

Inspection and Evaluation External Peer Review Final Report

December 17, 2019

To Wendy R. Laguarda, Inspector General, Farm Credit Administration

This required external peer review was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Inspection and Evaluation (I&E) Committee guidance as contained in the CIGIE *Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General*. The peer review was conducted from September 11, 2019 through December 6, 2019.

The CIGIE External Peer Review Team (Review Team) assessed the extent to which Farm Credit Administration (FCA) Office of Inspector General (OIG) met the seven CIGIE *Quality Standards for Inspection and Evaluation* (Blue Book) standards, specifically: Quality Control; Planning; Data Collection and Analysis; Evidence; Records Maintenance; Reporting; and Follow-up. This assessment included a review of the internal policies and procedures implementing the seven required Blue Book standards. It also included a review of two selected I&E reports issued between June 30, 2017 - June 30, 2019, to determine whether the reports complied with the covered Blue Book standards and the FCA OIG I&E internal policies and procedures.

The Review Team determined that FCA OIG I&E policies and procedures met all seven Blue Book standards addressed in the external peer review. Each of the two reports reviewed met the Blue Book standards and complied with FCA OIG I&E internal policies and procedures.

We have issued a letter dated December 17, 2019 (Enclosure 1) that sets forth the results of the peer review. FCA OIG provided a response to our letter (Enclosure 2).

Milton A. Mayo, Jr., Inspector General, U.S. Equal Employment Opportunity Commission



Enclosures
As stated

ENCLOSURE 1: Letter of Comments, Scope and Methodology

The Review Team selected two reports for review. For the last three years, FCA OIG I&E predominately conducted physical security and benchmarking assessments. Therefore, it is appropriate to assess one of each, with the most recent being representative of how these projects are currently conducted. The two reports we reviewed:

1. Office of Examination Structure and Organization Benchmarking Evaluation, March 20, 2019, E-18-02
2. Physical Security in the Farm Credit Administration's Headquarters, December 7, 2018, I-18-04

The Review Team conducted on-site visits on September 30th and October 15th, 2019. In addition to reviewing FCA OIG information sent to us and reviewed on-site, we interviewed the Assistant Inspector General for Audits, Inspections, and Evaluations, Sonya Cerne. The review team experienced no constraints, limitations, or impairments in conducting our review.

Results and Findings

INTERNAL POLICIES AND PROCEDURES

Based on the Review Team's assessment, the FCA's OIG I&E policies and procedures sufficiently address the seven required Blue Book standards.

COMPLIANCE WITH STANDARDS

The following is a summary of the Review Team's assessment of the two FCA OIG reports against the seven Blue Book standards included in this review.

QUALITY CONTROL

The CIGIE standard for inspection work is: "*Each OIG organization that conducts inspections should have appropriate internal quality controls for that work.*" Key elements of this standard include establishing mechanisms for quality control, documenting those mechanisms, and ensuring adequate supervision.

Finding:

Each reviewed report met the Blue Book standards identified in the report's scope section and complied with the organization's associated internal policies and procedures.

PLANNING

The CIGIE standard for inspection work is: "*Inspections are to be adequately planned.*" Key elements of this standard include creating a work plan, coordination (both internal and external), and research.

Finding:

Each reviewed report met the Blue Book planning standard and complied with the organization’s associated internal policies and procedures.

DATA COLLECTION AND ANALYSIS

The CIGIE standard for inspection work is: *“The collection of information and data will be focused on the organization, program, activity, or function being inspected, consistent with the inspection objectives, and will be sufficient to provide a reasonable basis for reaching conclusions.”* This standard requires covered I&E organizations to describe the project’s sources of data and information in the supporting documentation, ensure information is appropriately scoped, employ procedures to ensure data reliability and validity, and ensure that the confidentiality of sources and sensitive information is safeguarded. Key elements of the standard related to data analysis include ensuring that data is reviewed for accuracy and reliability, information is appropriately presented and documented, procedures provide for supervisory review, and findings satisfy objectives.

Finding:

Each reviewed report met the Blue Book data collection and analysis standard and complied with the organization’s associated internal policies and procedures.

EVIDENCE

The CIGIE standard for inspection work is: *“Evidence supporting inspection findings, conclusions, and recommendations should be sufficient, competent, and relevant and should lead a reasonable person to sustain the findings, conclusions, and recommendations.”* Key elements of this standard include ensuring that evidence is sufficient to persuade a knowledgeable person of the validity of the related Findings and Recommendations, is collected and evaluated using reasonable methods, and has a logical relationship to the issue(s) being addressed.

Finding:

Each reviewed report met the Blue Book evidence standard and complied with the organization’s associated internal policies and procedures.

RECORDS MAINTENANCE

The CIGIE standard for inspection work is: *“All relevant documentation generated, obtained, and used in supporting inspection findings, conclusions, and recommendations should be retained for an appropriate period of time.”* Key elements of this standard include ensuring that supporting information is effectively organized, provides a record of the nature

and scope of the inspection, and provides sufficient information for supervisors to manage and evaluate staff; and that the organization has policies and procedures for document retention.

Finding:

Each reviewed report met the Blue Book records maintenance standard and complied with the organization’s associated internal policies and procedures.

Observation:

We believe that the ongoing discussions with National Archives and Records Administration (NARA) regarding updating the FCA OIG records retention schedule demonstrate that FCA OIG is acting prudently to ensure it efficiently meets both CIGIE and NARA requirements.

REPORTING

The CIGIE standard for inspection work is: *“Inspection reporting shall present factual data accurately, fairly, and objectively and present findings, conclusions, and recommendations in a persuasive manner.”* Key elements of this standard include ensuring that reporting is timely, accurate, and objective; provides sufficient context, describes objectives, scope, and methods; uses clear and concise language; and includes a statement that the inspection was conducted in accordance with the standards. The standard also requires that findings are supported by evidence, conclusions are logical inferences, and recommendations describe what should be corrected.

Finding:

Each reviewed report met the Blue Book reporting standard and complied with the organization’s associated internal policies and procedures.

FOLLOW-UP

The CIGIE standard for inspection work is: *“Appropriate follow-up will be performed to ensure that any inspection recommendations made to Department/Agency officials are adequately considered and appropriately addressed.”* Key elements of this standard include that the I&E organization determines whether agency officials take action to correct problems, performs follow-up work as appropriate to verify management actions, and considers prior recommendations and need for follow-up when planning and conducting new inspections.

Finding:

Each reviewed report met the Blue Book follow-up standard and complied with the organization’s associated internal policies and procedures.

Suggestion:

We suggest that FCA OIG work with FCA to improve the corrective action plans to ensure FCA includes adequate details on how and when FCA plans to complete recommendation implementation.

ENCLOSURE 2: Reviewed Organization Comments to Draft Report



Farm Credit Administration
Office of Inspector General

December 6, 2019

Milton A. Mayo, Jr.
Inspector General
U.S. Equal Employment Opportunity Commission
131 M Street NE
Washington, DC 20508

Dear Inspector General Mayo:

We have reviewed your draft Inspection and Evaluation External Peer Review Report for the Farm Credit Administration (FCA) Office of Inspector General (OIG) in effect for the year ended June 30, 2019. We are pleased the peer reviewers concluded that FCA OIG's Inspection and Evaluation policies and procedures met all seven standards addressed in the external review. In addition, the peer review team found that our reports met the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) *Quality Standards for Inspection and Evaluation* and complied with our internal policies and procedures.

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

Sincerely,

A handwritten signature in black ink that reads 'Wendy R. Laguarda'.

Wendy R. Laguarda
Inspector General