



UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

RURAL  
DEVELOPMENT

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May 3, 2001

Rural Development Texas AN No. 545 (2006)

SUBJECT: Standard Operating Procedure for Texas State Internal Reviews

TO: All Offices  
USDA Rural Development, Texas

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Texas Administrative Notice (AN) is to emphasize the standard operating procedure on State Internal Reviews (SIR).

**COMPARISON WITH PREVIOUS AN:**

This AN replaces Texas AN No. 507 (2006) which expired September 30, 1999.

**IMPLEMENTATION RESPONSIBILITIES:**

The SIRs will be performed in accordance with RD Instruction 2006-M. Each employee should familiarize themselves with this instruction. To assure that proper preparation, execution and follow-up are accomplished for each review, the following guidelines will be observed.

**SCHEDULE FOR SIRs:**

The State Senior Management (SSM) Team has been designated in writing and is posted to the Management Control web-site. One of the team's responsibilities is to work with the Management Control Officer (MCO) to establish a five-year plan of reviews and select offices to be reviewed for the following fiscal year. The current year schedule of SIRs and the five-year schedule of SIRs are listed on the MCO web-site under "SIR Schedules."

At least thirty days in advance of the actual on-site SIR, the MCO will notify the office and request pre-selected reports and other documentation. The office will send the requested material to the attention of the MCO. Upon receipt, the MCO and SSM team will select a representative sample of dockets to be reviewed in the State Office.

SIR team members have been designated by the State Director and they are listed on the MCO web-site under "SIR Duties/Responsibilities." The SIR team members will review the sample of dockets and other reports at the State Office prior to the on-site review. The on-site review consists of file reviews, site visits, and interviews with the office staff, borrowers, bankers and other lenders, etc. At the beginning of the on-site review, an entrance conference with local office staff will be held to discuss the purpose and scope of the review.

EXPIRATION DATE: April 30, 2002

FILING INSTRUCTION:

Following RD Instruction 2006-M

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Provider and Employer. Complaints of discrimination should be  
sent to: USDA, Director, Office of Civil Rights, Washington, DC 20250-9410

Prior to the on-site review, the MCO will notify the office of the planned date and time of the exit conference. It is required that all employees from the selected office be available during the review. Emergency/sick leave only will be granted during the review period for team members and office supervisors/key staff. For those on alternative work schedules, it may be necessary to adjust work schedules.

After the review is completed, an exit conference will be held with the SIR team members, SSM team members, local office staff, Rural Development Manager (RDM) and the State Director or his or her representative. If the State Director is unavailable to attend the exit conference, he or she will designate the Director, Administrative Programs to participate via teleconference. A draft copy of the report will be provided at the exit conference. The strengths and weaknesses will be discussed; however, corrective actions will not be made by the SIR team at this time.

The office will have ten work days to respond to the weaknesses. This report must clearly itemize the specific corrective actions taken and specify completion dates for both completed and planned actions.

The MCO will compile the SIR team members' final reports and the reviewed office's action plan responding to the weaknesses, and present the results to the SSM team to discuss the recommended corrective actions and action plans for the final report. Within 30 workdays from the date of the exit conference, the final written report will be issued to the reviewed office. The final report will include action plans and recommendations with timeframes for written follow-up response from the RDM.

Within 90 days from the date of the exit conference, the RDM will submit a written response to the State Director outlining corrective actions. If corrective actions are outstanding, or if further correction is required by the State Director, the RDM will submit follow-up responses every 60 days until all deficiencies have been corrected and documentation has been submitted.

### **ON-SITE MINI SIRS**

If a reviewed section of the SIR receives less than an 80% compliance score, a Mini SIR will be scheduled for that section within six months of the actual review. The length of the on-site Mini-SIRs will be at the discretion of the State Director and will depend on the severity of the weaknesses. Reviewers will submit their final written reports on findings and conclusions to the State Director through the MCO with a copy to the RDM and subject office within ten workdays after the Mini-SIR.

It is expected that each team member will approach his/her task with an attitude of providing expertise to the reviewed office staff to identify problems and practices that could improve operations and discuss alternatives and solutions consistent with regulations. The SIR is intended to serve as an internal management tool to help those involved be aware of areas and ways to improve and to share positive knowledge and experiences that might help our co-workers.

The MCO will complete a State Trend Analysis to identify statewide trends based on weaknesses identified in SIR/Mini SIR reports completed during the year. The State Trend Analysis, together with a recommended training plan will be sent to the State Director for evaluation and consideration. The State Trend Analysis will be submitted to the National Office no later than December 31 of each year.

SIRs are conducted for all program and administrative operations in field offices and centralized program functions within the State. All employees are responsible for delivering the programs of USDA Rural Development and providing the support services for these programs in such a way as to protect the public's resources from fraud, waste, loss, unauthorized use, and mismanagement.

If you have any questions regarding the SIR process or management controls, please contact the Management Control Staff at 254-742-9707 or 254-742-9704.

/signed/

RICHARD L. PERRYMAN

Acting State Director