



Office of Inspector General

U.S. International Development Finance Corporation

System Review Report

July 9, 2025

Nicholas J. Novak, Acting Inspector General
Farm Credit Administration Office of Inspector General

We have reviewed the system of quality control for the audit organization of the Farm Credit Administration (FCA) Office of Inspector General (OIG) in effect for the year ended March 31, 2025. A system of quality control encompasses FCA OIG's organizational structure, the policies adopted, and procedures established to provide it with reasonable assurance of conforming, in all material respects, with *Government Auditing Standards* and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of FCA OIG in effect for the year ended March 31, 2025, has been suitably designed and complied with to provide FCA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. FCA OIG has received an External Peer Review rating of *pass*.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to FCA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by an independent public accountant (IPA) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether FCA OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on FCA OIG's monitoring of work performed by IPAs.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.

During our review, we interviewed FCA OIG personnel and obtained an understanding of the nature of the FCA OIG audit organization, and the design of FCA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected a GAGAS engagement and administrative files to test for conformity with professional standards and compliance with FCA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the FCA OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the FCA OIG audit organization. In addition, we tested compliance with FCA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of FCA OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with FCA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the FCA OIG offices we visited and engagements we reviewed. Enclosure 2 of this report includes the FCA OIG response to the draft report.

Responsibilities and Limitation

FCA OIG is responsible for establishing and maintaining a system of quality control designed to provide FCA OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and FCA OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.



Gladis Griffith, Deputy Inspector General
Enclosures

Scope and Methodology

We tested compliance with the FCA OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of one of one engagement report conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from April 1, 2024, through March 31, 2025. We also reviewed the internal quality control reviews performed by FCA OIG.

In addition, we reviewed FCA OIG's monitoring of GAGAS engagements performed by an IPA where the IPA served as the auditor from April 1, 2024, through March 31, 2025. During the period, FCA OIG contracted for the audit of its agency's fiscal year 2024 financial statements. FCA OIG also contracted for other GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

We visited the FCA OIG office located in, McLean, VA.

Table 1. Reviewed GAGAS Engagements Performed by FCA OIG

Report No.	Report Date	Report Title
A-24-01	July 8, 2024	<i>Audit Report on Farm Credit Administration's Telework and Remote Work Program</i>

Table 2. Reviewed Monitoring Files of FCA OIG for Contracted GAGAS Engagements

Report No.	Report Date	Report Title
A-24-FS	November 7, 2024	<i>Audit Report on Farm Credit Administration's Financial Statements for Fiscal Year 2024</i>

FCA OIG Response to the Draft Report

Enclosure 2



Farm Credit Administration
Office of Inspector General

July 1, 2025

Gladis Griffith
Deputy Inspector General
U.S. International Development Finance
Corporation 1100 New York Avenue NW
Suite 270 West
Washington, DC 20527

Dear Deputy Inspector General Griffith:

I have reviewed your draft report on the system review report for the audit organization of the Farm Credit Administration Office of Inspector General in effect for the year ended March 31, 2025. We are pleased to have received a peer review rating of *Pass*. A pass rating is the highest rating that can be issued. This rating is issued when the review team concludes that the system of quality control for the audit organization 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 applicable legal and regulatory requirements in all material respects.

We appreciate the work that went into the review and the professionalism and effort given to our office. We have no further comments on the draft report.

Sincerely,

A handwritten signature in blue ink that reads "Nicholas J. Novak". The signature is written in a cursive, flowing style.

Nicholas J. Novak
Acting Inspector General