

Part 404 – Compliance – Internal and External

Subpart A – General

404.0 Purpose

This part addresses the process for internal and external compliance. Due to an increase in the responsibilities of NRCS, there are more risks in data and information collection, fiscal reporting, program implementation, and operation. To address and mitigate these risks, NRCS's priority is to improve agency quality assurance and quality controls by reforming financial processes, streamlining business processes, enhancing the workforce, and increasing information quality.

- (1) This part establishes policy for agency internal control management and external audits. It includes policies for—
 - (i) Ensuring that agency internal management control activities are in place and operational through oversight activities.
 - (ii) Monitoring general trends and recurring risks in regard to operations, financial reporting, and compliance.
 - (iii) Responding to external audits, investigations, and reviews of NRCS programs and operations conducted by the Department of Agriculture's Office of the Inspector General and the U.S. Government Accountability Office and ensuring that the results of these audits have been implemented.
 - (iv) Assessing the general quality, trends in quality, and recurring quality vulnerabilities of agency products, services, and internal operational activities through standardized quality control processes.
 - (v) Reporting on the status of the agency's risk management activities through the analysis and results of the quality control processes, the status of the implementation of the recommendations from internal compliance and audit activities, and the effects that adoption of these recommendations has had on the overall operational improvement of the agency.
- (2) This part does not include policy or procedures for—
 - (i) Civil rights compliance reviews, which are covered in Title 230, General Manual (GM), Part 405, and administrative reviews, which are covered in 110-GM, Part 403.
 - (ii) The Integrated Accountability System, Customer Service Toolkit, Performance Results System, and ProTracts.
 - (iii) Responding to allegations of illegal activity and misconduct. Policies for these items are covered in 360-GM, Part 413.
 - (iv) Specific procedures, software, or mechanisms for conducting internal compliance and audit activities necessary to reduce risks to the agency.
 - (v) Providing direct assistance to an individual State that does not result in recommendations or agreed-to actions for remedial quality improvement or risk reduction.