

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

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Missouri AN NO. 1415 (2006-M)

August 26, 2003

TO: Community Development Managers
Rural Development Managers
State Office Program Directors

FROM: Gregory C. Branum
State Director, Rural Development

SUBJECT: FY 2004 Management Control Process

PURPOSE/INTENDED OUTCOME:

This Administrative Notice is to establish the FY 2004 Management Control Process, SIR Teams and SIR Schedule for FY 2004.

COMPARISON WITH PREVIOUS AN:

REPLACES Missouri AN NO. 1397 (2006-M) dated August 28, 2002, which expires October 1, 2003.

IMPLEMENTATION RESPONSIBILITIES:

REVIEW SCHEDULE:

The management control regulations of Rural Development Instructions 2006-M established the State Internal Review (SIR) process. It requires a review to be completed in every office at least every five years or more frequent if determined necessary by the State Director or State Senior Management Team. Attachment A is Missouri's 5-Year Management Control Schedule. An effort was made to spread out the reviews by having at least one office within an area to be reviewed during each year.

With the above parameters, there are 7 reviews during FY 2004. This plan is subject to revision based on personnel changes and other factors.

EXPIRATION DATE: October 1, 2004

FILING INSTRUCTIONS: Preceding
Rural Development Inst. 2006-M

PROPOSED OFFICES AND DATES FOR FY 2004 REVIEWS:

Moberly		November 5-6, 2003
Butler		January 8-9, 2004
Springfield	A/O	March 16-18, 2004
Springfield	L/O	March 16-18, 2004
Charleston		April 14-15, 2004
West Plains		May 12-12, 2004
Hillsboro		July 14-15, 2004

STATE SENIOR MANAGEMENT TEAM:

There will be a State Senior Management (SSM) team reporting to the State Director to be responsible to: (a) help determine the major areas to be reviewed; (b) review the report and recommendations and determine the corrective actions to be taken for the weaknesses identified; and (c) review the responses for the report and make recommendations to the State Director for closure of the report. The SSM team for FY 2003 will be:

1. Management Control Officer (Team Leader) & Director, Program Support Staff
2. Director, Multi-Family Housing/Community Development
3. Director, Community and Business Programs
4. Director, Rural Housing
5. Assistant to the State Director/Environmental Coordinator

STATE INTERNAL REVIEW TEAM:

The SIR team is responsible for the following: (a) conduct the on-site portion of the review and complete the appropriate section in the SIR handbook; (b) participate in an entrance and exit conference with each office reviewed; (c) review the loan dockets and information necessary to complete the review; and (d) identify the weaknesses and strengths (e) identify the appropriate finding codes to input into the Automated Review Tracking System (ARTS) and (f) complete the computer generated reports as part of the review and submit a report to the Management Control Officer within 10 working days of the exit conference .

PROCESS:

The Team Leader (Management Control Officer) will coordinate the review with the following responsibilities:

1. Coordinate the lodging accommodations.
2. Notify the office being reviewed of the dates of the on-site visit.
3. Determine the review modules (area of reviews) that each team member will be responsible for.
4. Coordinate the file review. It is still thought that these files can be reviewed at the

reviewer's office rather than on-site to reduce the interruption to the office reviewed, reduce the travel costs associated with the review, etc. With an increased number of computer generated reports and remote capabilities, on-site will be kept to a minimum. Adequate on-site time must be scheduled for on-site

may be adequate to conduct the interviews, complete the review, and hold the exit conference.

5. Coordinate the final review to the State Director.

State Office Specialists and Program Directors will be available to assist the team with questions concerning the programs or administrative requirements. Questions concerning the process, management control requirements, and etc., should be directed to George Thomas, Management Control Officer.

All team members should review the 2006-M regulations. The State Internal Review Handbook, contains the review guides. The Rural Development Managers have been furnished a copy of the SIR Handbook. The SIR Review Guides are also on the RD SNAP1 Server under the miscellaneous folder. The Management Control Officer will coordinate with each team prior to the scheduled review to cover the basic requirements.

Team members are required to comply with RD Instructions 2006-M. Review Guides, compliance reports (on the excel spreadsheets) and Automated Review Tracking System (ARTS) finding codes. Codes will be identified for each weakness found and for the approved corrective actions. The completed guides, compliance reports, and finding codes will be due 10 working days after the date of the exit conference. Corrective action codes will be identified on the approved corrective action for each weakness.

If you have any questions, please contact George Thomas, Management Control Officer.