September 8, 2022
External Peer Review Report

The Honorable Brian M. Tomney
Inspector General
Federal Housing Finance Agency
400 7th Street, SW.
Washington, DC 20219

Dear Mr. Tomney:

This required external peer review was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Inspection and Evaluation Committee guidance as contained in the CIGIE Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General (December 2020 and December 2021). The peer review was conducted from April 12, 2022, through September 8, 2022.

The Treasury Inspector General for Tax Administration (TIGTA) assessed the extent to which the Federal Housing Finance Agency (FHFA), Office of Inspector General (OIG) complied with the CIGIE Quality Standards for Inspection and Evaluation (Blue Book), versions dated January 2012 and December 2020, depending on the time the evaluation or compliance review was conducted. This assessment included a review of the following FHFA OIG’s internal policies and procedures implementing the Blue Book standards:


It also included a review of selected inspection and evaluation reports issued between September 2019 and March 2022, to determine whether the reports complied with the Blue Book standards and the FHFA OIG’s internal policies and procedures.

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1 The evaluations and compliance reviews we evaluated were completed during different time frames. As such, we used the external peer review guide applicable for the time when the review was performed.
**Overall Conclusion**

TIGTA determined that the FHFA OIG’s policies and procedures were generally consistent with the Blue Book standards addressed in the external peer review. In addition, all four reports we reviewed generally complied with Blue Book standards.

We issued a Letter of Comment dated September 8, 2022, that describes an observation that was not considered to significantly impact compliance with a Blue Book standard.

Sincerely,

J. Russell George  
Inspector General

Enclosure 1: Scope and Methodology  
Enclosure 2: Reviewed Organization Comments to Draft Peer Review Report  
Letter of Comment
ENCLOSURE 1: Scope and Methodology

TIGTA selected four reports for review. The TIGTA review team selected a judgmental sample of two reports issued by the FHFA OIG, Office of Compliance, and two reports issued by the Office of Evaluations based on significant areas of risk identified in the FHFA OIG Audit, Evaluation, and Compliance Plan (September 2021) and Strategic Plan (2021–2024); types of reports with varying topics (FHFA Enterprises and Agency programs); and reports issued in Fiscal Years 2021 and 2022. The four reports we selected for our evaluation are:


2. **After Four and a Half Years, DER Still Fails to Ensure that Enterprise Boards are Notified of Serious Deficiencies in a Timely Manner** (COM-2021-002, January 21, 2021).

3. **Corporate Governance: Fannie Mae Senior Executive Officers and Ethics Officials Again Failed to Follow Requirements for Disclosure and Resolution of Conflicts of Interest, Prompting the Need for FHFA Direction** (EVL-2021-001, March 15, 2021).


The first three reports were evaluated using the January 2012 Blue Book standards and associated peer review Guide that were current at the time the evaluation or compliance review was conducted.

The fourth report was reviewed using the December 2020 Blue Book standards and associated peer review Guide as the FHFA OIG Office of Evaluation began using the updated standards before the required implementation date.

The TIGTA review team held an onsite opening conference with the FHFA OIG staff on April 12, 2022. Due to the impact of COVID-19, the TIGTA review team conducted its review remotely. The work performed included reviews of policies and procedures and project documentation that were made available on secure laptops provided by the FHFA OIG. TIGTA and the FHFA OIG also collaboratively used video and telephone technology to conduct interviews, and held an exit conference on August 4, 2022. The methods used to perform the work did not impact the TIGTA review team’s ability to address the objective of the peer review. The review team did not experience any constraints or impairments while conducting its review. Finally, this review did not include any follow-up work from the prior peer review report as it did not include recommendations.²

² [External Peer Review Final Report (fhfaoig.gov)]
ENCLOSURE 2: Reviewed Organization Comments to Draft Peer Review Report

OFFICE OF INSPECTOR GENERAL
Federal Housing Finance Agency
400 7th Street SW, Washington, DC 20219

August 24, 2022

The Honorable J. Russell George
Inspector General
Treasury Inspector General for Taxation Administration
901 D Street, SW, Suite 600
Washington, DC 20024

Dear Mr. George:

Thank you for the opportunity to respond to the draft report on the external peer review of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) prepared by the Treasury Inspector General for Taxation Administration. We are pleased that the peer review team found that the policies and procedures of FHFA-OIG’s Office of Compliance and Office of Evaluations were “generally consistent” with the applicable Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspection and Evaluation. We are also pleased that the peer review team determined that the four reports it reviewed generally complied with those standards.

We appreciate the professionalism of the peer review team throughout the review.

Sincerely,

[Signature]

Brian M. Tomney
Inspector General