

Office of Inspector General
OPERATING AND PERFORMANCE PLAN
Fiscal Year 2001

**MISSION, OBJECTIVES AND GOALS OF THE
OFFICE OF INSPECTOR GENERAL (OIG)**

The mission of the Office of Inspector General (OIG) is to be an agent of positive change, striving for continuous improvement in the Farm Credit Administration's (FCA or Agency) management and program operations.

Objective No. I: Audit and evaluate FCA's programs and operations to promote economy, efficiency and effectiveness.

Goal I-1: Deliver quality audit and inspection products and services that are useful to the Board, management, and/or Congress ***FY 2001 budget - \$520,258***

We expect to produce at least six evaluative reports this year. The FY 2001 Audit Plan included at Tab 2 displays audit objectives from which actual audit assignments will be made during this period; however, other audits and inspections are likely to be added as issues emerge after the plan is developed. We assume that OIG's only auditor position will be filled throughout the year, supplemented by audit services obtained by contracts with independent auditors, appropriate subject matter specialists and other OIG staff members.

Performance measures:

1. Audit and inspection coverage includes at least 75% of those suggested by the Board and management.
2. 100% of audits and inspections are performed in high-risk programs and activities or are tied to the Agency strategic planning goals.
3. Findings identified during fieldwork are communicated to management prior to drafting the report.
4. Draft reports are issued no later than six months after commencing the review.
5. 85% of audits and inspections include recommendations or agreed upon actions to improve Agency operations.
6. Agency management accepts at least 80% of OIG's recommendations.
7. The Agency actually implements all corrective actions called for by management decisions.

Goal I-2: Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations. *FY 2001 budget - \$19,123*

OIG provides an independent perspective about opportunities for program improvements based on information about Federal administrative issues and Agency management issues received from a variety of sources. Emerging Federal issues and priorities are regularly communicated to the Inspector General by the Office of Management and Budget through participation in the Executive Council on Integrity and Efficiency (ECIE). Potential problems are communicated through complaints about internal Agency programs through the OIG Hotline; and observations are made by OIG staff during audits and investigations about matters outside the scope of that review. The Chairman and managers also request advice or assistance from the Inspector General about issues of concern to them. Whenever our evaluation of such information indicates a need to provide advice to the Chairman or specific managers, an advisory will be developed.

OIG's on-going survey of Farm Credit System institutions provides confidential customer feedback for the FCA Board about the Agency's examination and enforcement activities. Semiannual status reports are provided to the Board, identifying any trends or recurring issues.

Performance measures:

1. The Inspector General will provide from four to six advisories to the Chairman concerning policy direction or administrative issues.
2. The Inspector General and OIG staff will provide analysis and technical advice about programs and operations to managers, both at their request and on our own initiative.

Objective No. II: Investigate observed, alleged or suspected wrongdoing to prevent and detect fraud, waste, abuse and mismanagement in Agency programs and activities.

Goal II: Effectively investigate and report administrative and criminal violations relating to FCA programs and personnel. *FY 2001 budget - \$30,457*

The Inspector General Act establishes the Inspector General's duty to prevent and detect fraud, waste, abuse and mismanagement in Agency programs and operations, particularly through independent investigations of observed or suspected wrongdoing or where there are known weaknesses in controls. Because of the size of FCA and the relatively low dollar impact of wrongdoing, the U.S. Attorney often declines prosecution of illegal acts identified in investigative reports and administrative remedies are more often pursued. Timeliness of administrative sanctions has a direct correlation on the value of those sanctions.

Performance measures:

1. Investigations are completed within six months of opening the case.
2. Memoranda are provided to management whenever internal control weaknesses or program deficiencies are identified during investigations.
3. Convictions, pleas or administrative actions result when investigations identify wrongdoing.

Objective No. III: Review and make recommendations regarding existing and proposed legislation and regulations relating to Agency programs and operations and the Inspectors General community.

Goal III: Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations. FY 2001 budget - \$21,956

Commenting on proposed and existing legislation, regulations and Agency policies is an opportunity for OIG to exercise its principle to be innovative and question existing procedures and offer suggestions for improvements.

Performance measures:

1. Comments on external documents are provided within the established time frame.
2. A summary of any documents reviewed is included in the Semiannual Report.

Objective No. IV: Work with the Chairman and Agency management to improve program management within the Agency and in our own office.

Goal IV-1: Build relationships with program managers based on a shared commitment to improving program operations and effectiveness. FY 2001 budget - \$89,950

OIG staff members are encouraged to participate in Agency special projects because we believe that management practices at FCA are improved through such activities. We believe that participation leads to Agency employees' acceptance of, and cooperation with, OIG activities through better understanding.

Performance measures:

1. Encourage and support developmental assignments between FCA OIG and other organizations within the IG community.
2. OIG functions are included in FCA Policies and Procedures Manual (PPM).
3. Audit reports are included in the FCA Plans and Reports database and the FCA Library within 30 days of distribution.

Goal IV-2: Continuously improve OIG staff, products and internal office administration.
FY 2001 budget - \$100,575

The quality of OIG's internal administrative practices is a significant factor in the credibility of our administrative findings in our reviews of other offices. Approaching our own office as a laboratory to identify and refine good management practices also contributes to more practical recommendations and agreed upon actions in our audit and inspection reports. OIG directives define practices and expectations.

The very small size of our office dictates that cross training, teamwork and technology are used to their full potential to streamline internal operations.

The routine methods used to identify potential improvement opportunities include: feedback obtained through responses to surveys from Agency users of OIG's report products; staff participation in special projects within the Agency; interagency projects sponsored by the ECIE or other organizations supporting the Inspectors General community; and assignments between other Agency components or other OIGs. Individual development plans identify the formal training and other experiences appropriate to assure that OIG possesses the collective competencies to fulfill our responsibilities. We provide information and support to other organizations interested in implementing systems or practices developed by our office. The statutory requirement for a peer review by another Federal audit organization provides an independent assessment of our audit operations every three years.

Performance measures:

1. A peer review by another OIG will be conducted every three years.
2. Feedback from customer survey instruments issued to all report recipients is used to improve products and services.
3. Staff complete the training identified in their Individual Development Plans.
4. OIG directives are reviewed and updated at least every three years.
5. Staff participates in teamwork training during FY 2001.
6. Staff will be cross-trained to provide backup for each OIG function.

Goal IV-3: Work with the Inspectors General community and other related organizations to address government wide issues.
FY 2001 budget - \$50,287

Interagency activities contribute to our objectives for improving practices or resolving issues pertaining to the entire OIG community or to the Federal government generally, and provide opportunities to identify practices of other agencies which may benefit FCA and our own office. Best practices identified through interagency projects and professional organizations will be benchmarks for our own operations. That awareness also furnishes criteria for advisories to the Chairman and managers.

Time and resources are provided to OIG staff members as an incentive to contribute to professional organizations by serving on committees and holding offices. We believe those experiences provide the individual with a broader perspective that makes their work within the Agency more effective.

Performance measures:

1. Staff participate in the activities of at least one outside organization.
2. Each staff member serves on at least one Agency-wide workgroup or activity.
3. Staff serve on ECIE/President's Council on Integrity and Efficiency committees and interagency workgroups.
4. Best practices identified through interactions with other organizations are implemented.

Objective IV-4: Keep the Chairman and the Congress fully and currently informed of problems in Agency programs and operations. FY 2001 budget - \$22,665

The Inspector General Act requires semiannual reports as the primary vehicle to meet this objective. The semiannual report is addressed to the Chairman who transmits it to the Congress together with management's report on progress in implementing corrective action on recommendations by the Inspector General. This assures that all significant information is routinely communicated to both parties.

Performance measures:

1. Semiannual reports fully comply with the requirements of the Inspector General Act and are furnished within 30 days after the end of each reporting period.
2. Any problems in the on-going activities of OIG are highlighted during regular meetings with the Chairman