

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT



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Missouri AN No. 1451 (2006-M)

September 22, 2009

TO: All Employees

FROM: Anita J. Dunning  
Missouri State Director

SUBJECT: Fiscal Year 2010 Management Control Process

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides guidance on the Fiscal Year (FY) 2010 Management Control Process, State Internal Review (SIR) Teams and SIR Schedule for FY 2010.

COMPARISON WITH PREVIOUS AN:

REPLACES Missouri AN NO. 1449(2006-M) dated April 1, 2009 which was set to expire October 1, 2009.

IMPLEMENTATION RESPONSIBILITIES:

***REVIEW SCHEDULE:***

The management control regulations of RD Instruction 2006-M establish the SIR process. It requires a review to be completed in every office at least every 5 years or more frequently if determined necessary by the State Director or State Senior Management Team. Attachment A is Missouri's 5-Year Management Control Schedule.

With the above parameters and based on the two tier delivery system implemented in March 2008, Missouri has six Area Offices. Two Area Offices (Area 4 and 6) were reviewed in FY 2008. In FY 2009, Area 5 was reviewed including the Sub Area Offices in Area 5 of Carthage, Houston, Neosho, and West Plains. In addition, Sub Area Offices of Sedalia and Mexico were reviewed per a requirement or agreement with the Financial Management Division.

EXPIRATION DATE: October 1, 2010

FILING INSTRUCTIONS: Preceding  
Rural Development Inst. 2006-M

For FY 2010, the St. Joseph Area Office (Area 1) including the Sub Area Offices in Area 1 of Chillicothe, Maryville and Richmond will be reviewed. In addition, some of the Sub Area Offices would exceed the 5 year review requirement if we waited and reviewed in conjunction with their respective Area Office. Therefore, the Sub Area Offices of Moberly, Butler, Charleston and Poplar Bluff are scheduled for FY 2010.

A modified SIR review will be scheduled in those Sub Area Offices and primarily consist of the Single Family Housing (SFH) direct and guaranteed programs, Collections, Civil Rights, Accessibility of the Office, Environmental as it relates to SFH, Community Development (Section A) and Cooperative Programs (Section A).

There are no Centralized functions to schedule. The Multi-Family Housing payments are handled out of the Centralized Payment Center in St. Louis.

***PROPOSED OFFICES AND DATES FOR FY 2009 REVIEWS:***

<b>OFFICE</b>	<b>LAST REVIEW</b>	<b>FY 2009 REVIEW</b>
St. Joseph Area Office	July 2005	June 15-17, 2010
Chillicothe Sub Area Office	Mar 2005	
Maryville Sub Area Office	Nov 2007	
Richmond Sub Area Office	May 2007	
Moberly Sub Area Office	Nov. 2003	Nov. 17-19, 2009
Butler Sub Area Office	Apr. 2004	Feb. 9-11, 2010
Charleston Sub Area Office`	Apr. 2004	April 20-22, 2010
Poplar Bluff Sub Area Office`	June 2005	Aug. 17-19, 2010

***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 2010 will be:

1. Management Control Officer (Team Leader) & Director, Program Support Staff
2. Director, Multi-Family Housing
3. Director, Business and Community Programs & Civil Rights Coordinator
4. Director, Single Family Housing
5. Assistant to the State Director & Environmental Coordinator
6. Contract Program Manager
7. Director, Community Development

***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; (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 docket/folder inspections, conducting employee and customer/partner interviews, document findings and holding the exit conference.
5. Coordinate the final review to the State Director.

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

All team members should review the 2006-M regulations. The SIR Handbook contains the review guides. The SIR Review Guides are on the Missouri Shared Server under the SIR Handbook. 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 are to be completed on each program or administrative area reviewed. Weaknesses found should be identified with ARTS finding codes. ARTS Finding Codes can be found in a directory of codes on the Missouri Shared Server.

Team members are to have written summary report available for the exit conference summarizing findings of strengths, weaknesses and other comments. The written summary reports are to be furnished by e-mail to the MCO within two working days of the exit conference

For team members, all review guides, weaknesses identified with corresponding finding codes, compliance reports and related supporting documents are to be completed and turned into the Management Control Officer within 10 days of the date of the exit conference per RD Instructions 2006-M 2006.609 (e) (1). A copy of the SIR database can be found on the Missouri State Office "S" drive.

The Area Director is required within 10 days of the date of the SIR exit conference to submit an action plan in response to the SIR team's findings addressing each weakness identified and include proposed corrective actions for each weakness to eliminate or prevent the weakness from occurring in the future and identify specific timeframes for implementation of the corrective actions per RD Instructions 2006-M 2006.609 (e) (2).

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