



July 11, 2025

Nicholas J. Novak
Acting Inspector General
Farm Credit Administration
Office of Inspector General
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Acting Inspector General Novak,

We reviewed the system of quality control for the Farm Credit Administration (FCA) Office of Inspector General's (OIG) Inspection and Evaluation (I&E) function, in effect for the period April 1, 2022, to March 31, 2025. A system of quality control includes multiple aspects of an organization, including, but not limited to, policies and procedures designed to provide reasonable assurance of compliance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) *Quality Standards for Inspection and Evaluation*, December 2020 (Blue Book).

In our opinion, the system of quality control for FCA OIG's I&E function, in effect for the period ending March 31, 2025, has been suitably designed and complied with to provide the Peace Corps OIG with reasonable assurance of performing and reporting in conformity with the Blue Book.

I&E organizations can receive a rating of pass, pass with deficiencies, or fail. The FCA OIG has received an External Peer Review rating of pass.

Basis of Opinion

This required external peer review was conducted in accordance with CIGIE's *Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General* (July 2023) and the Memorandum of Understanding between the Peace Corps OIG and FCA OIG (March 24, 2025).

During our review, we interviewed FCA OIG personnel to develop an understanding of the FCA OIG's I&E function and the design of its system of quality control to assess the implicit risks in its I&E function. Based on our assessments, we selected I&E reports and administrative files to test for I&E's compliance with Blue Book standards and with the FCA OIG's system of quality control.

In performing our review, we developed an understanding of the system of quality control for the FCA OIG's I&E function. In addition, we tested compliance with the FCA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the FCA OIG policies and procedures on selected I&E reports. Our review was based on selected tests; therefore, it may not detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding our 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 provided a reasonable basis for our opinion. Enclosure 1 to this report describes the scope and methodology for our review, including a list of the selected FCA OIG I&E reports.

The FCA OIG's management officials provided a response to our Peer Review Report (Enclosure 2) in which they agreed with our overall rating.

Responsibilities and Limitations

The FCA OIG is responsible for establishing and maintaining a system of quality control designed to provide the FCA OIG with reasonable assurance that the organization and its personnel comply in all material respects with Blue Book standards. Our responsibility is to express an opinion on the design of the system of quality control and the 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.

A handwritten signature in blue ink that reads "Joaquin Ferrao". The signature is written in a cursive, flowing style.

Joaquin Ferrao

Inspector General

Enclosure(s)

Enclosure 1: Scope and Methodology

We reviewed FCA OIG's I&E system of quality control in effect for the period ending March 31, 2025, to the extent we considered appropriate. We selected the following two reports for review:

1. Farm Credit Administration's Inclusion of the Whistleblower Protection Enhancement Act's "Anti-gag" Statement in Nondisclosure Materials, Report No. I-24-02 (January 2025)
2. The Identification and Mitigation Efforts for Key Position and Personnel Dependencies at the Farm Credit Administration, Report No. I-23-03 (February 2024)

We selected these reports because they were conducted by FCA OIG after the issuance of their current Audit, Inspection, and Evaluation Manual (2023).

We conducted a virtual entrance conference with FCA OIG officials on April 9, 2025. Prior to our onsite visit to FCA OIG, we reviewed the FCA OIG Audit, Inspection, and Evaluation Manual (2023), assessed the manual's compliance with Blue Book standards, and obtained relevant documentation. We conducted onsite visits on April 28, 2025, and May 1, 2025, during which time we interviewed FCA OIG officials and reviewed project files for the two reports listed above. We had no constraints on our ability to exercise professional judgement and no limitations on or impairments to independence.

Enclosure 2: FCA OIG Comments to Draft Peer Review Report



July 8, 2025

Joaquin Ferrao
Inspector General
Peace Corps
1275 First Street NE
Washington, DC 20526

Dear Inspector General Ferrao:

I have reviewed your draft report on the external peer review for the inspection and evaluation function of the Farm Credit Administration Office of Inspector General in effect for the period April 1, 2022 to 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 inspection and evaluation function has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards.

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 black ink, reading "Nicholas J. Novak". The signature is written in a cursive style.

Nicholas J. Novak
Acting Inspector General