

Office of Inspector General

OPERATING AND PERFORMANCE PLAN

FISCAL YEARS 2006 AND 2007



Farm Credit Administration

Office of Inspector General
1501 Farm Credit Drive
McLean, Virginia 22102-5090



August 22, 2005

The Honorable Nancy C. Pellett
Chairman and Chief Executive Officer
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Dear Chairman Pellett:

The enclosed document is the Office of Inspector General's (OIG) Operating and Performance Plan and Budgets for Fiscal Years 2006 and 2007 (OPP). The OIG's mission has been recast. However, our objectives and goals remain the same.

We have updated the OPP and its audit plan to remain current with the challenges facing FCA and the recent changes in FCA's organization and operations. The audit plan is a fluid document that may be updated as the year progresses. It is from the audit plan that the OIG selects most of its assignments.

Please call me if you have any questions or comments.

Sincerely,

Carl A. Clinefelter
Inspector General

Enclosure

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MISSION

That the OIG's work products and presence promote economy, efficiency and integrity in Agency operations.

OBJECTIVES AND GOALS

- **Audit and evaluate the Agency's programs and operations to promote economy, efficiency, and effectiveness.**
 1. Deliver quality audit and inspection products and services that are useful to management, the Board, and the Congress.
 2. Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.
 3. Continuously improve OIG staff, products, and internal office administration.
- **Investigate observed, alleged, or suspected wrongdoing to prevent and detect fraud, waste, abuse, and mismanagement in Agency programs and operations.**
 1. Effectively investigate and report administrative and criminal violations relating to FCA programs and personnel.
 2. Educate employees on their responsibility to report wrongdoing to the OIG.
 3. Provide relevant information on results of investigative activities to appropriate parties.
- **Review and make recommendations regarding existing and proposed legislation and regulations relating to Agency programs and operations and the Inspector General community.**
 1. Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations.
- **Work with our Agency head and the Congress to improve program management; and work with the Inspectors General community and other related organizations to address government-wide issues.**
 1. Building relationships with program managers based on a shared commitment to improving program operations and effectiveness.
 2. Provide leadership to the Inspector General community.
 3. Contribute to special projects to improve the Agency.

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ASSUMPTIONS

Changing work force. The change in FCA's work force with fewer and less tenured employees and more contractors will necessitate OIG vigilance over the internal control environment. FCA's compensation and reward practices will need to be flexible to adapt to a changing work force. The Farm Credit System (FCS or System) and the credit needs of rural America will continue to evolve and change. The financial and banking industry will continue to become more complex.

Changing work environment. As FCA and the OIG look to leverage investments in technology, OIG must expand its knowledge of technology to effectively perform reviews. Further, as FCA adapts technology to change its processes, the OIG will have to be positioned to evaluate new risks in internal controls and security measures.

Limited budget resources. Budget pressures on the OIG will be equivalent to those faced by FCA as a whole. The OIG will have to use an efficient mix of its core competencies and external resources to fulfill its mission. Technology will continue to cause change in processes and our approach to work.

Farm Credit Act. Changes in the agricultural and the financial industries will cause the FCS to seek greater flexibility in law and regulations. OIG will continue to ensure that the FCA is ever mindful of its arms length regulatory role and goal to facilitate System service to rural America, and will continue to review and make recommendations regarding laws and regulations.

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AUDITS AND EVALUATIONS OF AGENCY PROGRAMS AND OPERATIONS

AGENCY GOALS 1, 2 AND 3

OIG GOAL	PERFORMANCE MEASURE	OUTCOME/IMPACT
1. Deliver quality audit, inspection, and review products and services that are useful to the Board, management and/or the Congress.	<p>Audits and inspections are relevant. Audit coverage includes all mandated audits and at least 75% of those suggested by the Board and management.</p> <p>Risk is addressed. 100% of OIG audits are performed in high risk/high dollar programs and activities and/or are tied to the Agency strategic planning goals.</p> <p>Findings made during audit fieldwork are recognized and corrected by management prior to drafting of the audit report.</p> <p>Products are timely, i.e., average time to complete audits and issue draft reports will not exceed 6 months.</p> <p>Audits are constructive. At least 75% of audit products contain recommendations to improve Agency operations. The Agency accepts at least 80% of the OIG audit recommendations.</p> <p>The Agency implements all corrective actions prescribed by management decisions.</p>	<p>FCA programs and operations are more effective.</p> <p>Waste in Agency programs and operations is reduced.</p> <p>Increased Agency compliance with laws, regulations, and internal policies and procedures.</p> <p>The Agency's stature and reputation is elevated in the eyes of the Congress, the Administration, the FCS, FCA employees and the public.</p> <p>FCA is more effective in carrying out its mission.</p> <p>The OIG is more effective in promoting economy, effectiveness and efficiency within the Agency.</p> <p>FCA continues to get an unqualified audit opinion on financial statements.</p>

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AUDITS AND EVALUATIONS OF AGENCY PROGRAMS AND OPERATIONS

AGENCY GOALS 1, 2 AND 3

OIG GOAL	PERFORMANCE MEASURE	OUTCOME/IMPACT
2. Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.	The IG advises the Chairman concerning policy direction or administrative priorities. OIG performs analysis and provides technical advice to management concerning accounting, management systems and controls, and performance measures.	OIG input and advice contributes to Agency decisions and actions that are more complete and valid in the inception. Increase in management requests for advice, review, and technical assistance. Peer review reports provide an unqualified opinion that OIG audit work meets or exceeds quality audit standards prescribed by the Government Accountability Office (GAO) and the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE).
3. Continuous improvement of OIG staff, products, and internal administration.	Customer survey feedback is used to improve products and services. OIG training ensures the technical proficiency of staff. OIG implements administrative improvements identified through reviews of other Agency programs and through staff involvement with the professional community.	Customer survey feedback evidences increase satisfaction with report practices. The IG's opportunity to facilitate positive change within the Agency is enhanced by the quality and credibility of OIG products and advice.

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INVESTIGATIONS

AGENCY GOALS 1 AND 2

OIG GOAL	PERFORMANCE MEASURE	OUTCOME/IMPACT
1. Administrative and criminal violations relating to FCA programs and personnel are effectively investigated and reported.	<p>Investigative reports are timely and presented in an objective and factual manner. Memoranda are issued to management describing internal control weaknesses or program deficiencies found during the investigative process with suggestions to prevent and/or detect future wrongdoing.</p> <p>70% of active cases will be less than two years old (from the date the case was opened).</p> <p>100% of employee cases without criminal prosecution potential will be completed within one year from opening the case.</p>	<p>Administrative action, convictions or pleas are obtained for employees and/or contractors found guilty of wrongdoing.</p> <p>Management actions taken against employees serve as a deterrent to future wrongdoing.</p> <p>FCA internal policies, procedures and controls are strengthened to prevent and/or detect future wrongdoing.</p>
2. FCA employees and managers recognize their responsibility to immediately report observed or suspected wrongdoing to the IG.	<p>Allegations of wrongdoing are received in a timely manner and are supported by specific information.</p>	<p>Investigations are more successful because they are initiated in a timelier manner and have better information.</p> <p>FCA employees are more willing to report real or suspected wrongdoing because they trust the competence and fairness of OIG's investigations.</p>
3. Agency officials and the Congress are kept fully and currently informed of problems found in the process of and resulting from investigative activities.	<p>Summaries of investigations and the resulting administrative or judicial actions taken are incorporated into the Semiannual Report to the Congress, along with any disagreements on the actions taken or failure of management to act in a timely and responsible fashion.</p> <p>Findings made during the investigative process concerning the problem at issue or systemic problems are recognized and corrected or mediated by management.</p>	<p>The Chairman and the Congress are better informed about OIG investigations, and administrative and judicial consequences.</p> <p>Public confidence in the integrity of FCA programs and internal operations are heightened.</p>

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LEGISLATIVE AND REGULATORY REVIEW

AGENCY GOAL 2

OIG GOAL	PERFORMANCE MEASURE	OUTCOME/IMPACT
1. Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations affecting the Agency and the Inspector General community.	Processes are established and documented for identifying and circulating (as appropriate) relevant documents. Constructive comments on relevant documents are submitted by the deadlines requested by the office, Agency, or staff circulating comments. Document review activity is summarized for inclusion in the Semiannual Report to the Congress.	OIG input is part of the decision making process in approving or amending legislation, regulations, circulars and other policy documents. Constructive criticism and creative alternatives offered in OIG comments improve the quality and usefulness of documents initiated by the Agency. FCA Board and management are informed about the status of new or pending legislation or regulations initiated externally.

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OUTREACH PROGRAM

AGENCY GOALS 1 AND 2

OIG GOAL	PERFORMANCE MEASURE	OUTCOME/IMPACT
1. Agency personnel understand and accept OIG's role within FCA and the community at large.	Develop and maintain educational brochures or pamphlets describing OIG roles and activities. Facilitate feedback from Agency employees and refine products and practices based on the feedback to OIG products and educational materials.	Agency employees' acceptance of and cooperation with OIG activities is improved through better understanding. OIG programs and products are improved through feedback from Agency employees.
2. OIG staff provides leadership to organizations directly contributing to the Inspector General community.	Time and resources are provided to OIG staff members as an incentive to contribute to outside organizations by serving on committees and holding offices.	Projects and activities of adjunct organizations such as the Association of Government Accountants (AGA), Institute of Internal Auditors (IIA), PCIE/ECIE, Council of Counsels to Inspector Generals (CCIG), Federal Law Enforcement Training Center (FLETC), and Inspectors General Auditor Training Institute (IGATI) are improved by OIG staff contributions and participation. The IG community is more credible and effective.
3. OIG staff contributes to special projects for improving the Agency, the OIG community, and the Federal government.	OIG staff will participate in projects that contribute to achieving the vision of a better Agency and government.	Management practices at the Agency are improved by OIG staff participation in FCA special projects. FCA programs and operations are more effective and efficient.

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BACKGROUND

The Chairman and FCA Board members have expressed their ongoing support for independent assessments of significant programs of the Agency. The OIG has identified its focus issues in this Operating and Performance Plan (OPP) and the Semiannual Report to the Congress in the form of management challenges, as discussed below.

MANAGEMENT CHALLENGES

This part of the OPP highlights major challenges confronting the Agency as it works to fulfill its mission. These challenges have remained for several years. While some are outside of the Agency's control, most should be addressed through concerted action by management. Over the past year, the OIG has observed progress by FCA management in addressing the challenges. Strategic studies were completed that have resulted in the initiation of significant organizational change.

A major change was the transition to a new Chief Examiner. This has resulted in a major transformation in the Office of Examination's organization and operating methodology. These changes will take some time to become fully institutionalized and reach full efficiency.

Another substantive change was to reconsolidate into a single office, the Office of Management Services (OMS), the Agency's personnel, financial, and information technology functions under the umbrella of a new manager. This was also a proactive management action that has every opportunity to provide positive results. Strategic improvement for the Agency in the human capital and financial areas, in particular, should be enhanced by this transition.

Human Capital

In March 2001, the OIG recommended FCA develop a human capital plan and FCA management agreed to this recommendation. Under Chairman Pellett's leadership, senior managers have focused on the challenge of marshalling, managing, and maintaining human capital to assure accountability and maximize FCA performance. While FCA still does not have a human capital plan; the Agency has made a significant investment in strategic studies that can serve as the plan's foundation. The objective of the strategic studies was to create a picture of the System and the credit needs of rural America in 5 to 7 years and identify organizational and human capital opportunities to help FCA adapt. The approach is a marked contrast to past OIG observations where we noted the problem was the lack of a consistent strategic approach in establishing a human capital plan.

FCA's challenge will be to transform the strategic studies into management actions (organizational changes and process improvements) that achieve better results and clarify accountability. Realignment of resources and/or processes should help FCA pursue organizational approaches that recognize the reality of evolving technology, a changing workforce, and other environmental forces. For example, as competitive

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sourcing, electronic government (E-Government), financial management, and other initiatives lead to change—how FCA meets its mission may need to change including the skill sets it needs and how it organizes those skills to meet its mission.

The capstone to this should be a long-term human capital plan that incorporates the elements recommended in the OIG's Audit A00-04, Performance Budgeting, issued in March 2001. A critical component of managing human capital is providing for management succession. Individuals with the potential to become managers should be identified, provided developmental opportunities, and ultimately promoted to higher positions. This, as part of a human capital plan, should be linked to the Agency's Strategic Plan for long-term achievement of the Agency's mission.

Transparency, staff commitment, and accountability are key ingredients to sustained improvements in human capital.

Financial Management

Timely, accurate, and useful financial information is essential for:

- making day-to-day decisions;
- managing the Agency's operations more efficiently, effectively, and economically;
- supporting results-oriented management approaches; and
- ensuring accountability on an ongoing basis.

During FY 2001, FCA successfully implemented a financial management system using the services of the Department of Interior's National Business Center. During September 2003, the Agency decided to reprogram funds and purchase a new financial system. Management originally scheduled implementation of the new system during FY 2004. In September 2004, the OIG issued an inspection report that showed significant improvements were needed in the project management of this new financial management system to successfully complete implementation. In July 2005, the new office director over finance put this project on hold until a reevaluation of this new system can be made.

Management's continuing challenge is to bring yet another system on line at a reasonable cost to the FCA and concurrently leverage the system to deliver timely financial information, critical for making well-informed management decisions. The challenge suggests the Agency should develop measures of financial management success beyond an unqualified financial statement audit opinion, as stated in the FCA 2004-2009 Strategic Plan. Measures such as delivering financial information that managers can use for day-to-day operations, and developing reports that capture the full cost of programs and projects can help bring about improvements.

Leveraging Technology

Information technology (IT) is a key element of management reform efforts that can help

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dramatically reshape government to improve performance and reduce costs. The Agency has recognized that in order to meet the constraints of its budget, it must be able to maximize its return on investment in technology. FCA's challenge is to establish effective mechanisms to ensure that current and future members of staff have the skills to use technology to operate in an efficient and effective manner. Internally, there is an opportunity for IT to complement human capital initiatives to reformulate the work processes of FCA. There is also an opportunity to capture knowledge of employees who are approaching retirement. In order to take advantage of these opportunities, FCA will need to invest in training and reward employees who are able to develop innovative approaches to accomplish Agency goals using technology.

Externally, E-Government offers many opportunities to better serve the public, make FCA more efficient and effective, and reduce costs. FCA has begun to implement some E-Government applications, including the use of the Internet to collect and disseminate information and forms. FCA's challenge is to identify opportunities to develop partnerships with other agencies to develop joint E-Government strategies.

Agency Governance

The Farm Credit Act provides for a full-time three-member Board. The Board members are appointed by the President and confirmed by the Senate. A small full-time Board presents a challenge in terms of defining the roles and responsibilities of the Board members relative to the governance of the Agency. The Board must be able to engage in professional policy debate and set a sound course for the Agency. The Board's rules of operation are a foundation for trust and shared expectations among Board members. A collegial Board, founded on mutual trust and respect, is essential to FCA's ultimate effectiveness.

The Chairman has taken action to address this challenge by sharing authority and tasking a Board member with the responsibility to lead the Board in its efforts on governance issues. During the past 6 months, the OIG has noted management efforts to review, deliberate, and revise Board policies including the Board's rules of operation. This has resulted in significant progress towards addressing this longstanding management challenge.

Strategic Planning

The FCA Board adopted its 2004-2009 Strategic Plan in December 2003. Since adoption, the Agency has a new Chairman and a new Board member. The changes in top leadership provide an opportunity to revise the plan to ensure the Board's vision is accomplished.

The Board refined the performance measures in January 2005. FCA should evaluate its performance measures on an ongoing basis to ensure that they challenge and stretch the organization. Performance measures can be a powerful tool to continue the push into a results-oriented organization. An effective performance management system

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fosters performance and accountability at the individual, organizational, and ultimately overall Agency levels.

A Changing Environment

The System is a single industry lender and is vulnerable to economic swings. The FCS remains sound in all material respects. Earnings and capital levels have continued to strengthen and asset quality remains high. However, there are many challenges facing agriculture and rural America today that raise the question of whether there should be modifications to the Farm Credit Act in order to enhance agricultural and rural economies of the future. In the early 1990s, the GAO conducted a comprehensive study of the cost and availability of credit in rural America.¹ The GAO concluded that the System did not need new statutory authorities in the near term, but that ongoing structural changes in agriculture and rural America could justify such changes in the longer term. GAO noted that over time, as agriculture and rural America continue to change, the System's charter may need to be updated to ensure that the System is not hampered by outdated legislation.

The FCA must balance the often competing demands of ensuring the FCS fulfills its public policy purpose, proactively examining risk in the regulated institutions both individually and systemically, and controlling the cost of the regulator. FCA's challenge is complex because it has become increasingly difficult to reconcile significant provisions of the Farm Credit Act with the realities of the agricultural industry, the business environment, and financial markets in the 21ST Century. FCA management recognizes this challenge as evidenced by the Chairman's testimony before the House Agriculture Subcommittee on Conservation, Credit, Rural Development, and Research in September 2004.

As a financial regulator, FCA must maintain a flexible and responsive, yet independent and objective, regulatory environment. The Agency can anticipate that the System will press for broader powers through regulatory interpretations of the Farm Credit Act. At the same time, FCA must anticipate that the System's competitors will press for more regulatory constraints on the System. In balancing these forces, the FCA Board must remain vigilant that its actions are transparent and congruent with its regulatory philosophy. Without these ingredients, the Agency risks being labeled as inflexible by the System or a captive by the System's competitors.

AUDITS AND INSPECTIONS —FISCAL YEAR 2006

This audit plan identifies issues received from FCA management and staff as well as other issues identified by OIG staff. OIG audits and inspections provide assurances to the Chairman and FCA Board members that programs are operating effectively and with appropriate controls. This audit plan identifies issues received from the FCA Board and management as well as

¹ GAO/GGD-94-39 Farm Credit System Repayment of Federal Assistance and Competitive Position, March 1994.

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issues identified by OIG staff. Audit and inspection activities will most likely be selected from the areas listed below. However, actual audits and inspections conducted may vary in order to be responsive to changing needs or circumstances.

Audit of Financial Statements

The OIG contracts with an independent accounting firm to conduct an audit of FCA's financial statements. During FY 2006 and 2007, the OIG will deliver the audit opinion on the financial statements as of September 30, 2005 and 2006, respectively. This year and next, there is an expectation by FCA management and the Office of Management and Budget (OMB) that audit opinions will be issued and the Agency Performance and Accountability Report will be published by November 15, 2005 and 2006, respectively. The OIG incorporated more interim audit work in its contract to ensure expectations are met.

During FY 2005, the OIG exercised the fourth year option with our auditing firm to complete the audit of the Agency's financial statements as of September 30, 2005. This reduces the OIG's costs associated with managing a contract during the first year of an engagement.

Financial Information Security Management Act of 2002 (FISMA)

The FISMA mandates an annual evaluation by the OIG or an independent external auditor. Field work by our external auditors began in August 2005. The final report is due to OMB on October 6, 2005.

Computer security remains a significant management challenge and the OIG anticipates computer security will remain a high priority. The OIG will continue to work with the Director of OMS and his Chief Information Officer to incorporate issues of concern in audit activities. We anticipate a slightly more complex effort in FY 2007 due to the addition of privacy information security requirements.

FCA Board Standing Committees

FCA's organizational structure was recently revised. Strategic studies of the Agency preceded the final determinations of organizational change. The intent is to make FCA a more efficient and effective regulator. As part of the reorganization and as stated in revised Policy Statement 64, June 2005, the FCA Board established three committees, the Regulation and Policy Development Committee, the Risk Committee, and the Strategic Planning Committee.

Policy Statement 64 indicates these committees are intended by the FCA Board to be important mechanisms in assisting the FCA Board in effectively managing the Agency, in promulgating policy and regulations, and in assessing risk and its implications.

The OIG plans to perform a review of these committees to determine if they are meeting the FCA Board's plan and expectations.

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FCA Organizational Changes

FCA has gone through many organizational changes in past years as a result of leadership transition and efforts to increase Agency efficiency. The OIG will review the Agency's organizational structure and other changes after the most recent strategic studies (by KPMG and Lindholm) to assess the effectiveness of management's actions in response to the studies.

Management of Succession Planning

OIG will assess management succession planning in the Agency to determine its adequacy, linkage to the Strategic Plan's human capital initiatives, and linkage to the Agency's achievement of its mission.

FCA Strategic Plan

We will assess FCA's process for the development of the strategic plan and evaluate compliance with the Government Performance and Results Act (GPRA).

SmartPay Program

Economies and quality of service to be realized in the selection of future SmartPay vendors based on a study and comparison of past experience.

Audit Follow-Up

Saving money and improving programs and operations are the main objectives of the audit function. Findings, recommendations, and agreed-upon actions are the vehicles by which these objectives are sought. But it is management's resulting actions that help an organization improve its effectiveness and efficiency. Therefore, we will complete a review that will focus on FCA's actions in response to OIG reports.

AUDITS AND INSPECTIONS— FISCAL YEAR 2007 AND BEYOND

- FCA Policy and Regulation Development
- Assess Effectiveness of a Selected Regulation(s)
- Financial Information for Management Decisions
- Implementation of Risk-based Supervision
- Leveraging Technology in Conducting Examinations
- Appropriateness of the interface of OSMO and FCA as the Regulators of Two Distinct GSEs
- OGC Legal Opinion Process, Efficiency, and Effectiveness

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- FCA Examiner Commissioning Program
- Borrower Complaint Handling
- Examination Best Practices
- Evaluation of Physical Security Practices and Emergency Preparedness
- Policy and Procedures Manual Process
- Adherence to the Government in the Sunshine Act
- Agency's Validation of Employees' Credentials used in Gaining Employment
- Agency's Administration of the Correspondence Tracking System
- Sunset Act Compliance Regarding Reports Submitted to Congress

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STAFFING AND RESOURCE NEEDS AND DISTRIBUTION

STATUTORY ROLE AND RESPONSIBILITIES

The OIG was created within the FCA by the 1988 Amendments to the Inspector General Act of 1978 (IG Act) as an independent unit to: 1) conduct and supervise audits and investigations; 2) promote economy, efficiency and effectiveness and to prevent fraud and abuse in program administration; and 3) keep the Chairman and the Congress fully informed about problems and deficiencies and the need and progress in correcting them.

The IG Act specifies the Inspector General's duties, responsibilities, and authorities. The IG Act precludes the OIG from performing any Agency program operating function; rather, the OIG advises management and the Congress about ways to improve programs. The Inspector General works with the Chairman to promote positive change in the Agency's programs and operations.

OIG STAFFING NEEDED TO DELIVER PRODUCTS AND SERVICES

This section describes the staffing of the OIG. It also discusses how the OIG is organized to produce the products and services appropriate to fulfill its responsibilities.

The **Inspector General** provides leadership, policy direction, and general management and supervision of the OIG staff. The Inspector General is also an advisor to the Chairman and the principal spokesperson for OIG, coordinating its activities and issues with other agencies. The Inspector General position is intended to be comparable in grade with the other office directors.

The **Counsel to the Inspector General** provides independent legal advice, analysis of proposed legislation and regulations, and reviews OIG products for legal sufficiency. Counsel represents and defends OIG in all legal issues. The Counsel also participates in audits and inspections on an as needed basis. This position is a permanent part-time position as .83 FTE.

The **Program Auditor** position is devoted exclusively to audits, inspections, and management analyses, focusing on the significant management challenges of the Agency.

The **Criminal Investigator** provides the expertise to conduct investigations. This task is less than full-time and the person in this position also performs audits, inspections and other analyses.

The **Management Analyst** is responsible for assisting the Inspector General in budgeting, procurement, training, administrative matters relating to personnel management, and for general administrative support to the rest of the staff. The position is responsible for assisting the Inspector General in the completion of the FCS Annual Survey report and participates in audits, inspections, and management reviews of administrative and operational activities.

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OIG PRODUCTS AND SERVICES

Audits and Inspections are the primary vehicles through which the OIG develops recommendations to promote economy, efficiency, and effectiveness in Agency programs and prevent waste and mismanagement. OIG also provides input to the Chairman or managers through management letters and confidential observations.

An auditor is devoted full time to audits. The Counsel to the Inspector General, the Criminal Investigator, and the Management Analyst also perform evaluations under the supervision of the Inspector General, focusing on evaluating administrative and operational issues. The varied backgrounds of these individuals bring expertise to evaluating Agency activities beyond that of traditional audits.

OIG augments its core staff with contracts when high level subject matter expertise is needed to perform a particular task.

Investigations encompass all OIG activities designed to detect or prevent fraud and abuse in administering Agency programs. Investigations are normally distinguished from other evaluations mainly in that they are directed at individuals rather than programs and activities. However, some of OIG's investigative actions are directed at preventing fraud and abuse through improving the effectiveness of management and administrative controls and practices, especially in high-risk areas. OIG also manages a HOTLINE to help FCA employees and the public report wrongdoing.

Legislative and Regulatory Review includes the review and comment on proposed and existing legislation and regulations as they may affect the Agency or the OIG community. Activity review is reported in the Semiannual Report to the Congress.

Outreach directs the OIG to focus attention to improving the Agency, the Inspector General community and the Federal government. This is accomplished by promoting Agency understanding of the OIG's role, providing leadership to organizations contributing to the Inspector General community, and by participating in special projects. The OIG also develops educational information describing the roles and activities of the OIG and provides information to the public through the FCA web site.

Other OIG Functions include internal policy direction and leadership and advice to the Chairman and management about Agency programs and operations. The Inspector General is also responsible for fully informing the Chairman and the Congress about fraud and other serious problems in Agency programs, including management's progress in carrying out corrective actions.

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OIG's MISSION, VISION AND IMPLICATIONS FOR STAFFING

It is the OIG's mission that its work products and presence promote economy, efficiency and integrity in Agency operations. OIG will accomplish this by being a leader and catalyst identifying Agency challenges and opportunities. We will strive to:

- deliver products and services that are competent, objective, timely and relevant;
- maintain a customer focus which is responsive to the needs of decision-makers; and
- provide a positive working environment that encourages us to be innovative and reach our potential through teamwork and candid communication.

If we are to fulfill these statements, each staff member must broaden and refine their skills and abilities, adopt a creative approach to problem solving, and take the initiative to influence management. In that way, management will be receptive to our conclusions and recommendations. Staff must be supported through OIG management's actions, equipment and training, and mutual support from office teammates.

STAFFING ASSESSMENT AND STRATEGIES

OIG's diverse responsibilities prescribed by the IG Act dictate the needed competencies within the OIG staff. The independent nature of the OIG role also has implications for staffing. Even with a very small staff, the OIG can deliver its products and services by maintaining a high level of cross training and a broad base of expertise in audit, investigations, law, management, and administration. The 4.83 FTEs in this plan constitute the critical mass necessary to credibly perform OIG's responsibilities. Conversely, the related level of risk at FCA does not warrant either an increase in the number of FTEs or change in the mix of competencies. The OIG established the current staffing pattern after careful analysis of the specialized nature of the OIG's responsibilities and volume of work. Downsizing over the years has reduced the OIG to a level at which any further reduction may adversely affect the OIG's accomplishment of its mission.

OIG staff performs evaluations and investigations under the general supervision of the Inspector General. These assignments are often unlike previous assignments and need creative thinking in planning and developing the project, and mature judgment in developing conclusions and recommendations and defending them before management.

The current OIG staff profile represents a high level of diversity. OIG has been successful in obtaining a diverse pool of applicants in its recent job postings. When filling future OIG vacancies, we will make a concerted effort to attract a diverse pool of qualified candidates. We share the Agency's affirmative employment objectives and believe that a diverse staff is a critical factor in the long-term success of an organization.

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STAFFING AND RESOURCE NEEDS AND DISTRIBUTION

STAFFING OBJECTIVES, STRATEGIES AND ASSUMPTIONS

Objectives

- Retain and refine the skills and competencies represented by the current staff profile.
- Employ the best-qualified applicant while ensuring the broadest possible pool of applicants.
- Cross-train all OIG staff to ensure each staff member can capably perform at least one OIG function as well as their primary staffing role.
- Increase effectiveness of collaboration among OIG staff members.
- Expand OIG staff participation in non-program activities of the Agency.

Strategies

- Staff will identify and participate in training and professional development activities identified in individual development plans to retain and enhance skills.
- Teamwork training will occur regularly to promote collaboration among OIG staff.
- Agency affirmative employment objectives will be considered in filling all OIG vacancies to achieve appropriate diversity.

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

IRM PLAN SUMMARY								
IRM Budget Category	Object Code	FY 2006 Costs	FY 2007 Costs	FY 2008 Costs	FY 2009 Costs	FY 2010 Costs	FY 2011 Costs	Total Costs
Telephone & Communications Services	2329	3,000	3,000	3,000	3,000	3,000	3,000	18,000
Consulting Services	2510	35,000	40,000	40,000	40,000	45,000	45,000	245,000
IT Equipment	3140	6,600	2,400	17,900	800	800	400	28,900
Software	3143	5,500	500	1,500	500	1,500	500	10,000
Total		\$50,100	\$45,900	\$62,400	\$44,300	\$50,300	\$48,900	\$301,900

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**FY 2006 REVISED PERFORMANCE BUDGET
by Performance Objectives**

Program Activities	Total Cost	Direct Cost	Indirect Cost	Total FTE
1.0 Policy and Regulation	0	0		0.00
1.1 Regulation and Policy Development	0	0		0.00
1.2 Statutory and Regulatory Approvals	0	0		0.00
2.0 Safety and Soundness	0	0		0.00
2.1 Examination	0	0		0.00
2.2 Economic, Financial and Risk Analysis	0	0		0.00
2.3 FCS Data Management	0	0		0.00
3.0 Implement the President's Management Agenda	0	0	0	0.00
3.1 Strategically manage human capital	0		0	0.00
3.2 Upgrade the Agency's financial management system	0		0	0.00
3.3 Continue the expansion of e-government	0		0	0.00
3.4 Continue evolution of budget & performance integration	0		0	0.00
3.5 Give due consideration to competitive sourcing	0		0	0.00
4.0 Reimbursable Activities	0			0.00
4.1 SBA	0	0		0.00
4.2 USDA	0	0		0.00
4.3 FCSIC	0	0		0.00
4.4 NCB/NCB Development Corporation	0	0		0.00
5.0 Distributed Costs	998,248		998,248	4.83
5.1 Budget and Financial Management	0		0	0.00
5.2 Human Resources Management	0		0	0.00
5.3 Information Resources Management	0		0	0.00
5.4 Other Legal Counsel	0		0	0.00
5.5 Communication	0		0	0.00
5.6 Contracting, Procurement, Mail and Supply	0		0	0.00
5.7 Board Activities and Information Services	0		0	0.00
5.8 Congressional and Intergovernmental Affairs	0		0	0.00
5.9 Records Management and Information Services	0		0	0.00

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**FY 2006 REVISED PERFORMANCE BUDGET
*by Performance Objectives***

Program Activities	Total Cost	Direct Cost	Indirect Cost	Total FTE
5.10 Audit and Investigations	998,248		998,248	4.83
5.11 Administration	0		0	0.00
5.12 OSMO/Farmer Mac (non-exam activities)	0		0	0.00
Total	\$998,248	0	\$998,248	4.83

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**FY 2006 REVISED PRODUCTS AND SERVICES
by Object Classification**

Resources	Total	PS 4.83 Audits and Investigations	PS #	PS #	PS #	PS #
Full-time Equivalents (FTE)	4.83	4.83	0.00	0.00	0.00	0.00
% of costs distributed on the basis of FTE	1.00	1.00	0.00	0.00	0.00	0.00
Total	\$998,248	\$998,248				
Object Classification						
11.1 Full-time permanent	469,231	469,231	0	0	0	0
11.3 Other than full-time permanent	133,238	133,238	0	0	0	0
11.5 Other personnel compensation	2,000	2,000	0	0	0	0
Subtotal	604,469	604,469	0	0	0	0
12.1 Personnel benefits	175,772	175,772	0	0	0	0
Subtotal	175,772	175,772	0	0	0	0
13.0 Benefits to former personnel	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
21.0 Travel & transportation of person	15,000	15,000	0	0	0	0
Subtotal	15,000	15,000	0	0	0	0
22.0 Transportation of things	1,200	1,200	0	0	0	0
Subtotal	1,200	1,200	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0	0
23.3 Communications, utilities, & misc.	4,232	4,232	0	0	0	0
Subtotal	4,232	4,232	0	0	0	0
24.0 Printing and reproduction	1,500	1,500	0	0	0	0
Subtotal	1,500	1,500	0	0	0	0
25.1 Advisory and assistance services	35,000	35,000	0	0	0	0
25.2 Other services	142,075	142,075	0	0	0	0
25.3 Other purchases from Govt accounts	3,000	3,000	0	0	0	0
25.7 Operation & maintenance of equipment	0	0	0	0	0	0
Subtotal	180,075	180,075	0	0	0	0
26.0 Supplies and materials	5,400	5,400	0	0	0	0
Subtotal	5,400	5,400	0	0	0	0
31.0 Equipment	12,600	12,600	0	0	0	0
Subtotal	12,600	12,600	0	0	0	0
42.0 Insurance claims & indemnities	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
92.0 Undistributed	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Total	\$998,248	\$998,248	0	0	0	0

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

FY 2006 REVISED PRODUCTS AND SERVICES

The accomplishment of the OIG's products and services correlate to fulfilling our goals and objectives. Management, administrative support and lave are disbursed across the four program areas.

Products/Service	Budget	% Budget	FTE	% FTE
Audits, Inspections, and Review Products	\$578,984	58%	2.80	58%
Investigations	\$199,649	20%	.97	20%
Legislation and Regulations Review	\$119,790	12%	.58	12%
Outreach	\$99,825	10%	.48	10%
Total	\$998,248	100%	4.83	100%

Audits, Inspections, and Review Products—The OIG evaluates approximately 6-10 reports per year (including the annual FCA financial audit). This includes technical advice and assistance to Agency officials in developing management information and financial reporting systems and in streamlining programs and organizations. It also includes survey production. At present, one survey has been produced for over 10 years, the Farm Credit System Survey. A second survey, the Regulation Development Survey, has been produced twice and its usefulness in the present form is under consideration.

Budget for FY 2006—\$578,984

2.80 FTE

Investigative Function—Allegations received by the OIG are reviewed by testing information provided to determine whether an investigation should be opened. Investigations are conducted when appropriate. Maintaining the OIG HOTLINE and directing FCS borrower complaint or inquiry issues to Agency components are additional functions of the investigative service.

Budget for FY 2006—\$199,649

.97 FTE

Review and Comment on Proposed and Existing Legislation and Regulations—The OIG reviews, comments and responds to Congressional and executive requests and inquiries. Additionally the OIG reviews and comments on proposed and existing legislation and regulations affecting the Agency and the Inspector General community.

Budget for FY 2006—\$119,790

.58 FTE

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

FY 2006 REVISED PRODUCTS AND SERVICES

Outreach Program—The OIG educates FCA employees about OIG’s role within the Agency. The OIG lends leadership to organizations directly contributing to the IG community. Through involvement in special projects and workgroups, the OIG makes contributions for improving the Agency, the OIG community and the Federal government. This includes but is not limited to: the Semiannual Report to the Congress, participation in external activities such as membership on the ECIE and the CCIG, and instructing at the IG Academy and various public and Government forums. We also participate in Agency efforts, such as the GPRA initiative, Employee’s Council, Administrative Workgroup, Blacks in Government, and Continuity of Operations Plan.

Budget for FY 2006—\$99,825

.48 FTE

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

FY 2006 REVISED BUDGET AND JUSTIFICATIONS

TOTAL OFFICE BUDGET	\$998,248
Total approved IRM Plan amount included in Office Budget	\$ 50,100
 1100 Personnel Compensation	 \$604,469
Amount required to fund salaries of OIG staff (4.83 FTE) charged with conducting audits and investigations related to Agency programs and operations. We are also responsible for reviewing existing and proposed legislation and regulations to evaluate their impact on the Agency and on the prevention of fraud and abuse. Funds are included to provide for two possible promotions. Funds are also allocated for cash awards for deserving employees.	
 1200 Personnel Benefits	 \$173,772
Benefits are the direct result of salaries, consistent with employees' retirement systems, health and other related benefits.	
 1300 Benefits for Former Personnel	 \$ --
N/A	
 2100 Travel and Transportation of Persons	 \$ 15,000
OIG staff will use travel funds for audit and investigative related matters. Funds will also be used for travel related to training courses, professional associations meetings, and a teambuilding session for all OIG staff.	
 2200 Transportation of Things	 \$ 1,200
The amount is necessary for anticipated express mail services throughout the year.	
 2300 Rent, Communications, Utilities, and Miscellaneous	 \$ 4,232
2300 Approved IRM Plan	\$ 3,000
These funds will cover anticipated usage of telephone credit cards while on official travel, long distance phone service in McLean, courier delivery services throughout the year to hand-deliver information and reports to the Congress and other groups, and blackberry service for the Inspector General. Funds will cover a portion of telecommuters access expense and maintenance of an independent internet access for the anonymous HOTLINE account. The independent internet account is used for confidential reporting of fraud, waste, abuse, and mismanagement.	
 2400 Printing and Reproduction	 \$ 1,500
Cost of printing brochures, pamphlets, business cards, etc. when FCA cannot produce the	

**Farm Credit Administration
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FY 2006 REVISED BUDGET AND JUSTIFICATIONS

items.

2500 Other Contractual Services **\$180,075**

2500 Approved IRM Plan **\$ 35,000**

Contract services will be needed to assist in staff reviews of programs, including FISMA and FCA financial statements audits. The tuition funds will be used for individual training classes for staff. Individual training classes are a mandatory requirement of the Federal Yellow Book for auditors and of the legal bar association for the Counsel to the IG. Membership fees will cover the dues for professional organizations to which OIG staff belong such as the Institute of Internal Auditors and Association of Government Accountants.

Government contractual funds will be used for miscellaneous training courses being attended by staff at the U.S. Department of Agriculture (USDA), Federal Law Enforcement Training Center (FLETC), and other government agencies. They will also be used for contracts used by other government agencies such as Department of Labor (DOL) and General Services Administration (GSA) for independent reviews of such things as the Agency's financial statements and the OMB required IT security audit. Government Information Security Reform Act (GISRA) requires agencies to perform an audit of IT security on an annual basis.

2600 Supplies and Materials **\$ 5,400**

To purchase miscellaneous text and reference books as well as on-going subscriptions. Office supply funds will be used mainly to purchase supplies for dedicated office equipment. Non-cash awards will be given to staff at the discretion of the IG.

3100 Equipment **\$ 12,600**

 3100 Approved IRM Plan \$ 12,100

Purchase equipment and software as necessary to support IG programs.

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**FY 2007 PROPOSED PERFORMANCE BUDGET
by Performance Objectives**

Program Activities	Total Cost	Direct Cost	Indirect Cost	Total FTE
1.0 Policy and Regulation	0	0		0.00
1.1 Regulation and Policy Development	0	0		0.00
1.2 Statutory and Regulatory Approvals	0	0		0.00
2.0 Safety and Soundness	0	0		0.00
2.1 Examination	0	0		0.00
2.2 Economic, Financial and Risk Analysis	0	0		0.00
2.3 FCS Data Management	0	0		0.00
3.0 Implement the President's Management Agenda	0		0	0.00
3.1 Strategically manage human capital	0		0	0.00
3.2 Upgrade the Agency's financial management system	0		0	0.00
3.3 Continue the expansion of e-government	0		0	0.00
3.4 Continue the evolution of budget & performance integration	0		0	0.00
3.5 Give due consideration to competitive sourcing	0		0	0.00
4.0 Reimbursable Activities	0	0		0.00
4.1 SBA	0	0		0.00
4.2 USDA	0	0		0.00
4.3 FCSIC	0	0		0.00
4.4 NCB/NCB Development Corporation	0	0		0.00
5.0 Distributed Costs	1,008,040		1,008,040	4.83
5.1 Budget and Financial Management	0		0	0.00
5.2 Human Resources Management	0		0	0.00
5.3 Information Resources Management	0		0	0.00
5.4 Other Legal Counsel	0		0	0.00
5.5 Communication	0		0	0.00
5.6 Contracting, Procurement, Mail and Supply	0		0	0.00
5.7 Board Activities and Information Services	0		0	0.00
5.8 Congressional and Intergovernmental Affairs	0		0	0.00
5.9 Records Management and Information Services	0		0	0.00

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**FY 2007 PROPOSED PERFORMANCE BUDGET
*by Performance Objectives***

5.10 Audit and Investigations	1,008,040		1,008,040	0.00
5.11 Administration	0		0	0.00
5.12 OSMO/Farmer Mac (non-exam activities)	0		0	0.00
Total	\$1,008,040	0	\$1,008,040	4.83

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**FY 2007 PROPOSED PRODUCTS AND SERVICES
by Object Classification**

Resources	Total	PS 4.83 Audits and Investigations	PS #	PS #	PS #	PS #
Full-time Equivalents (FTE)	4.83	4.83	0.00	0.00	0.00	0.00
% of costs distributed on the basis of FTE	1.00	1.00	0.00	0.00	0.00	0.00
Total	\$1,008,040	\$1,008,040				
Object Classification						
11.1 Full-time Permanent	476,719	476,719	0	0	0	0
11.3 Other than full-time permanent	133,238	133,238	0	0	0	0
11.5 Other personnel compensation	2,000	2,000	0	0	0	0
Subtotal	611,957	611,957	0	0	0	0
12.1 Personnel benefits	Subtotal	177,976	177,976	0	0	0
13.0 Benefits to former personnel	Subtotal	0	0	0	0	0
21.0 Travel & transportation of person	Subtotal	15,300	15,300	0	0	0
22.0 Transportation of things	Subtotal	1,200	1,200	0	0	0
23.2 Rental payments to others	0	0	0	0	0	0
23.3 Communications, utilities, & misc.	4,232	4,232	0	0	0	0
Subtotal	4,232	4,232	0	0	0	0
24.0 Printing and reproduction	Subtotal	1,500	1,500	0	0	0
25.1 Advisory and assistance services	40,000	40,000	0	0	0	0
25.2 Other services	140,075	140,075	0	0	0	0
25.3 Other purchases from Govt accounts	3,000	3,000	0	0	0	0
25.7 Operation and maintenance of equip.	0	0	0	0	0	0
Subtotal	187,075	187,075	0	0	0	0
26.0 Supplies and materials	Subtotal	5,400	5,400	0	0	0
31.0 Equipment	Subtotal	3,400	3,400	0	0	0
42.0 Insurance claims & indemnities	Subtotal	0	0	0	0	0
92.0 Undistributed	Subtotal	0	0	0	0	0
Total	\$1,008,040	\$1,008,040	0	0	0	0

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

FY 2007 PRODUCTS AND SERVICES

The accomplishment of the OIG's products and services correlate to fulfilling our goals and objectives. Management, administrative support and leave are disbursed across the four program areas.

Products/Service	Budget	% Budget	FTE	% FTE
Audits, Inspections, and Review Products	\$584,663	58%	2.80	58%
Investigations	\$201,608	20%	.97	20%
Legislation and Regulations Review	\$120,965	12%	.58	12%
Outreach	\$100,804	10%	.48	10%
Total	\$1,008,040	100%	4.83	100%

Audits, Inspections, and Review Products— The OIG evaluates approximately 6-10 reports per year (including the annual FCA financial audit). This includes technical advice and assistance to Agency officials in developing management information and financial reporting systems and in streamlining programs and organizations. It also includes survey production. At present, two surveys are produced in OIG for the direct benefit of the Agency for use in measuring performance. These two surveys are the Farm Credit System Survey and the Regulation Development Survey.

Budget for FY 2007—\$584,663

2.80 FTE

Investigative Function— Allegations received by the OIG are reviewed by testing information provided to determine whether an investigation should be opened. Investigations are conducted when appropriate. Maintaining the OIG HOTLINE and directing FCS borrower complaint or inquiry issues to Agency components are additional functions of the investigative service.

Budget for FY 2007—\$201,608

.97 FTE

Review and Comment on Proposed and Existing Legislations and Regulations—The OIG reviews, comments and responds to Congressional and executive requests and inquiries. Additionally the OIG reviews and comments on proposed and existing legislation and regulations affecting the Agency and the Inspector General community.

Budget for FY 2007—\$120,965

.58 FTE

**Farm Credit Administration
Office of Inspector General
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FY 2007 PRODUCTS AND SERVICES

Outreach Program—The OIG educates FCA employees about OIG’s role within the Agency. The OIG lends leadership to organizations directly contributing to the IG community. Through involvement in special projects and workgroups, the OIG makes contributions for improving the Agency, the OIG community and the Federal government. This includes but is not limited to: the Semiannual Report to the Congress, participation in external activities such as membership on the ECIE and the CCIG, and instructing at the IG Academy and various public and Government forums. We also participate in Agency efforts, such as the GPRA initiative, Employee’s Council, Administrative Workgroup, Blacks in Government, and Continuity of Operations Plan.

Budget for FY 2007—\$100,804

.48 FTE

**Farm Credit Administration
Office of Inspector General
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FY 2007 BUDGET AND JUSTIFICATIONS

TOTAL OFFICE BUDGET	\$1,008,040
Total approved IRM Plan amount included in Office Budget	\$45,900
1100 Personnel Compensation	\$611,957
<p>Amount required to fund salaries of OIG staff (4.83 FTE) charged with conducting audits and investigations related to Agency programs and operations. We are also responsible for reviewing existing and proposed legislation and regulations to evaluate their impact on the Agency and on the prevention of fraud and abuse. Funds are included to provide for two possible promotions in FY 2006. Funds are also allocated for cash awards for deserving employees.</p>	
1200 Personnel Benefits	\$177,976
<p>Benefits are the direct result of salaries, consistent with employees' retirement systems, health and other related benefits.</p>	
1300 Benefits for Former Personnel	\$ --
<p>N/A</p>	
2100 Travel and Transportation of Persons	\$ 15,300
<p>OIG staff will use travel funds for audit and investigative related matters. Funds will also be used for travel related to training courses, professional associations meetings, and a teambuilding session for all OIG staff.</p>	
2200 Transportation of Things	\$ 1,200
<p>The amount is necessary for anticipated express mail services throughout the year.</p>	
2300 Rent, Communications, Utilities, and Miscellaneous	\$ 4,232
2300 Approved IRM Plan	\$ 3,000
<p>These funds will cover anticipated usage of telephone credit cards while on official travel, long distance phone service in McLean, courier delivery services throughout the year to hand-deliver information and reports to the Congress and other groups, and blackberry service for the Inspector General. Funds will cover a portion of telecommuters access expense and maintenance of an independent internet access for the anonymous HOTLINE account. The independent internet account is used for confidential reporting of fraud, waste, abuse, and mismanagement.</p>	
2400 Printing and Reproduction	\$ 1,500
<p>Cost of printing brochures, pamphlets, business cards, etc. when FCA cannot produce the</p>	

**Farm Credit Administration
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FY 2007 BUDGET AND JUSTIFICATIONS

items.

2500 Other Contractual Services **\$187,075**

2500 Approved IRM Plan \$ 40,000

Contract services will be needed to assist in staff reviews of programs, including FISMA and FCA financial statements audits. The tuition funds will be used for individual training classes for staff. Individual training classes are a mandatory requirement of the Federal Yellow Book for auditors and of the legal bar association for the Counsel to the IG. Membership fees will cover the dues for professional organizations to which OIG staff belong such as the Institute of Internal Auditors and Association of Government Accountants.

Government contractual funds will be used for miscellaneous training courses being attended by staff at USDA, Federal Law Enforcement Training Center (FLETC), and other government agencies. They will also be used for contracts used by other government agencies such as DOL and GSA for independent reviews of such things as the Agency's financial statements and the OMB required IT security audit. GISRA requires agencies to perform an audit of IT security on an annual basis.

2600 Supplies and Materials **\$ 5,400**

To purchase miscellaneous text and reference books as well as on-going subscriptions. Office supply funds will be used mainly to purchase supplies for dedicated office equipment. Non-cash awards will be given to staff at the discretion of the IG.

3100 Equipment **\$ 3,400**

3100 Approved IRM Plan \$ 2,900

Purchase software as necessary to support IG programs.

**Farm Credit Administration
Office of Inspector General
Fiscal Year 2006-2007**

**PERFORMANCE BY PROJECTS, PRODUCTS AND SERVICES AND PROGRAM
ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
1.0 Policy and Regulation		0	0	0	0	0
1.1 Regulation and Development		0	0	0	0	0
Competition/Regulation Review	3177	0	0			
Regulatory Burden	3178	0	0			
Termination/Banks and Large Associations	3180	0	0			
Leasing Authorities	3181	0	0			
Borrower Rights	3182	0	0			
Releasing Information	3184	0	0			
FCA Handbook	3185	0	0			
Federal Register Liaison	3186	0	0			
Other Regulatory Initiatives	3187	0	0			
YBS Policy Statement	3188	0	0			
Recodify Farm Credit Act	3196	0	0			
Other Policy Initiatives	3200	0	0			
Investments in Rural USA	3292	0	0			
OFI Lending	3293	0	0			
National Charters	3306	0	0			
Texas FCB Litigation	3313	0	0			
Capital and Financial Risk Management	3315	0	0			
Electronic Commerce (FCS)	3318	0	0			
Distressed Loan Restructuring	3323	0	0			
Effective Interest Rate	3324	0	0			
Credit and Related Services	3325	0	0			
FCS Institution Structure	3326	0	0			
Enforcement Authorities	3327	0	0			
FCS/GSE Mission	3328	0	0			
Flood Insurance (CMP)	3329	0	0			
Section 508 Compliance	3338	0	0			
Capital/Technical Amendments	3345	0	0			
Capital Leverage Ratio	3346	0	0			

**Farm Credit Administration
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**PERFORMANCE BY PROJECTS, PRODUCTS AND SERVICES AND PROGRAM
ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
Young, Beginning, and Small Farmers (YBS)	3349	0	0			
Loan Syndications	3350	0	0			
Scope and Eligibility	3351	0	0			
Regulatory Burden Solicitation	3352	0	0			
Governance of FCS Institutions	3353	0	0			
1.2 Statutory & Regulatory Approvals		0	0	0	0	0
Corporate Activity	3204	0	0			
Funding Approvals	3205		0			
Other Regulatory Approvals	3206	0	0			
2.0 Safety and Soundness		0	0	0	0	0
2.1 Examination		0	0	0	0	0
Examination	UNINUM	0	0			
Early Warning Analysis	506	0	0			
General Examination	2026	0	0			
OE QA Program/Vulnerability	2042	0	0			
Training Development	2048	0	0			
OE Workshops/Conferences	2050	0	0			
Automated IS Issues	2335	0	0			
Exam Manual Update	2640	0	0			
CMS Activities	2983	0	0			
Legal Support for OE	3175	0	0			
E-Commerce Task Force	3307	0	0			
OE Modernization Project	3317	0	0			
Commission Test Development	3320	0	0			
FAMC Monitoring/Oversight	3366					
2.2 Economic, Financial and Risk Analysis		0	0	0	0	0
Underwriting Standards	2851	0	0			
Ag Land Value Trends	3169	0	0			
Public Reports and Briefing	3170	0	0			
Market Research and	3172	0	0			

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**PERFORMANCE BY PROJECTS, PRODUCTS AND SERVICES AND PROGRAM
ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
Monitoring						
Board Support Initiatives	3173	0	0			
Other Risk Analysis	3174	0	0			
System Structure Study	3321	0	0			
2.3 FCS Data Management		0	0	0	0	0
FCS Data Management	3190	0	0			
YBS and OMB Reports	3332	0	0			
LARS Redesign	3337	0	0			
3.0 Implement the President's Management Agenda		0	0	0	0	0
3.1 Strategically manage human capital		0	0	0	0	0
3.2 Upgrade the Agency's financial management system		0	0	0	0	0
3.3 Continue the expansion of e-gov't		0	0	0	0	0
3.5 Give due consideration to competitive sourcing		0	0	0	0	0
4.0 Reimbursable Activities		0	0	0	0	0
4.1 SBA		0	0	0	0	0
SBA Project Management	3143	0	0			
SBA Training	3319	0	0			
SBLC-Commercial Capital Corporation	1900701	0	0			
SBLC-Business Loan Center, Inc.	1900702	0	0			
SBLC-Grow America Fund, Inc.	1900703	0	0			
SBLC-Loan Source, Inc.	1900704	0	0			
SBLC-CIT SBLC	1900705	0	0			
SBLC-First Western SBLC	1900706	0	0			
SBLC-Amresco	1900707	0	0			
SBLC-Associated Commercial Corporation	1900708	0	0			
SBLC-Small Business Loan Source, Inc.	1900709	0	0			
SDBLC-Allied Capital SBLC	1900710	0	0			

**Farm Credit Administration
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**PERFORMANCE BY PROJECTS, PRODUCTS AND SERVICES AND PROGRAM
ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
SBLC-Transamerica	1900711	0	0			
SBLC-Money Store	1900712	0	0			
SBLC-Heller First Capital Corporation	1900713	0	0			
SBLC-GE Capital	1900714	0	0			
4.2 USDA		0	0	0	0	0
USDA Project Management	3314	0	0			
USDA Training	3343	0	0			
USDA State Office Exams	3344	0	0			
USDA – Alternative Agricultural Research Corporation	3354	0	0			
USDA – Business Loan Express	2500001	0	0			
USDA – B&I Lending	2500002	0	0			
USDA – Carolina Capital	2500003	0	0			
4.3 FCSIC		0	0	0	0	0
FCSIC Default Project	2225	0	0			
FCA Support of FCSIC	3279	0	0			
ORM Support FCSIC	3283	0	0			
4.4 NCB/NCB Development Corporation		0	0	0	0	0
FCA Support of NCB	3280	0	0			
FCA Support of NCB Development Corporation	3281	0	0			
Legal Counsel NCB Development Corporation	3285	0	0			
NCB	2000100	0	0			
5.0 Distributed Costs		\$796,659	\$896,937	\$951,601	\$998,248	\$1,008,040
5.1 Budget and Financial Management		\$44	0	0	0	0
Financial Management Policies	3234	0				
Budgeting and Analysis	3235	44				
Financial Management Systems	3236	0				
Financial Reports and Statements	3237	0				

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ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
Accounting Duties	3238	0				
Financial Management Guidance	3322	0				
5.2 Human Resources Management		\$1,545	0	0	0	0
Training Taken	3001	1,301				
Personnel and Payroll Processing	3161	0				
Compensation and Benefits	3162	0				
Training Administration and Development	3163	244				
Staffing and Job Evaluation	3164	0				
Employee Management Relations	3165	0				
Training G2	3222	0				
Training Development G2	3223	0				
Other Administration G2	3225	0				
Structural Streamlining	3334	0				
Bonus Performance Payments	3339	0				
FCA Compensation Study	3341	0				
Executive Leadership Program	3342	0				
Human Development and Investment	3356	0				
5.3 Information Resources Management		\$15,710	0	0	0	0
System Development	3229	0				
User Support	3230	0				
NT and Network Management	3231	0				
Client Systems Management	3232	0				
Database Administration	3233	0				
Agency Laptop Replacement	3309	0				
IT Accessibility Task Group	3310	0				
Lotus Notes R5 Upgrade	3312	0				
IRMOG	3330	0				

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ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
IRM Planning	3331	0				
IT Security	3340	0				
T29 Laptop Replacement	3359	15,710				
5.4 Other Legal Counsel		0	0	0	0	0
General Litigation	3197	0				
Legal Counsel – Other	3336	0				
5.5 Communication		\$15		0	0	0
Management Reporting	2308	0				
Design and Duplicating	2663	0				
Borrower Complaints	3156	0				
Symposium – Ag Lending	3167	0				
Economic Seminars and Conferences	3171	0				
Government Coordination	3207	0				
System Liaison	3208	15				
Media and Public Affairs	3209	0				
International Programs	3211	0				
Informational Memoranda	3212	0				
Publication Editing	3214	0				
Meeting Planning	3215	0				
Plain Language Initiative	3216	0				
Internal Communication G2	3219	0				
Internal Communication	3247	0				
FCA Web Site	3333	0				
5.6 Contracting, Procurement, Mail and Supply		0	0	0	0	0
Procurement	3239	0				
Mail Administration	3240	0				
Supplies Administration	3241	0				
Transportation Administration	3242	0				
5.7 Board Activities and Board Support		\$233	0	0	0	0
Board Support Initiatives	2357	0				
Board Support Initiatives	2989	0				

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**PERFORMANCE BY PROJECTS, PRODUCTS AND SERVICES AND PROGRAM
ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
Board Support	3213	0				
Board Member Activity	3335	233				
5.8 Congressional and Intergovernmental Affairs		0	0	0	0	0
Congress and Government Liaison	3201	0				
Legislative Analysis	3203	0				
Ombudsman Activities	3355	0				
5.9 Records Management and Information Services		\$128	0	0	0	0
Information Center and Records Management	3226	128				
5.10 Audits and Investigations		\$646,197	\$896,937	\$951,601	\$998,248	\$1,008,040
OIG Time	1425	646,197	896,937	951,601	998,248	1,008,040
Audit, QA and Internal Control	3221	0				
Audit, QA and Internal Control	3249	0				
5.11 Administration		\$132,787	0	0	0	0
General Administration	3002	328				
Planning	3004	351				
Clerical & Admin. Support	3005	0				
Year 2000 Activities	3006	0				
Best Practices	3059	0				
Year 2000	3063	0				
Management and Supervision	3160	0				
Management G2	3217	0				
Planning and Budgeting G2	3218	0				
Clerical & Admin. Support G2	3220	0				
Technical Committees	3224	0				
FCS Building Association Liaison	3243	0				
Leave	3244	132,108				
Management G3	3245	0				

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ACTIVITIES, FY 2003-2007**

Program Activities	Project Number	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Revised	FY 2007 Proposed
Planning and Budgeting G3	3246	0				
Clerical and Administrative Support G3	3248	0				
Other Administration G3	3250	0				
Ethics Program	3251	0				
FOIA and Release Information	3252	0				
EEO	3254	0				
Agency Compliance	3287	0				
FCA Mentoring Program	3288	0				
5.12 OSMO/Farmer Mac (non-exam activities)		0	0	0	0	0
Legal Counsel – OSMO	3276	0	0			
Risk-Based Capital Rule	3277	0	0			
OSMO Activities	3290	0	0			
Farmer Mac Call Reports	3347	0	0			
Farmer Mac Issues	3348	0	0			
TOTAL		\$796,659	\$896,937	\$951,601	\$998,248	\$1,008,040

