 30, 2024.

This six-month period, the OIG continued to promote economy and efficiency through its audit, inspection, and evaluation work. We completed an audit of FCA's telework and remote work program, which focused on ensuring that controls were established for the post-pandemic work environment. We also completed an annual, statutorily required evaluation of the Agency's information security program and practices. Through these reviews, the OIG made a total of eight recommendations to improve the administration of Agency programs.

This reporting period also saw the OIG strive to prevent and detect fraud, waste, and abuse at FCA. Throughout these six months, we maintained multiple avenues through which employees and others may report potential wrongdoing to the OIG and endeavored to timely and appropriately address each complaint received.

We also continued to take part in the projects of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Notably, we completed a peer review of the Election Assistance Commission OIG's audit function. We also welcomed a detailee through the CIGIE Fellows Program, which seeks to strengthen enterprise leadership across the government and oversight community.

Finally, on behalf of the OIG, I would like to express appreciation for the continuing support of the FCA Board and all Agency employees, whose professionalism and cooperation is essential to our oversight.



Nicholas Novak

Acting Inspector General



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ACRONYMS AND ABBREVIATIONS

CIGIE	Council of the Inspectors General on Integrity and Efficiency
Farmer Mac	Federal Agricultural Mortgage Corporation
FCA (or Agency)	Farm Credit Administration
IG	Inspector General
IG Act	Inspector General Act of 1978, as amended
OIG	Office of Inspector General
OMB	U.S. Office of Management and Budget
Pub. L.	Public Law
System	Farm Credit System
U.S.	United States
U.S.C.	United States Code

BACKGROUND

The Farm Credit System

First established in 1916, the Farm Credit System (System) is a nationwide network of borrower-owned cooperative financial institutions and service organizations. A government-sponsored enterprise, the System is designed to better the income and well-being of farmers, ranchers, and rural America by providing a safe and reliable source of credit and related financial services.

As of July 1, 2024, the System consisted of three farm credit banks, one agricultural credit bank, one federal land credit association, and 55 agricultural credit associations that primarily make loans to support agriculture in all 50 states and Puerto Rico, as well as six service corporations that provide administrative, technology-related, and other support services to certain System entities and eligible borrowers.

Created in 1988, the Federal Agricultural Mortgage Corporation (Farmer Mac) provides a secondary market for agricultural loans. A stockholder-owned, federally chartered corporation, Farmer Mac is an institution of the System, but is not liable for any debt or obligation of any other System institution.

The Farm Credit Administration

The Farm Credit Administration (FCA or Agency) is the independent federal agency responsible for ensuring that the System remains a dependable source of credit for agriculture and rural America. Authorized by the Farm Credit Act of 1971, as amended,¹ FCA ensures the safety and soundness of System institutions by issuing policies and regulations and by regularly examining System institutions. FCA has five office locations and over 300 employees.



FCA is overseen by a three-person board, members of which are appointed by the President, with the advice and consent of the Senate. The Chairman—who is designated by the President and serves in that role until the end of the Chairman’s term—also serves as the Agency’s Chief Executive Officer. Throughout the reporting period, the Board had three members: Board Chairman Vincent G. Logan, Board Member Jeffery S. Hall, and Board Member Glen R. Smith.

The Office of Inspector General

Established in January 1989, the Office of Inspector General (OIG) is charged with the task of providing independent and objective oversight of FCA programs and operations. It carries out this responsibility as authorized by, and in accordance with, the Inspector General Act of 1978, as amended² (IG Act), by conducting and supervising audits, inspections, evaluations, and investigations; promoting economy and efficiency; preventing and detecting fraud, waste, and abuse; and keeping the FCA Board and Congress fully and currently informed about problems and deficiencies related to FCA.

¹ 12 U.S.C. § 2001 *et seq.*

² 5 U.S.C. §§ 401–424.



Located within FCA, the OIG operates independently—outside the direction of Agency leadership. While the Inspector General (IG) is appointed by and serves under the general supervision of the FCA Board, neither the Board nor any other Agency official may prevent or prohibit the IG from carrying out an oversight activity that the IG determines to be necessary or appropriate. The IG also exercises discretion in OIG employment and contracting decisions, further safeguarding the office’s independent status. This independence is necessary to ensure that OIG products meet the highest standards of objectivity and credibility.

The OIG is led by the IG. Reporting to the IG are the Assistant Inspector General for Audits, Inspections, and Evaluations and the Counsel to the Inspector General/Assistant Inspector General for Investigations. The Assistant Inspector General for Audits, Inspections, and Evaluations supervises the audit staff and oversees the audit, inspection, and evaluation functions. The Counsel to the Inspector General/Assistant Inspector General for Investigations supervises the OIG Investigator and oversees the investigative function.

The Council of the Inspectors General on Integrity and Efficiency

The FCA IG also serves as a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Composed of the federal inspectors general and certain other federal officials, CIGIE was established to address cross-agency issues of integrity, economy, and effectiveness and to improve the professionalism and effectiveness of OIG personnel. OIG staff regularly participate on CIGIE committees and initiatives, as discussed in this report.



STRATEGIC PLAN

In October 2024, the OIG adopted a five-year [strategic plan for fiscal years 2025 to 2029](#). The plan details the mission, vision, values, goals, and objectives of the OIG in carrying out its responsibilities under the IG Act.

The OIG's mission, vision, values, and goals are outlined below.

Mission

To provide independent oversight to promote economy, efficiency, and effectiveness, and prevent and detect fraud, waste, and abuse in Farm Credit Administration programs and operations.

Vision

To facilitate continuous improvement through objective and trusted oversight.

Values

Objectivity, Integrity, Relevance, and Respect

Goals

- 1) Promote Economy and Efficiency
- 2) Prevent and Detect Fraud, Waste, and Abuse
- 3) Strengthen Internal and External Relationships
- 4) Foster a Dynamic and Inspiring Workplace



PERFORMANCE MEASURES

The OIG's [strategic plan for fiscal years 2020 to 2024](#), revised in September 2021, set forth several measures against which the OIG assessed its performance. Each of these performance measures was associated with one of the OIG's strategic objectives, which, in turn, serve the strategic goals described in the plan. The following describes some of the OIG's actions that were relevant to those performance measures during fiscal year 2024, which encompassed this six-month reporting period as well as the immediately preceding period.

Strategic Objective 1.1 Execute value-added audits, inspections, and evaluations

Annually develop an oversight agenda based on Agency mission, risk, activities, and management.

In September 2023, the OIG published an [audit, inspection, and evaluation plan for fiscal years 2024-2025](#). In October 2024, the OIG published an [audit, inspection, and evaluation plan for fiscal years 2025-2026](#).

Complete products in an average time of six months.

The OIG completed five audit, inspection, and evaluation projects in an average time of 157 days, under six months (182.5 days). Excluding reviews performed under contract by external firms, the OIG completed four projects in an average time of 140.5 days.

At least annually, complete a quality assurance review to ensure compliance with professional standards and office policies and procedures.

As discussed later in this report, the OIG completed an internal quality assurance review of its audit, inspection, and evaluation functions on August 29, 2024.

Strategic Objective 1.2 Produce impactful products

Make recommendations, as necessary, to management and monthly track recommendation status until closure.

The OIG made 13 recommendations during fiscal year 2024. The OIG tracked the status of those recommendations on an ongoing basis through its follow-up database and reported open recommendations to the FCA Board on a monthly basis. The OIG also maintained a [list of open recommendations on Oversight.gov](#).

Strategic Objective 1.3 Ensure we have a diverse, professional, and highly skilled workforce

Comply with mandatory training requirements and maintain professional certifications.

All OIG staff remained on track to meet training requirements and maintain certifications as required by OIG policy and relevant professional standards.

Promote diversity, equity, inclusion, and accessibility.

During fiscal year 2024, the OIG endeavored to improve office awareness of diversity, equity, inclusion, and accessibility issues through training, participation in FCA special emphasis programs, and involvement in the CIGIE Employee Engagement and Innovation Committee.

Strategic Objective 2.1 Address potential matters of wrongdoing and misconduct with proficiency, independence, and due professional care

Initially evaluate all FCA OIG hotline calls, emails, and other submissions within two business days of receipt.

Of 62 complaints received during fiscal year 2024, the OIG acknowledged (where acknowledgement was possible) or assigned an appropriate disposition action within two business days of receipt for 58 complaints (93.5%).

Monthly track the status of allegations and investigations to ensure timely actions.

The OIG tracked the status of all allegations received on an ongoing basis.

Perform or undergo annual reviews to ensure investigative activities are conducted in accordance with quality standards and internal policies and procedures.

The OIG concluded an internal control review of its investigative function in October 2023.

Strategic Objective 2.2 Provide an independent mechanism to report fraud, waste, and abuse

Maintain a hotline from a source independent of the Agency.

Throughout the fiscal year, the OIG maintained a hotline email account procured through a commercial provider.

Promote awareness of hotline avenues.

The OIG promoted awareness of the various ways to submit complaints on the OIG's website, on the back cover of OIG reports, and through posters displayed in Agency common areas.

Strategic Objective 2.3 Educate employees and contractors on fraud and whistleblower rights and protections

At least twice annually, educate employees on fraud, waste, abuse, mismanagement, and whistleblower protections.

The OIG educated FCA employees on these subjects as part of presentations to FCA employees, during meetings with new Agency supervisors, and in the OIG's quarterly intra-agency newsletter.

Strategic Objective 3.1 Listen to and understand the needs, challenges, and interests of our stakeholders

Monthly track reviews of relevant existing or proposed legislation and regulations.

In fiscal year 2024, the OIG tracked items reviewed on an ongoing basis and reported on related OIG actions in monthly status reports.

Quarterly conduct a confidential survey of Farm Credit System institutions on the effectiveness of the Agency's examination program.

The OIG surveyed System institutions on a quarterly basis throughout fiscal year 2024. The OIG published survey reports on [March 29, 2024](#), and [August 14, 2024](#).

Annually conduct at least four outreach initiatives with employees.

Throughout fiscal year 2024, the OIG conducted outreach to FCA employees through issuance of its quarterly intra-agency newsletter, *The dIG*. In December, the OIG hosted a holiday open house in its office suite. The OIG also provided a year-in-review presentation at the January 11, 2024 meeting of the FCA Board. Finally, beginning in August 2024, OIG personnel made visits to each of FCA's field offices to provide an overview of the OIG's work.

Strategic Objective 3.2 Report to and fully inform the FCA Board and Congress**Issue the OIG Semiannual Report to Congress within 30 days of the end of each reporting period.**

In accordance with the IG Act, the OIG transmitted its Semiannual Reports to Congress to the FCA Board on October 31, 2023, and April 30, 2024, respectively.

At least annually, brief Congressional oversight committees on OIG activities.

The OIG provided briefings to majority and minority staff of the House and Senate agricultural oversight committees in January 2024.

Post all audit, inspection, and evaluation reports within three business days of issuance to the FCA Board.

All final audit, inspection, and evaluation reports issued during fiscal year 2024 were posted to the OIG's website and to Oversight.gov within three business days of issuance to the FCA Board.

At least quarterly, brief FCA Board members on OIG activities.

The IG provided quarterly briefings to each FCA Board member in fiscal year 2024.

Strategic Objective 3.3 Participate in and engage with the IG Community**Monthly participate in CIGIE committees, work groups, or initiatives.**

As discussed in greater detail later in this report, OIG personnel participated extensively in CIGIE committees and work groups throughout fiscal year 2024.

AUDITS, INSPECTIONS, AND EVALUATIONS

The OIG regularly performs audits, inspections, and evaluations of FCA programs and operations. In so doing, OIG personnel seek to provide timely, credible, and relevant information to Agency leadership, Congress, other stakeholders, and the general public. FCA OIG audits are performed in accordance with



generally accepted government auditing standards issued by the U.S. Government Accountability Office, while inspections and evaluations adhere to the CIGIE *Quality Standards for Inspection and Evaluation*.

In planning its audits, inspections, and evaluations, the OIG employs a risk-based approach that accounts for prior oversight work, the control environment, input from the FCA Board and senior management, statutory requirements, and resources. For more information, and to learn about future OIG work, please see the [audit, inspection, and evaluation plan for fiscal years 2024 and 2025](#).

Reports issued may be found on the [OIG website](#) within three business days of issuance to the FCA Board. To receive a notification when a new report is published, please [subscribe](#) to the OIG mailing list. Reports are also posted on [Oversight.gov](#), a consolidated repository for the oversight work of federal inspectors general. Oversight.gov allows users to sort, search, and filter the site’s database to find reports of interest.



Summaries of Reports Issued

The OIG issued two reports and made eight recommendations for corrective action during the reporting period. The reports are summarized below.

2024 Evaluation of the Farm Credit Administration’s Compliance with the Federal Information Security Modernization Act E-24-01

Information technology facilitates and impacts all aspects of FCA operations. As such, securing Agency systems against cybersecurity threats and efficiently addressing requirements are vital to the fulfillment of FCA’s mission. Under the Federal Information Security Modernization Act of 2014 (FISMA),³ the OIG is required to conduct an annual independent evaluation of FCA’s information security program and practices to determine their effectiveness.

In accordance with guidance developed by the U.S. Office of Management and Budget (OMB), CIGIE, and other stakeholders, the OIG assessed FCA’s performance with respect to 20 core metrics and 17 supplemental metrics across nine domains: risk management, supply chain risk management, configuration management, identity and access management, data protection and privacy, security training, information security continuous monitoring, incident response, and contingency planning. For

³ 44 U.S.C. § 3555(b)(1).

each domain, FCA's effectiveness was ranked according to a maturity model ranging from "ad-hoc" (level 1) to "optimized" (level 5). According to the FISMA metrics, a "managed and measurable" (level 4) information security program is considered to be operating at an effective level of security.

Based on the 37 metrics reviewed, the evaluation determined that FCA had implemented an effective information security program for fiscal year 2024. The Agency also continued to improve its information security program and made progress in implementing recommendations in previous FISMA reviews. However, the OIG identified opportunities to improve certain aspects of the Agency's information security program and made three corresponding recommendations. The Agency agreed with and provided responsive corrective actions for all recommendations made in the report.

The OIG issued the [evaluation report](#) on July 26, 2024.

Farm Credit Administration's Telework and Remote Work Program A-24-01

The coronavirus pandemic highlighted many of the benefits of telework and remote work, sparking a focus on telework as a tool for delivering mission-critical services safely and effectively. FCA offers flexibility to employees in a hybrid operating model that includes both required time in the office and telework and remote work options. The objective of this audit was to determine whether FCA had implemented controls over its telecommuting and remote work program and whether the process was efficient and effective.

To answer the objective, the OIG reviewed and analyzed telework data from the Agency's internal timekeeping system, assessed whether employee telework agreements had been completed and approved, and reviewed other Agency data that tracked in-office work. The OIG also tested Agency documentation related to remote work arrangements, reviewed FCA reporting, and determined whether the Agency complied with mandatory telework training requirements.

The OIG found that FCA designed and implemented certain controls over the telework and remote work program and had taken steps to allow for an efficient and effective program. Of note, FCA implemented a telework and remote work program, developed a process to establish annual telework agreements, and provided relevant training for employees and supervisors. However, the OIG identified certain inconsistencies in telework agreements, training, remote work approvals, and overall monitoring of the program. The OIG also identified opportunities to design and implement a more effective, efficient, and modernized system. The OIG made five corresponding recommendations, all of which the Agency agreed with and provided responsive corrective actions for.

The OIG issued the [audit report](#) on July 8, 2024.

Recommendations Made During the Reporting Period

Table 1 shows all recommendations for corrective action made during the reporting period.

Table 1

Report	Recommendation	
2024 Evaluation of the Farm Credit Administration's Compliance with the Federal Information Security Modernization Act	1	Not publicly disclosed.
	2	Not publicly disclosed.
	3	Not publicly disclosed.
Farm Credit Administration's Telework and Remote Work Program	1	The Office of Inspector General recommends the Office of Agency Services update Agency-wide policies and procedures to reflect current telework and remote work processes, including minimum in-office requirements per pay period, locality pay determinations for remote work employees within the local commuting area, and controls over the program.
	2	The Office of Inspector General recommends the Office of Agency Services evaluate whether the telework agreement and work schedule forms can be combined into one solution.
	3	The Office of Inspector General recommends the Office of Agency Services, in conjunction with other offices, modernize the telework agreement form through automation, where practicable, to implement additional controls over completion, approval, and safety considerations.
	4	The Office of Inspector General recommends the Office of Agency Services administer telework training to employees with no training documented.
	5	The Office of Inspector General recommends the Office of Agency Services develop a standardized process to document remote work requests that address and document required considerations, approvals, and renewals.

In Progress

Below are the audits, inspections, and evaluations in progress at the end of the reporting period.

Farm Credit Administration's Financial Statements Fiscal Year 2024

FCA is required annually to submit financial statements to Congress and to OMB. Those financial statements must be audited in accordance with generally accepted government auditing standards by the IG or an independent external auditor, as determined by the IG. The OIG has contracted with an independent public accounting firm to perform this audit for fiscal year 2024. The OIG is monitoring the work of the firm.

Farm Credit Administration's Inclusion of the Whistleblower Protection Enhancement Act's "Anti-gag" Statement in Nondisclosure Materials

It is a prohibited personnel practice for agencies to implement or enforce a nondisclosure policy, form, or agreement that does not incorporate a specific "anti-gag" statement. This statement notifies employees that the policy, form, or agreement does not supersede whistleblower protections. The objective of the inspection is to determine whether the Agency has included the "anti-gag statement" in applicable nondisclosure policies, forms, agreements, and related documents.

INVESTIGATIONS

The OIG has broad discretion to carry out investigations related to FCA programs and operations that the IG determines to be necessary or appropriate. The range of matters falling within the OIG’s investigative purview is expansive, encompassing potential violations of law, rules, or regulations; mismanagement; abuses of authority; and more. Investigative activities may be initiated upon allegations or referrals received from a variety of sources, including, but not limited to, FCA employees or contractors, congressional committees, other agencies, System institutions, or members of the public. The OIG may also investigate potential fraud, waste, abuse, and mismanagement identified through OIG audits, inspections, and evaluations.

In exercising its investigative authorities, the OIG works to develop products that are timely, clear, and credible, and to guard the identities of those who provide information to the OIG or are the subject of complaints. All investigations are carried out in accordance with the CIGIE *Quality Standards for Investigations*.

Table 2 summarizes major investigative activity during the reporting period.

Table 2

Metric	Number
Investigative reports issued ⁴	0
Persons referred to the U.S. Department of Justice for criminal prosecution	0
Persons referred to state and local prosecuting authorities for criminal prosecution	0
Indictments and criminal informations that resulted from any prior referral to prosecuting authorities	0

Complaint Activity

FCA employees and others may confidentially report potential fraud, waste, abuse, or mismanagement to the OIG in-person or via telephone, email, mail, or OIG’s online complaint form. Table 3 shows the disposition of complaints received during the reporting period or carried over from a previous reporting period.

Table 3

Action Taken	Number
Closed after investigation	0
Closed after review with no further specific investigative action ⁵	15
Referred to an FCA program manager	11
Referred to other federal, state, or local agency or authority	0
Under review at the end of the reporting period ⁶	6
Total	32

⁴ This metric does not include memoranda memorializing the closure or referral of complaints.

⁵ May include matters closed for lack of jurisdiction; closed after preliminary inquiry; referred to the OIG’s audit, inspection, and evaluation function; closed due to a non-responsive complainant; or closed as a non-complaint.

⁶ Includes all open complaints, including those under investigation at the end of the reporting period.

OTHER REPORTS AND REVIEWS

The OIG also conducts reviews that do not fit the description of an audit, inspection, evaluation, or investigation. These projects are typically undertaken in accordance with a statutory requirement, for quality assurance purposes, or to otherwise provide comprehensive oversight of FCA programs and operations. Below are summaries of such reviews that were completed during the reporting period.

Survey of Farm Credit System Institutions Regarding the Agency's Examination Function

Each quarter, the OIG surveys recently examined System institutions on FCA's examination function. Survey questions seek the institution's views on several matters, ranging from the appropriateness of the examination's scope and the examiners' conduct to the helpfulness of any recommendations or required actions. The survey employs a numerical rating system and allows for institutions to provide narrative responses as well as to call the OIG with any concerns. The OIG collects, aggregates, and anonymizes survey responses for distribution semiannually to the FCA Board and Chief Examiner.

The OIG issued a [survey report](#) on August 14, 2024, detailing responses from System institutions examined during the first and second quarters of fiscal year 2024. Prior survey reports are available on the [OIG's online reports page](#).

2024 Internal Quality Assurance Review

The OIG conducted an internal quality assurance review of its audit, inspection, and evaluation functions to determine whether OIG procedures were established, implemented, and operating effectively. The review determined that internal policies and procedures were effective and followed for audits, inspections, and evaluations completed between September 1, 2023, and July 31, 2024. Completed on August 29, 2024, the review noted no systemic issues or weaknesses and therefore made no recommendations.

OUTREACH, COLLABORATION, AND OTHER INITIATIVES

FCA Employees

The cooperation of FCA employees is essential to all aspects of OIG oversight. Accordingly, the OIG has several ongoing initiatives geared toward educating FCA employees on the OIG's mission and authorities. These include a quarterly intra-agency newsletter, *The dIG*, which spotlights the office's functions and provides recent examples of OIG oversight products government-wide. The OIG has also promoted awareness of its mission and functions through presentations to FCA employees, its public-facing website, and displaying of posters in Agency common areas.

Congress

In the interest of fulfilling its responsibility to keep Congress fully and currently informed about problems and deficiencies relating to FCA programs and operations, the OIG endeavors to respond expeditiously to all congressional requests and to periodically brief oversight committees on recent OIG activity. This reporting period saw the OIG initiate, after receiving a congressional request, an inspection of FCA's inclusion of a required "anti-gag" statement in nondisclosure policies, forms, and agreements.

Inspector General Community

The OIG is active in the IG community, with staff lending their efforts and expertise to the work of various CIGIE committees, working groups, and initiatives, including:

- The CIGIE Audit Committee;
- The CIGIE Employee Engagement and Innovation Committee;
- The CIGIE Inspection and Evaluation Committee, under the purview of which OIG Senior Auditor Christopher Coccaro chaired the Inspection and Evaluation Roundtable;
- The CIGIE Legislation Committee;
- The Council of Counsels to the Inspectors General;
- The Assistant Inspectors General for Investigations Subcommittee; and
- The Whistleblower Protection Coordinators Working Group.

Reviews of Proposed Legislation, Regulations, and Policies

The OIG reviews proposed and existing legislation, regulations, and policies that affect Agency programs and operations or the mission and functions of the OIG. When appropriate, the OIG makes recommendations regarding the impact of such legislation, regulations, and policies on economy or efficiency, the prevention and detection of fraud, waste, and abuse, or the integrity and independence of the OIG. This reporting period, the OIG provided input on draft revisions to OMB guidance on audit follow-up processes and on proposed procedures for identifying CIGIE legislative priorities.

APPENDIX I: PEER REVIEWS

To ensure adherence to relevant professional standards, each OIG is subject to periodic external peer reviews. Information on peer reviews conducted by and of the FCA OIG is provided below.

Reports of external peer reviews of FCA OIG operations may be found on the [OIG's online reports page](#) and on [Oversight.gov](#). Reports of peer reviews conducted by the FCA OIG may be located on the websites of the reviewed OIGs.

Audit

Generally accepted government auditing standards require an organization conducting audits in accordance with those standards to undergo an external peer review at least once every three years. These peer reviews conclude in a rating of *pass*, *pass with deficiencies*, or *fail*. A rating of *pass* signifies that the audit organization's system of quality control has been suitably designed and complied with to provide the organization with reasonable assurance of performing and reporting in conformity with applicable professional standards and legal and regulatory requirements in all material respects.

The FCA OIG's audit function was not subject to peer review during the reporting period. The most recent peer review was completed by the Federal Trade Commission OIG on June 9, 2022. The FCA OIG received the highest rating available, *pass*, and [the report](#) made no recommendations for corrective action.

On September 6, 2024, the FCA OIG issued a peer review [report](#) of the Election Assistance Commission OIG's audit function, which received a rating of *pass*. The FCA OIG also issued a letter of comment setting forth findings not considered to be of sufficient significance to affect the opinion expressed in the report.

Inspection and Evaluation

The CIGIE *Quality Standards for Inspection and Evaluation* require members of CIGIE that conduct inspections or evaluations under those standards to undergo an external peer review every three years. For inspection and evaluation peer reviews conducted before April 1, 2024, reports did not include an overall rating (such as *pass* or *fail*) but stated whether the reviewed OIG's policies and procedures were generally consistent with CIGIE standards and whether the OIG's work generally complied with those standards.

The FCA OIG's inspection and evaluation function was not subject to peer review during the reporting period. The most recent peer review was completed by the Securities and Exchange Commission OIG on July 8, 2022. The FCA OIG received the highest rating available and [the report](#) made no recommendations for corrective action.

At the end of the reporting period, the FCA OIG had begun planning for an inspection and evaluation peer review of the U.S. Agency for International Development OIG.

Investigation

CIGIE's *Qualitative Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General* establish an independent external evaluation process for investigative operations. The objective of an investigative peer review is to determine whether internal control systems are in place and operating effectively to provide reasonable assurance that an OIG's investigative operations comply with CIGIE's *Quality Standards for Investigations*. Reviewed OIGs are assessed a rating of *compliant* or *non-compliant*. While the guidelines do not mandate that OIGs without statutory law enforcement authority—like the FCA OIG—undergo investigative peer reviews, they encourage voluntary participation.

The FCA OIG did not undergo an investigative peer review during the reporting period. The OIG's investigative function is scheduled to be peer reviewed in spring 2025. The [most recent peer review](#) of the FCA OIG's investigative program was performed by the Securities and Exchange Commission OIG for the one-year period ending September 30, 2007.

At the end of the reporting period, the FCA OIG had begun planning for an investigative peer review of the Federal Election Commission OIG.

Outstanding Recommendations

There are no outstanding recommendations from any peer review conducted by another OIG that have not been fully implemented.

There are no recommendations from any peer review conducted by the FCA OIG that remain outstanding or that have not been fully implemented.

APPENDIX II: REPORTS ISSUED

Table 4 lists all audit, inspection, and evaluation reports issued during the reporting period. For each report, Table 4 lists the dollar value of questioned costs (including the dollar value of unsupported costs), the dollar value of recommendations that funds be put to better use, and whether a management decision had been made by the end of the reporting period.

Table 4

Report Title	Dollar Value of Questioned Costs		Dollar Value of Recommendations that Funds be Put to Better Use	Management Decision Made by the End of the Reporting Period
	Total	Unsupported		
2024 Evaluation of the Farm Credit Administration’s Compliance with the Federal Information Security Modernization Act	\$0	\$0	\$0	Yes
Farm Credit Administration’s Telework and Remote Work Program	\$0	\$0	\$0	Yes

Definitions

Management Decision: The evaluation by agency management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to the findings and recommendations, including actions concluded to be necessary.

Questioned Cost: A cost that is questioned by the OIG because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; a finding that, at the time of the audit, the cost is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Recommendation that Funds be Put to Better Use: A recommendation that funds could be used more efficiently if agency management took actions to implement and complete the recommendation, including reductions in outlays; de-obligation of funds from programs or operations; withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; costs not incurred by implementing recommended improvements related to the operations of the agency, a contractor, or grantee; avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or any other savings which are specifically identified.

Unsupported Cost: A cost that is questioned by the OIG because the OIG found that, at the time of the audit, such cost is not supported by adequate documentation.

APPENDIX III: OPEN RECOMMENDATIONS

Table 5 identifies recommendations made before the reporting period, for which corrective action had not been completed as of September 30, 2024, including the potential cost savings associated with the recommendation. An up-to-date list of open OIG recommendations may be found at [Oversight.gov/recommendations](https://www.oversight.gov/recommendations).

Table 5

Report	Recommendation	Potential Cost Savings
The Identification and Mitigation Efforts for Key Position and Personnel Dependencies at the Farm Credit Administration	1 The Office of Inspector General recommends the Farm Credit Administration provide guidance to Office Directors on how to identify and mitigate key position and personnel dependencies to strengthen an Agency-wide succession program.	\$0
	2 The Office of Inspector General recommends the Farm Credit Administration analyze whether the current office structures and use of grade levels allow for proper mitigation of succession risk.	\$0
	4 The Office of Inspector General recommends the Farm Credit Administration direct each office to identify skills and abilities in their offices to understand gaps, risks, and opportunities to assist in succession management activities where such identifications have not already been performed.	\$0
	5 The Office of Inspector General recommends the Farm Credit Administration analyze whether individual development plans should be required or whether other methods could be employed to ensure that career goals, developmental opportunities, and training needs are addressed.	\$0
	Farm Credit Administration's Process for Merger Activities in the Farm Credit System	2 The Office of Inspector General recommends the Office of Regulatory Policy design and implement controls over merger files to ensure information is fully documented in an organized system.

INDEX OF REPORTING REQUIREMENTS

The following is an index to semiannual reporting requirements found at 5 U.S.C. § 405(b).⁷

Description	Page
(1) Significant problems, abuses, and deficiencies relating to the administration of FCA programs and operations and associated reports and recommendations for corrective action made by the OIG	7-9
(2) Recommendations made before the reporting period, for which corrective action has not been completed	16
(3) Summary of significant investigations closed during the reporting period	None
(4) Convictions during the reporting period resulting from investigations	None
(5) Information regarding each audit, inspection, or evaluation report issued during the reporting period	15
(6) Management decisions made with respect to any audit, inspection, or evaluation issued during a previous reporting period	None
(7) Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	None
(8) Peer reviews conducted by another OIG	13-14
(9) Recommendations from any peer review conducted by another OIG that have not been fully implemented	14
(10) Peer reviews conducted of another OIG, including recommendations made from any previous peer review that remain outstanding or have not been fully implemented	13-14
(11) Statistical tables for investigations and referrals	10
(12) Metrics for developing investigative statistics	10
(13) Investigations involving a senior government employee where allegations of misconduct were substantiated	None
(14) Instances of whistleblower retaliation	None
(15)(A) Agency attempts to interfere with the independence of the OIG	None
(15)(B) Reports made under 5 U.S.C. § 406(c)(2)	None
(16)(A) Closed audits, inspections, and evaluations not disclosed to the public	None
(16)(B) Closed investigations involving a senior government employee not disclosed to the public	None

There were no contract audit reports issued during the reporting period that would be reportable under section 845 of the National Defense Authorization Act for Fiscal Year 2008.⁸

⁷ Reflects amendments made in the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. 117-263, § 5273 (Dec. 23, 2022) to the IG Act, 5 U.S.C. app. § 5. The IG Act was recodified at 5 U.S.C. §§ 401–424 shortly thereafter by Pub. L. 117-286 (Dec. 27, 2022), but the recodification did not address the changes effected in the December 23 act.

⁸ Pub. L. 110-181 (Jan. 28, 2008).



Farm Credit Administration
Office of Inspector General

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