FCA OIG

FARM CREDIT ADMINISTRATION
OFFICE OF INSPECTOR GENERAL

Annual Audit, Inspection, and Evaluation Plan

Fiscal Years 2027 - 2028

September 16, 2026

A Message from the Inspector General

I am pleased to present the Farm Credit Administration (FCA or Agency) Office of Inspector General's (OIG) Annual Audit, Inspection, and Evaluation Plan for Fiscal Years 2027–2028. This Plan identifies the OIG's ongoing and future audits, inspections, and evaluations intended to strengthen FCA, enhance the effectiveness of its operations, and support the Agency's mission of ensuring a safe and dependable source of credit for agriculture and rural America.

This Plan reflects the OIG's commitment to providing timely, high-quality, and objective oversight that promotes accountability, efficiency, effectiveness, and continuous improvement. Through our work, we seek to identify opportunities to strengthen internal controls, improve program performance, safeguard resources and information, enhance regulatory and supervisory processes, and address conditions that could contribute to fraud, waste, abuse, or mismanagement.

The OIG also recognizes that the greatest value of oversight is achieved when our work results in meaningful and sustainable improvements. We therefore strive to communicate clearly with FCA leadership and program offices, provide practical and actionable recommendations, and maintain constructive working relationships with our stakeholders. By sharing information, coordinating our efforts, and engaging stakeholders throughout the oversight process, we seek to support informed decision-making and maximize the impact of our work.

In developing this Plan, the OIG considered multiple sources of information and several factors, including:

- Mandatory requirements for OIG reviews established in laws, regulations, or other directives;
- Concerns raised by Congress;
- Input from FCA leadership, program offices, and other stakeholders;
- Top management challenges facing FCA;
- Results and insights from prior FCA OIG oversight work;
- Work conducted by other oversight organizations (e.g., OIGs, Government Accountability Office);
- Available OIG and FCA resources, staff expertise, timing, and workload; and
- The potential for meaningful, positive impact that supports the Agency in fulfilling its mission.

The projects included in this Plan represent the OIG's current assessment of the areas in which oversight can provide the greatest value with our current staffing and budgetary resources. The Plan is intended to guide the OIG's work while allowing sufficient flexibility to respond to emerging risks, unforeseen circumstances, requests from Congress or other oversight bodies, and changes in FCA's operating environment. Accordingly, the OIG may revise the timing, scope, or priority of planned activities as circumstances warrant.

This Plan supersedes previously issued audit, inspection, and evaluation plans. The OIG will review the Plan at least annually and update the listing of ongoing and future projects, as needed, to ensure that its oversight activities remain relevant, timely, risk-based, and responsive to the needs of FCA. Through this continuing process, the OIG will focus its resources on work that promotes positive change, strengthens accountability, and supports the effective achievement of FCA's mission.

Overview

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.

Audit, Inspection, and Evaluation Plan

This Plan presents the work that the OIG's Office of Audits, Inspections, and Evaluations are conducting and have planned to assist FCA in fulfilling its mission. Our independent oversight is statutorily mandated by the Inspector General Act of 1978, as amended, and other federal statutes, such as the Federal Information Security Modernization Act of 2014 (FISMA).

This Plan is updated annually. We allocate projects under three categories: ongoing, scheduled, and future.

- Ongoing: The project is underway; the description of the project includes the fiscal year quarter in which we expect to complete the project.
- Scheduled: The project team will initiate the project and outline the fiscal year quarter beginning date.
- Future: The project is conceptual and may not be undertaken. For a list of issued reports, please view the Reports page on our website.

We may be required to undertake unanticipated work in response to congressional or agency requests, OIG hotline complaints, new statutory mandates, or other emergent inputs. Our planned activities may be adjusted as resources, needs, or circumstances evolve. These factors—as well as resource constraints—can lead us to defer, cancel, or modify projects. Maintaining agility is essential to our effectiveness.

OIG staff are also required to conduct peer reviews of other OIGs' audit and inspection organizations. In addition to working on projects that often result in reports, the OIG's work portfolio also includes investigative activities and an annual survey of Farm Credit System (System) institutions.

For congressional, media, or other inquiries, please email OIGExternalAffairs@fca.gov.

How We Plan Our Work

We focus on those programs and operations in which potential deficiencies pose the highest risk to FCA in achieving its strategic goals, objectives, and priorities; meeting budgetary and financial commitments; and complying with applicable laws, regulations, and guidance.

We assess relative risks in FCA operations to identify those areas most important given the environment and, accordingly, to set priorities for resources to be allocated. In evaluating potential projects to undertake, we consider a number of factors, including:

- Mandatory requirements for OIG reviews established in laws, regulations, or other directives;
- Concerns raised by Congress;
- Input from FCA leadership, offices, and other stakeholders;
- Prior audit, inspection, evaluation, and investigative findings, including the status of corrective actions;
- Top management challenges facing FCA;
- Results and insights from prior FCA OIG oversight work;
- The strength and maturity of the agency's control environment;
- Management's progress in implementing recommendations from previous OIG reviews;
- Work conducted by other oversight organizations (e.g., OIGs, Government Accountability Office);
- The potential for meaningful, positive impact that furthers the Agency in fulfilling its mission;
- Emerging issues, changes in regulations, technology, economic conditions, and operating environments;
- Opportunities to improve efficiency, strengthen controls, and achieve measurable results;
- The potential return on investment and the likelihood that the work will produce meaningful outcomes;
- Available OIG and FCA resources, staff expertise, timing, and workload; and
- The need to maintain appropriate coverage across FCA's programs and operations.

Oversight Areas

This Audit, Inspection, and Evaluation Plan establishes a framework for independent oversight focused on identifying risks, strengthening operations, promoting accountability, and supporting the organization's mission. The oversight areas are aligned with the top management challenges facing the Agency and are designed to guide targeted audits, inspections, and evaluations that assess program effectiveness, safeguard resources, and help ensure the Agency remains well-positioned to meet its responsibilities.

Supervision and Examination Oversight

Borrower Protection and Public Confidence

Technology and Cybersecurity

Workforce Integrity and Readiness

Resources and Operating Stewardship

Financial Administration and Accountability

Ongoing Projects

Audit of FCA's Financial Statements for the Year Ending September 31, 2026

To be completed first quarter 2027

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 and report on internal control over financial reporting and compliance with laws and regulations relating to the determination of financial statement amounts. The OIG will transmit the independent accounting firm's opinion to the Agency. The OIG will ensure that the independent accounting firm incorporates an appropriate audit scope and deliverables within appropriate time frames.

Audit of the Office of Secondary Market Oversight 's Examination and Supervisory Functions

To be completed second quarter 2027

Section 8.11 of the Farm Credit Act established the authority of the Office of Secondary Market Oversight (OSMO) to examine the Federal Agricultural Mortgage Corporation (Farmer Mac) and for general supervision of the safe and sound performance of Farmer Mac. The objective of this audit is to determine whether OSMO's oversight of Farmer Mac is effectively designed and implemented.

Scheduled Projects

Inspection of FCA's Compliance with the Payment Integrity Information Act

To begin second quarter 2027 and 2028

The Payment Integrity Information Act (PIIA) requires Inspectors General to annually report on whether their respective agencies complied with PIIA's requirements. The review includes determining whether the Agency is publishing improper payments information in the annual financial statement and conducting risk assessments to identify those programs susceptible to improper payments. The objective of this inspection is to determine whether FCA has met all applicable requirements of PIIA and evaluate efforts to prevent and reduce improper payments.

Audit of the Office of Examination's Commissioning Program

To begin first quarter 2027

FCA’s Office of Examination examines and supervises System institutions with teams that consist of commissioned examiners. A commission is a designation to signify an FCA examiner has fulfilled professional, educational, and experience requirements and is qualified to examine System institutions. In 2015, the OIG issued an audit on whether the Agency was effectively managing its commissioning program. This audit is a follow-up review to determine if FCA has an effective and efficient commissioning program.

Scheduled Projects

Audit of FCA's Financial Statements for the Year Ending September 31, 2027 and 2028

To begin second quarter 2027 and 2028

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 and report on internal control over financial reporting and compliance with laws and regulations relating to the determination of financial statement amounts. The OIG will transmit the independent accounting firm's opinion to the Agency. The OIG will ensure that the independent accounting firm incorporates an appropriate audit scope and deliverables within appropriate time frames.

Evaluation of FCA's Compliance with the Federal Information Security Modernization Act

To begin third quarter 2027 and 2028

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 and the Department of Homeland Security. The objective of this evaluation is to conduct an independent evaluation of FCA's information security program using the FISMA metrics 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 or perform the work with internal OIG staff.

Future Projects

Inspection of the Office of Examination's Information Technology Testing Procedures

Financial technology is rapidly changing how System institutions serve customers, manage operations, and compete in the marketplace. As these technologies evolve, FCA's examination teams must be able to identify emerging risks, evaluate whether institutions are using technology safely and soundly, and determine whether their practices align with established standards and best practices. The objective of this inspection is to assess whether the Office of Examination's information technology testing procedures provide examiners with the tools and guidance needed to effectively evaluate technology-related risks during System examinations.

Inspection of FCA's Borrower Complaint Process

FCA's borrower complaint process reviews complaints about System institutions regarding noncompliance with the laws and regulations over which FCA has enforcement authority. FCA has the authority to enforce borrower rights. If FCA identifies any violations of law or regulation, the findings are handled under FCA's examination and enforcement authorities. The objective of this inspection is to determine whether the Agency is effectively and efficiently handling the borrower complaint process.

Inspection of FCA's Ethics and Financial Reporting Process

FCA maintains an ethics program to ensure employees abide by federal laws, standards, Agency supplemental standards of ethical conduct, and Agency policy. The program provides training and oversees public financial disclosure reporting for designated employees. The program supports government transparency as well as FCA's role as an arm's-length regulator. The objective of this inspection is to determine whether oversight of FCA's ethics and financial reporting process is effective.

Audit of FCA's Contracting Program

In July 2020, the FCA Board approved the transfer of Agency procurement functions from FCA's Office of Agency Services to the 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 other procedures. The objective of this audit is to determine whether FCA's contracting process is efficient and effective.

Inspection of FCA's Subscription and License Management

Effective subscription and license management helps reduce costs and mitigate operational, cyber security, and financial risks related to asset ownership and use. The objective of this inspection is to determine whether FCA is procuring, managing, and evaluating its subscriptions and licenses in accordance with its operational and business needs.

Audit of FCA's Implementation of Cloud Services and Products

FCA continues to adopt cloud computing services and products to help move the Agency forward in the technology realm. This is an area that can enable better and more economical cybersecurity practices and increase operational resilience. However, it is important for the Agency to maintain essential security controls over the cloud computing environment. The objective of this audit is to evaluate FCA's implementation of cloud computing services and products and the effectiveness of the security controls in place.

Inspection of FCA's Continuous Vetting Process

In 2025, FCA moved to a continuous vetting process for employees in Non-Sensitive Public Trust positions. Continuous vetting replaces the previous five-year periodic reinvestigation with ongoing, automated records checks. All individuals undergo a background investigation to access the agency's facilities, systems, and information prior to entering on duty. Under continuous vetting, real-time notifications of potential risks will be provided to the Agency. The objective of this inspection is to review FCA's implementation of the continuous vetting process.

Audit of the 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 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.

Inspection of FCA's Charge Card Program

FCA's charge card program includes travel, purchase, and fleet cards to address mission-critical needs. Use of government-issued travel cards is required for official travel, and purchase cards are used for procurements under designated thresholds. The objective of the inspection is to determine if FCA's oversight of the charge card program is effective.

FARM CREDIT ADMINISTRATION
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Report fraud, waste, abuse, or other wrongdoing related to Farm Credit Administration programs and operations through the Office of Inspector General's online web portal. Complaints can also be made through our telephone hotline at (800) 437-7322 (toll-free) or (703) 883-4316, or via U.S. Mail:

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To learn more about the Office of Inspector General's current and planned work, please visit https://www.fca.gov/about/inspector-general