

## **V. REPORT OF THE OFFICE OF INSPECTOR GENERAL**



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U.S. Department of Agriculture

Office of Inspector General  
Financial & IT Operations

## **Audit Report**

### **U.S. Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2004 and 2003**

Report No. 50401-53-FM  
November 2004

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UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20250



DATE:

REPLY TO

ATTN OF: 50401-53-FM

SUBJECT: U.S. Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2004 and 2003

TO: Patricia E. Healy  
Acting Chief Financial Officer  
Office of the Chief Financial Officer

ATTN: Kathy Donaldson  
Agency Liaison Officer  
Office of the Chief Financial Officer

This report presents the results of our audit of the U.S. Department of Agriculture's consolidated financial statements for the fiscal years ending September 30, 2004 and 2003. The report contains an unqualified opinion and the results of our assessment of the Department's internal control structure and compliance with laws and regulations.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective action taken or planned, including the timeframes, on our recommendations. Please note that the regulation requires a management decision to be reached on all findings and recommendations within a maximum of 6 months from report issuance.

We appreciate the courtesies and cooperation extended to us during the audit.

Phyllis K. Fong  
Inspector General

## **Executive Summary**

***U.S. Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2004 and 2003 (Report No. 50401-53-FM)***

### **Purpose**

Our audit objectives were to determine whether (1) the consolidated financial statements present fairly, in all material respects, in accordance with generally accepted accounting principles, the assets, liabilities, and net position; net costs; changes in net position; budgetary resources; and reconciliation of net costs to budgetary obligations, (2) the internal control objectives were met, (3) the Department complied with laws and regulations for those transactions and events that could have a material effect on the consolidated financial statements, and (4) the information in the Performance and Accountability Report was materially consistent with the information in the consolidated financial statements.

We conducted our audit at the financial offices of various U.S. Department of Agriculture (USDA) agencies and the Office of the Chief Financial Officer (OCFO) located in Washington, D.C., and its National Finance Center located in New Orleans, Louisiana. We also performed site visits to selected agencies' field offices.

### **Results in Brief**

As discussed in Note 20 to the financial statements, USDA restated its fiscal year 2003 consolidated financial statements to correct errors disclosed during the fiscal year 2004 audit as follows:

- The Forest Service corrected errors totaling about \$383 million for alignment of budgetary and proprietary account relationships and posting errors; unsupported balances in various suspense and deposit clearing funds; Fund Balance with Treasury and associated custodial liability; and certain revenue transactions.
- The Food and Nutrition Service, Natural Resources Conservation Service, and Animal and Plant Health Inspection Service corrected errors totaling about \$4.7 billion, \$478 million, and \$311 million, respectively, for improper recognition of appropriations used.
- The Federal Crop Insurance Corporation corrected errors totaling about \$1.17 billion for obligations and obligated balances carried forward from fiscal year 2002. In addition, the Federal Crop Insurance Corporation changed its accounting policy for funds held in escrow for crop insurance losses.
- The Commodity Credit Corporation corrected errors of about \$188 million in amounts for intragovernmental costs previously recorded as costs with the public.

- The Department corrected about \$176 million of Non-USDA disbursements recorded on its fiscal year 2003 Statement of Budgetary Resources.

For fiscal year 2003, the correction of these errors increased the ending balance of Unexpended Appropriations by over \$5 billion and decreased the ending balance of Cumulative Results by over \$5 billion. Consequently, the beginning balances for these line items for fiscal year 2004 changed by the same amounts.

In our Report on Internal Control Over Financial Reporting, we reported that continued improvements are needed in financial management across USDA and continued improvements are needed in information technology security.

In our Report on Compliance with Laws and Regulations, we continued to note where further actions are necessary related to improving financial management systems.

**Key Recommendations**

OCFO has immediate and long term plans to address most of the weaknesses in its financial management systems. For example, USDA recently implemented a Department-wide property system. The key recommendations in this report were limited to additional improvements in financial management and enhancing the reporting and tracking of weaknesses within financial management and information technology.

**Agency Position**

OCFO generally agreed with the findings and recommendations in this report except it did not concur with our conclusion that the Statement of Financing and Rural Development errors constituted material weaknesses. Additionally, OCFO did not agree with our conclusion that the extensive adjustments made after September 30 diminish the utility of financial data during the year.

**OCFO Response to Adjustments:**

We will continue to make process improvements to limit yearend adjustments. However, we do not concur that yearend adjustments result in diminishing the utility of financial data during the year to assist management in administering its programs and operations.

**OCFO Response to SOF and Crosswalk issue:**

Treasury’s published crosswalks for the Statement of Financing for FY 2004 Reporting states the following: “IMPORTANT NOTE: ...the Statement of Financing requires a level of detail beyond that of the USSGL accounts.” This is a government-wide issue. Other Federal Departments have similar

problems developing automated crosswalks for the SOF that are traceable to their general ledger. The Standard General Ledger crosswalks from Treasury have numerous scenarios that complicate automation using current financial management systems architecture. We solicit OIG assistance as we work with Treasury and the USSGL Board and the Office of Management and Budget (OMB) to develop SGL account structure and crosswalks that will eliminate the need for transactional analysis for certain line items on the SOF.

OCFO Response to RD credit reform related issue:

RD and the Department disagree that this credit reform related issue constitutes a material weakness. RD has internal controls in place. The finding represents a one-time download error from OMB's system, which cannot be duplicated. The error is an anomaly and does not represent a material internal control structure weakness. (Credit reform is considered a material weakness for Rural Development; however it is not considered a material weakness for the Department).

**OIG Position**

Based on the discussion included in Section 1 regarding the Statement of Financing, we continue to believe it constitutes a material weakness. We also continue to believe that Rural Development's multiple credit reform errors, which totaled over \$250 million, were not clerical in nature and are a material weakness. Furthermore, our conclusion remains that the adjustments made after yearend diminish the utility of financial data during the year when they are needed to assist managers in administering their programs and operations.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20250



## ***Report of the Office of Inspector General***

To: Patricia E. Healy  
Acting Chief Financial Officer  
Office of the Chief Financial Officer

We have audited the accompanying consolidated balance sheets of the U.S. Department of Agriculture (USDA) as of September 30, 2004 and 2003, and the related consolidated statements of net cost, changes in net position, and financing, and the combined statements of budgetary resources (hereinafter referred to as the "consolidated financial statements") for the fiscal years then ended. The consolidated financial statements are the responsibility of USDA's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements." Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audits to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the USDA as of September 30, 2004 and 2003; and its net costs, changes in net position, reconciliation of net costs to budgetary obligations, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20 to the financial statements, USDA restated its fiscal year 2003 consolidated financial statements to correct errors disclosed during the fiscal year 2004 audit as follows:

- The Forest Service corrected errors totaling about \$383 million for alignment of budgetary and proprietary account relationships and posting errors; unsupported balances in various suspense and deposit clearing funds; Fund Balance with Treasury and associated custodial liability; and certain revenue transactions.
- The Food and Nutrition Service, Natural Resources Conservation Service, and Animal and Plant Health Inspection Service corrected errors totaling about \$4.7 billion, \$478 million, and \$311 million, respectively, for improper recognition of appropriations used.



- The Federal Crop Insurance Corporation corrected errors totaling about \$1.17 billion for obligations and obligated balances carried forward from fiscal year 2002. In addition, the Federal Crop Insurance Corporation changed its accounting policy for funds held in escrow for crop insurance losses.
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- The Department corrected about \$176 million of Non-USDA disbursements recorded on its fiscal year 2003 Statement of Budgetary Resources.

For fiscal year 2003, the correction of these errors increased the ending balance of Unexpended Appropriations by over \$5 billion and decreased the ending balance of Cumulative Results by over \$5 billion. Consequently, the beginning balances for these line items for fiscal year 2004 changed by the same amounts.

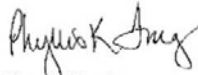
The information in the Performance and Accountability Report (see exhibit B) is not a required part of the consolidated financial statements, but is supplemental information required by accounting principles generally accepted in the United States of America or by OMB Bulletin No. 01-09, "Form and Content of Agency Financial Statements." We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. We did not audit this information and, accordingly, we express no opinion on it. However, as a result of such limited procedures, we believe that the Required Supplemental Stewardship Information and the Required Supplementary Information related to deferred maintenance for the Forest Service may not be reliable since preparation controls have not been effectively designed to ensure the existence, completeness, accuracy, and timeliness of the reported information.

We have also issued reports on our consideration of USDA's internal control over financial reporting and its compliance with certain provisions of laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards, and, in considering the results of the audit, these reports should be read in conjunction with this report. For internal controls over financial reporting, we identified three reportable conditions:

- Continued improvements are needed in financial management across USDA;
- Improvements are needed in IT weaknesses and controls; and
- Credit reform practices can be improved.

We believe the first two conditions are material weaknesses. Our report on compliance with laws and regulations discusses two instances of noncompliance relating to the Federal Financial Management Improvement Act and the accounting for user fees.

This report is intended solely for the information of the management of USDA, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.



Phyllis K. Fong  
Inspector General

November 12, 2004



UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20250



## ***Report of the Office of Inspector General on Internal Control Over Financial Reporting***

To: Patricia E. Healy  
Acting Chief Financial Officer  
Office of the Chief Financial Officer

We have audited the accompanying consolidated balance sheets of the U.S. Department of Agriculture (USDA) as of September 30, 2004 and 2003, and the related consolidated statements of net cost, changes in net position, and financing, and the combined statements of budgetary resources (hereinafter referred to as the “consolidated financial statements”), and have issued our report thereon dated November 12, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 01-02, “Audit Requirements for Federal Financial Statements.”

In planning and performing our audits, we considered USDA’s internal control over financial reporting by obtaining an understanding of the internal controls, determining whether the internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02 and Government Auditing Standards. We did not test all internal controls as defined by the Federal Managers’ Financial Integrity Act of 1982. The objective of our audit was not to provide assurance on USDA’s internal control. Consequently, we do not provide an opinion on internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation that, in our judgment, could adversely affect the agency’s ability to record, process, summarize, and report financial data consistent with the assertions by management in the consolidated financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more internal control components do not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the consolidated financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected.

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We noted certain matters described in the "Findings and Recommendations," Sections 1 and 2 of this report involving the internal control over financial reporting and its operation that we consider to be reportable conditions:

- Continued improvements are needed in financial management across USDA (Section 1);
- improvements are needed in IT security and controls (Section 1); and
- credit reform practices can be improved (Section 2).

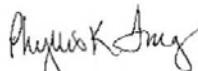
In addition, we believe that the reportable conditions in Section 1 are material weaknesses.

#### **Additional Other Procedures**

As required by OMB Bulletin No. 01-02, we considered USDA's internal control over Required Supplemental Stewardship Information (RSSI) by obtaining an understanding of the internal control, determining whether these internal controls had been placed in operation, assessing control risk, and performing tests of controls. Our procedures were not designed to provide assurance on internal control over such RSSI; accordingly, we do not provide an opinion on such controls.

As further required by OMB Bulletin No. 01-02, with respect to internal control related to performance measures determined by management to be key and reported in the Management's Discussion and Analysis section of the Performance and Accountability Report, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions. Our procedures were not designed to provide assurance on internal control over reported performance measures; accordingly, we do not provide an opinion on such controls.

This report is intended solely for the information and use of the management of USDA, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.



Phyllis K. Fong  
Inspector General

November 12, 2004



UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20250



## ***Report of the Office of Inspector General on Compliance with Laws and Regulations***

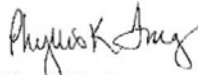
To: Patricia E. Healy  
Acting Chief Financial Officer  
Office of the Chief Financial Officer

We have audited the consolidated balance sheets of the U.S. Department of Agriculture (USDA) as of September 30, 2004 and 2003, and the related consolidated statements of net cost, changes in net position, and financing, and the combined statements of budgetary resources (hereinafter referred to as the “consolidated financial statements”), and have issued our report thereon dated November 12, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 01-02, “Audit Requirements for Federal Financial Statements.”

The management of USDA is responsible for complying with laws and regulations applicable to it. As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we performed tests of USDA compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain requirements referred to in the Federal Financial Management Improvement Act of 1996 (FFMIA). We limited our tests of compliance to the provisions described in the preceding sentence and did not test compliance with all laws and regulations applicable to USDA. However, providing an opinion on compliance with laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed one instance of noncompliance with other laws and regulations discussed in the second paragraph of this report, exclusive of FFMIA, that are required to be reported under Government Auditing Standards and OMB Bulletin No. 01-02. (See “Findings and Recommendations,” Section 3, “Compliance With Laws and Regulations.”)

This report is intended solely for the information and use of the management of USDA, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.



Phyllis K. Fong  
Inspector General

November 12, 2004

## **Findings and Recommendations**

### **Section 1. Internal Control Over Financial Reporting – Material Weaknesses**

Material weaknesses are reportable conditions in which the design or operation of one or more internal control components do not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the consolidated financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. We believe that the findings discussed in this section are material internal control weaknesses.

#### **Finding 1 Continued Improvements are Needed in Financial Management Across USDA**

The U.S. Department of Agriculture (USDA) and its agencies operate at least 90 program and administrative financial management systems. The Office of Inspector General (OIG) and the Government Accountability Office (GAO), have reported that USDA's financial system of records presents a high risk to the Department. The longstanding and material problems were caused, primarily, by the absence of corporate level oversight and planning when these legacy systems were initially developed and upgraded. The Office of the Chief Financial Officer (OCFO) has taken action to address these problems and developed plans to review the legacy systems, and consolidate and update the systems, as appropriate, to meet present accounting standards and management needs. With assets totaling over \$120 billion and program costs in excess of \$76 billion, USDA must continue to take actions to fully resolve these problems.

During fiscal year 2004, the Department continued to make significant improvements in its overall financial management. However, we noted areas where further improvements are needed. For example:

- We noted that certain relationships should exist when sound financial management is practiced. The activity of certain proprietary general ledger accounts should be equal to that of certain budgetary general ledger accounts. For example, accounts receivable between budgetary and proprietary balances should be equal. Similar relationships between the Fund Balance with Treasury (FBWT) and other accounts should also exist. In addition, many accounts within a general ledger

normally have a debit or credit balance. When accounting relationships do not exist or abnormal balances are noted, immediate research should be performed to identify the cause and correct the condition. While this research improved during fiscal year 2004, much of the corrective action did not occur until after fiscal year end. As a result, while we expected minimal adjustments to be made after the close of agency fiscal month 12 ledgers, there were about 1,800 final closing adjustments made that totaled billions of dollars. Most of the adjustments we reviewed were necessary; however, this yearend activity diminishes the utility of financial data during the year when they are needed to assist managers in administering USDA programs and operations. Specifically, we noted the following:

- Adjustments were processed to correct prior adjustments made in error.
  - Adjustments were made to clean up activity that could have occurred throughout the year and did not need to be made after yearend. For example, while appropriations were recorded throughout the year, the funds were not allotted until after yearend close. This weakens the funds control mechanisms in the system.
  - Adjustments were processed to correct systemic errors.
  - Budgetary and proprietary accounts were forced to equal each other in order to pass FACTs II edits. These relationships should exist without being adjusted.
  - Abnormal balances continued to exist without being fully researched and corrected. As of fiscal yearend, we noted that 192 abnormal account balances existed totaling over \$837 million.
- The Foundation Financial Information System (FFIS) uses standard vouchers (SV) to process adjustments to the general ledgers. The SV uses predefined debits and credits based on business rules. We noted that 11 of 24 SVs reviewed were (1) not entered correctly, (2) not calculated/researched correctly, (3) required to correct a previous adjustment, and/or (4) caused by system weaknesses. The types of problems that we found could have been avoided had the agencies effectively implemented the controls outlined in FFIS Bulletin 02-06, "Internal Controls Over Standard Vouchers in the FFIS," which establishes overarching guidance for developing proper internal controls.
  - We continue to find inconsistent implementation of accounting processes in FFIS between agency applications. Table settings are used to set edits, interest rates, penalty amounts, etc. We found that field settings were inconsistent among the 15 agency applications we



tested. As a result, inconsistent accounting processes could materially impact the consolidated financial information.

- Accountants need to improve their knowledge of financial system and process operations. Additional training is needed for personnel responsible for posting accounting entries in accordance with the U.S. Government Standard General Ledger (SGL).
- We also noted the lack of financial management systems and processes that are capable of fully monitoring and controlling budgetary resources for all programs. This occurred, primarily, because the Commodity Credit Corporation (CCC) and the Forest Service (FS) do not yet have integrated financial systems to track and govern the status of obligations and administrative limitations established by legislation or agency policy and are dependent upon manual processes. This subjects overall funds control to significant risk. Funds control is a vital component of any Federal Government operation.
- OCFO uses its Financial Statement Data Warehouse (FSDW) to compile the basic financial statements. The FSDW receives its information from the Department's FFIS general ledger. USDA agencies using the Department's FFIS and FSDW are subject to the OCFO's crosswalks for compilation of the agency's basic financial statements, including the Statement of Financing (SOF).

We determined that the OCFO's crosswalk for the SOF was not developed to populate all SOF line items from supporting transactions and account balances in the FFIS general ledger. According to OCFO's crosswalk, five line items on the SOF are manually compiled by agencies. Furthermore, FS, the largest USDA agency that uses the FFIS and FSDW, manually compiles and adjusts four additional SOF line items. One of the manual adjustments made by FS was an unsupported adjustment to force its SOF to reconcile with its Statement of Net Cost. OCFO indicated that the manual procedures and adjustments are necessary due to the limitations of the SOF crosswalk, as currently defined in the FSDW. This brings into question the reliability of this statement. Furthermore, this manual process does not ensure a consistent and accurate compilation of the SOF among the agencies. The unsupported adjustments raise doubts about the accuracy of the compilation process of the Department's SOF crosswalk and also raise doubts about the controls that should be assuring proper entries to accounts when transactions occur. The practice of making unsupported adjustments to the SOF contributed to the need to restate prior years' financial statements for the Department and the Federal Crop Insurance Corporation (FCIC).

The SOF should be presented in a way that clarifies the relationship between the obligation basis of budgetary accounting and the accrual basis of financial (i.e., proprietary) accounting. By explaining this relationship through a reconciliation, the SOF provides information necessary to understand how the budgetary (and some nonbudgetary) resources finance the cost of operations and affect the assets and liabilities of the reporting entity.

- We identified deficiencies in Rural Development's credit reform processes related primarily to the changes made to use data prior to fiscal yearend and enhancements made to its cash flow models. Rural Development (1) computed its "approximated"<sup>1</sup> reestimates inaccurately, (2) did not properly address cash flow model changes for non-housing direct programs, and (3) provided inaccurate support and/or disclosure for two of the tables in the credit reform footnote. Furthermore, enhancements made by the contractor for the direct multi-family housing program resulted in overstated disbursements. The "approximated" errors occurred because Rural Development did not follow procedures to ensure the weighted average interest rate was correct and the second party review performed did not detect the errors. Furthermore, the changes made to the non-housing direct programs were not applied to all programs and were not applied consistently to all affected areas of the model used for those programs. The credit reform footnote errors occurred because the quality control review process did not identify the discrepancies in the footnote disclosure and the support documentation. Had the "approximated" errors not been identified by OIG and corrected by agency officials, Rural Development's "approximated" reestimates and ultimately its financial statements would have been misstated by approximately \$140 million.
- We also noted that FS and CCC yearend accrual processes need to be accurately calculated and posted prior to providing the financial statements for audit; subsidiary detail supporting material line items on the financial statements did not always exist; and additional supporting documentation needed to be provided in numerous instances in order to support the financial statements.

These conditions hinder the ability to make informed decisions, in a timely manner, when the need for such information is a crucial factor for sound financial management. We believe the Department must continue to move forward in developing plans to integrate its program and administrative financial management systems. OCFO's objective is for USDA financial systems to produce annual financial statements and other information needed

<sup>1</sup> In order to comply with accelerated financial reporting deadlines, Rural Development revised its approach to performing the reestimates earlier using data prior to fiscal yearend. This is referred to as the approximated reestimates.

to manage day-to-day operations dependably and routinely. Achieving the reforms required by financial management legislation is essential because the Department needs accurate financial information and appropriate internal controls to effectively manage its vast resources.

The OCFO has immediate and long-term plans to address the weaknesses in its and the agencies' financial management systems. These actions include working with the business process owners to address the problems with the legacy feeder systems, with the objective to provide an improved integration of the financial management architecture within the Department.

We are making no additional recommendations in this report for prior recommendations that have not been management decided and are still open.

**Recommendation No. 1**

Establish a process to identify and eliminate the conditions causing the extensive yearend adjustments so that corrections are made throughout the year, as appropriate.

**Recommendation No. 2**

Prepare a clear and comprehensible SOF crosswalk that is supported by transactions and account balances that are traceable to the general ledger.

**Recommendation No. 3**

Assess the overall process to compile the SOF in order to identify approaches and techniques that provide for a more efficient, accurate and consistent compilation process.

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**Finding 2                      Improvements are Needed in Information Technology (IT) Security and Controls**

Historically, USDA agencies and departmental staff offices have independently addressed their respective IT security and infrastructure needs. This resulted in a broad array of technical and physical solutions that did not provide assurance that Department-wide security was obtained. The efforts of the Office of the Chief Information Officer (OCIO) and OIG in the past few years have heightened program management's awareness of the need to plan and implement effective IT security. The Department and its agencies

should be commended for their efforts during the year toward completion of the certification and accreditation of its systems; however, we still found significant weaknesses in the Department's security program that can be attributed to management's lack of commitment to implementing an effective security program within their respective agencies. USDA management must remain involved and committed to implementing an effective security program within the Department. Both the OCIO and OIG reported the lack of agency management involvement as a material weakness in prior Federal Information Security Management Act (FISMA)<sup>2</sup> reports. This is the third year we have reported this issue as a material weakness. Agency managers are ultimately responsible and should be held accountable for committing the appropriate resources to ensure compliance.

The Department and its agencies have made progress in addressing the lack of compliance with the Office of Management and Budget (OMB) Circular A-130, Appendix III, but weaknesses continue to exist. Specifically, OIG found that (1) the Department was still unable to produce a reliable inventory of applications and general support systems,<sup>3</sup> (2) not all documents produced through the agencies' certification and accreditation processes complied with OMB and other Federal requirements, and (3) a significant majority of the Department's applications were not certified until near the end of the fiscal year.

Despite the Department's site license for vulnerability scanning software and a formal scanning policy, the agencies have not timely identified and corrected known and exploitable vulnerabilities in their systems. The agencies we reviewed cited varying reasons for not performing vulnerability scans, including a lack of training and guidance on how to use the tools, and a lack of formal policies and procedures in place to periodically use the tools and mitigate the identified vulnerabilities. As a result, significant vulnerabilities go undetected and uncorrected, increasing the risk that attackers, both internal and external, could compromise mission-critical IT resources and data.

Further, we again identified access control weaknesses in the 12 agencies we reviewed during fiscal year 2004. This occurred because agencies did not have policies and procedures in place to (1) timely remove user accounts when no longer needed, (2) periodically reconcile user accounts to current employees and contractors, and (3) assign users only those permissions needed to perform their job responsibilities. We also found inadequate controls over the physical access to computer systems and critical network components in 6 of the 12 agencies reviewed. As a result, there is reduced

<sup>2</sup> FISMA superseded the Government Information Security Reform Act that expired in November 2002.

<sup>3</sup> OCIO officials acknowledged that the Department's inventory of systems had evolved throughout the year and suggested that its current list of departmental systems represents an improvement over prior efforts.

assurance that agencies can effectively protect their mission-critical systems and data from unauthorized modification, disclosure, loss, or impairment.

Finally, in the past several years, OCIO has strengthened its oversight of agencies' security programs; however, improvements could be made which would significantly strengthen the Department's security posture. Specifically, OCIO needs to (1) formalize its tracking system for USDA cyber security incidents to ensure timely followup and resolution, and (2) increase the number and frequency of its agency reviews. Despite continual requests for additional resources, OCIO acknowledges that it has not had the significant resources it needs to increase its review and enforcement efforts over agencies' security programs.

We also performed IT general control reviews at two major USDA computing centers that provide services to all USDA agencies and staff offices. The reviews adhered to the GAO "Federal Information Systems Control Audit Manual" (FISCAM). Specifically, we noted the following.

#### **OCIO/National Information Technology Center (NITC)**

- While significant improvements have been made, OCIO/NITC was still not fully compliant with the requirements of OMB Circular A-130 and other Federal security guidance. Specifically, OCIO/NITC had not (1) finalized contingency planning, (2) conducted risk assessments consistent with Federal requirements, or (3) prepared security plans for each of its general support systems. OCIO/NITC officials informed us that meeting the requirements of OMB Circular A-130 and National Institute of Standards and Technology (NIST) security guidelines involves major efforts and requires time and resources to comply thoroughly. However, until these controls and documents are in place, OCIO/NITC cannot be assured of the confidentiality, integrity, and availability of its computer resources.
- OCIO/NITC had not ensured that all midrange server security settings were configured in accordance with departmental and NIST guidelines. Further, OCIO/NITC needed to improve management over the routers and firewalls in its general support system. This occurred because OCIO/NITC had not established a policy or implemented controls to require midrange systems and general support systems to follow OCIO or NIST configuration guidance; and OCIO/NITC security staff have not played a significant role in establishing or monitoring security over midrange and general support systems. As a result, data residing on these servers in the midrange environment could be compromised.
- OCIO/NITC has made significant improvements over logical access controls. However, further actions are needed to ensure the

confidentiality and integrity of its IT resources. Specifically, OCIO/NITC had not completed implementation of procedures to ensure (1) waivers were obtained for user accounts with non-expiring passwords, (2) policies and procedures outlining monitoring of security logs were implemented, (3) global system settings were fully documented, and (4) controls from the internet were properly secured. While OCIO/NITC has made significant progress to address these issues, not all of the necessary controls were in place throughout the year to ensure the confidentiality and integrity of its IT resources. Until stronger controls over access are in place, OCIO/NITC resources are vulnerable to potential fraud and misuse, inappropriate disclosure, and potential disruption.

#### **OCFO/National Finance Center (NFC)**

- OCFO/NFC has made significant improvements to ensure compliance with Federal regulations is achieved; however, we found that OCFO/NFC had not updated its directive and functional statements to clearly define security responsibilities after its 2002 reorganization. Further, OCFO/NFC had not completed all required background investigations for individuals in high-risk positions. OCFO/NFC has continued to make progress in these areas and completed its certification and accreditation by September 30, 2004, in accordance with departmental guidance. OCFO/NFC plans to initiate a review to evaluate security responsibilities, and continue obtaining security clearances as funds permit. Without clearly defined security responsibilities and adequate background investigations, OCFO/NFC will not be adequately assured that its security management structure is operating effectively; thus, putting its critical resources at increased risk of loss, misuse, and improper modification.
- We found OCFO/NFC personnel and some of its clients had access to critical payroll and personnel applications that exceeded what was required to perform their job functions. In some instances, the access provided also violated separation of duty controls. This occurred because OCFO/NFC had not adequately restricted access based on job responsibilities or complied with its prescribed guidance to monitor access for all its employees and external users. As a result, OCFO/NFC systems are at an increased risk of inadvertent or deliberate misuse without detection.
- We also found that OCFO/NFC had not ensured that modems on its network were adequately tracked or properly secured, that its firewall configurations were appropriately maintained, or that logs were periodically reviewed on its Web and Unix servers. This occurred because OCFO/NFC had not established adequate controls or complied

with its own guidelines to monitor and secure these critical network resources. As a result, OCFO/NFC's network is at unnecessary risk of intrusion and unauthorized access that may not be detected in a timely manner.

- Finally, despite prior recommendations, we found that OCFO/NFC needed to strengthen its controls over application changes. Although OCFO/NFC was documenting application software change requests and approvals, we found that OCFO/NFC needed to ensure that it (1) completes documentation of application change testing, (2) performs user acceptance testing on mandated application software changes, (3) obtains users' approval of application software requirements, and (4) notifies users of emergency changes for subsequent review. These occurred because OCFO/NFC was not adequately enforcing its established guidance. Until these issues are addressed, OCFO/NFC will face increased risk that application software changes may not meet user needs, not operate as intended, or cause unforeseen adverse impacts on the application.

While the Department and most of its agencies' security staffs have taken considerable actions in the past few years to improve the security over their IT resources, significant progress is still needed toward establishing an effective security program. However, departmental management needs to strengthen its oversight of component agencies' procedures for reporting material information security weaknesses in accordance with the requirements of the Federal Managers' Financial Integrity Act (FMFIA), the Federal Financial Management Improvement Act (FFMIA), and the more recent FISMA. We found that despite the extensive number of security weaknesses we have continued to report over the past several years, USDA component agencies' fiscal year 2004 FMFIA Statements of Assurance and FFMIA Remediation Plan submissions to the OCFO did not always include the wide-range of information security weaknesses identified in USDA's financial management systems.

The component agencies were not reporting these weaknesses under the FFMIA because it was not a requirement in the past, but they were also not reporting them under FMFIA because OCIO reports a Department-wide material information security weakness. In its fiscal year 2004 FMFIA Assurance Statement, OCIO reports an overarching information security deficiency in the Department's ability to protect its assets from fraud, misuse, disclosure, and disruption. OCIO states that "extensive and wide-ranging weaknesses" within USDA information security programs are present, and while much progress has been achieved, many problems remain. The remedies provided in the FMFIA Assurance Statement are high-level management actions and are not agency specific, identifying only the OCIO as the responsible action official, instead of each agency head that is

responsible for that specific agency's progress towards resolving their information security weaknesses.

We believe that improving the overall management and security of IT resources should be a top priority in the Department. However, we believe that agency managers are ultimately responsible and should also be held accountable for committing the appropriate resources to implement an effective security program within their agencies.

**Recommendation No. 4**

The OCIO and OCFO must ensure that reports required for FISMA, FMFIA, and FFMA are consistent and complete.



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**Section 2. Internal Control Over Financial Reporting – Reportable Condition**


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Reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation that, in our judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions by management in the consolidated financial statements.

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**Finding 3 Credit Reform Processes and Practices Can Be Improved**

In fiscal year 2001, the Department overcame longstanding problems in the processes and procedures used to estimate and re-estimate the costs of loan subsidies for loans made after fiscal year 1991. The Department's Credit Reform Task Force had worked diligently over 3 years to resolve the longstanding weaknesses. In fiscal year 1999, the OCFO formed a task force to resolve credit reform problems. This task force included representatives for the lending agencies (Farm Service Agency, Rural Development, and Commodity Credit Corporation) from both the financial and budget staff as well as representatives from OCFO, OIG, GAO, and OMB. Upon successfully overcoming the most serious weaknesses, the task force ceased meeting on a regular basis.

However, changes to the Department's credit reform practices and processes have continued to evolve since fiscal year 2001. In order to comply with accelerated financial reporting deadlines, the lending agencies revised their approaches to perform the re-estimates earlier using data prior to fiscal year end. Furthermore, the lending agencies worked to improve their cash flow models and/or processes for inputting data into those models. Additional, authoritative guidance continues to be issued as credit reform is a complex area.

For example, in January 2004, the Federal Accounting Standards Advisory Board issued Technical Release 6, "Preparing Estimates for Direct Loan and Loan Guarantee Under the Federal Credit Reform Act." The Department's lending agencies do not currently have a standardized, consistent approach for performing trend analyses of total credit subsidy expense and its major components, as required by the Technical Release.

In order to ensure full compliance with all guidance, address emerging issues, and promote consistency and standardization, OIG recommends that OCFO again provide leadership for the lending agencies and revive the USDA Credit Reform Task Force.

**Recommendation No. 5**

The OCFO should periodically reconvene the Department's Credit Reform Task Force as needed to ensure that its lending agencies continue to fully comply with financial reporting requirements for loans; and that where appropriate, the lending agencies' activities are consistent and standardized.

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**Section 3. Compliance with Laws and Regulations**

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The management of USDA is responsible for complying with laws and regulations applicable to it. As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we performed tests of USDA compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of the consolidated financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain requirements referred to in the FFMA.

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**Finding 4 Substantial Noncompliance with FFMA Requirements**

FFMA builds on the foundation laid by the CFO Act by emphasizing the need for agencies to have systems that can generate reliable, useful, and timely information with which to make fully informed decisions and to ensure accountability on an ongoing basis. With such information, Government leaders will be better positioned to invest resources, reduce costs, oversee programs, and hold agency managers accountable for the way they run Government programs. For fiscal year 2004, we found USDA's financial management systems, as a whole, do not yet substantially comply with the requirements of the Act, and system security weaknesses continue to expose financial information to significant risk. We also found USDA management needs to strengthen Department-wide standards and procedures for reviewing, testing, and adequately documenting its financial systems' compliance with Joint Financial Management Improvement Program (JFMIP) Federal Financial Management System Requirements (FFMSR).

Under FFMA, agencies are required to annually assess whether their financial management systems comply substantially with (1) Federal financial management system requirements, (2) applicable Federal accounting standards, and (3) the SGL at the transaction level. In addition, FISMA requires each agency to report significant information security deficiencies, relating to financial management systems, as a lack of substantial compliance under FFMA. FFMA also requires auditors to report in their CFO Act financial statement audit reports whether the agencies' financial management systems substantially comply with FFMA's systems requirements.

OMB Circular A-127, "Financial Management Systems," which serves as the source for Federal system requirements, specifically provides that agency financial management systems shall conform to existing applicable functional

requirements as defined in the FFMSR series issued by the JFMIP. In order to support these requirements, each agency must have an ongoing financial systems improvement planning process and periodically evaluate how effectively and efficiently the financial management systems support the agency's changing business practices. Agencies are also expected to implement, expeditiously, new functional requirements as they are established and made effective through OMB Circulars and Bulletins and the Treasury Financial Manual.

Agencies whose systems do not comply with one or all of the FFMA requirements are considered in substantial noncompliance with the Act. Agencies that are not in substantial compliance with FFMA must develop a remediation plan that describes the findings or analysis of noncompliance and identifies the resources, remedies, and milestones for achieving substantial compliance. Agencies are also required to include their remediation plans in their annual Performance and Accountability Reports. Agencies are responsible for agency progress towards resolving identified deficiencies and such progress should be discussed in the agency's remediation plan; however, progress towards resolving the deficiencies should not be construed as compliance with FFMA.

For fiscal year 2004, our "standalone" audit agencies specifically reported the following significant system nonconformances with FFMA in their financial statement audit reports:

- Risk Management Agency (RMA)/FCIC financial auditors found deficiencies in management's policies and procedures to ensure its financial management systems comply with current FFMSR and in management's documentation to support conclusions reached regarding compliance with FFMA. The auditors also again reported significant IT security control weaknesses including (1) ineffective, inappropriate, inconsistent, and excessive user access controls; and (2) inadequate application program and database change controls which support specific application systems.
- Certification and accreditation of Rural Development's Rural Utilities Service legacy systems compliance with OMB Circular A-130 and compliance with FFMSR will not be completed until fiscal year 2005, although systems certifications and accreditations were completed on all other Rural Development financial systems in July 2004. Rural Development also continues to address material IT control weaknesses we identified during fiscal year 2004 including access controls, vulnerability identification and mitigation controls, application change controls, and ineffective field office security controls.

- Farm Service Agency (FSA)/CCC needs to improve its funds control and financial reporting processes to fully comply with OMB Circular A-127 and improve its financial systems and processes for posting budgetary transactions in accordance with the SGL at the transaction level. Additionally, FSA/CCC financial auditors again noted several areas where improvements are needed in establishing and maintaining sustainable and repeatable information security controls and contingency planning capabilities to be in compliance with OMB Circular A-130.
- Additionally, FS auditors reported noncompliance with multiple Federal accounting standards regarding (1) treatment of prior period adjustments and undetected variances in cumulative results of operations; (2) errors in accruals, unliquidated obligations, and recording timber and non-timber revenue; (3) stewardship reporting and various note disclosures; (4) accounting for leases and internal use software; and (5) not assessing the impact of remaining abnormal balances.

In addition to the noncompliance reported by the “standalone” audit agencies listed above, we noted other information security control weaknesses during our fiscal year 2004 FISCAM reviews that should have been reported as FFIA noncompliance by the Department and its component agencies. Those weaknesses are described in Finding No. 2 of this report.

The Department made notable progress during the year in meeting corrective action target dates and in completing system certification and accreditation for a large number of its systems applications, but much work remains. Currently, all scheduled completion dates are targeted for fiscal year 2005; however, issues regarding modernization of systems continue to be and will remain significant challenges in fiscal year 2005. These are complex areas and significant efforts will be needed to accomplish the target dates without, again, extending timeframes. We believe correcting these deficiencies should be a primary concern and priority for the Department during fiscal year 2005.

During fiscal year 2004, we also found the Department had not performed a documented review of its core financial management system’s compliance with JFMIP’s FFMSR since 2000. The OCFO had not performed a review because the system software<sup>4</sup> was certified as JFMIP compliant, based on the 1999 requirements, at the time it was purchased and the certification did not expire until 2003. However, the JFMIP updated its Core Financial System Requirements<sup>5</sup> in November 2001 to reflect changes in laws and regulations

<sup>4</sup> American Management System Federal Financial System version 5.6.

<sup>5</sup> “Federal Financial Management System Requirements” (JFMIP-SR-02-01, Nov. 2001) represents the latest update to the Core Financial System Requirements document first issued in January 1988.

and in Government-wide reporting systems and revised several Core Financial System Requirements in an addendum issued in March 2004. The Department did not perform a review based on the updated FFMSR because it believed the changes were not significant enough to warrant additional substantiating and there were no Department-wide procedures requiring periodic reviews and substantiation of financial systems' compliance with updated requirements.

Under OMB Circular A-127 provisions that each agency shall ensure appropriate reviews are conducted to determine whether its financial management systems continue to comply with the JFMIP's FFMSR, we believe USDA management should establish Department-wide standards and procedures for routinely reviewing, substantiating, and adequately documenting its financial systems' compliance with JFMIP FFMSR. Agencies must continue to improve their financial systems and implement new requirements as they are issued so that continuing efforts to standardize and upgrade data and reporting requirements, in accordance with OMB's Government-wide 5-year financial management plan, and more recently the President's Management Agenda, will be successful. Also, because the FFIA statute codifies the FFMSR as key requirements that agency systems must meet to be in substantial compliance with the provisions of the FFIA, as well as guidance for reviews of system compliance with the FFIA, we believe these instances of noncompliance and planned corrective actions should be reported by the Department in accordance with these laws.

From recent discussions, Department officials have agreed to perform a more thorough and documented review of its Core financial management system during fiscal year 2005 and to begin efforts to develop Department-wide standards and procedures for performing periodic reviews and substantiation of financial systems' compliance with current and updated financial management system requirements. Improving Federal financial management systems is critical to increasing the accountability of financial program managers, providing better information for decision-making, and increasing the efficiency and effectiveness of services provided by the Federal Government.

#### **Recommendation No. 6**

Department management should continue to work with component agencies to resolve the existing and newly-identified instances of FFIA noncompliance reported during the fiscal year 2004 financial statement audits and fully disclose these deficiencies, along with the agencies' corrective action plans in the Department's Performance and Accountability Report.

**Recommendation No. 7**

USDA management needs to strengthen Department-wide standards and procedures for routinely reviewing, substantiating, and adequately documenting its financial systems' compliance with JFMIP FFMSR and ensure deficiencies are reported in accordance with FMFIA and FFMA requirements.

**Finding 5****User Fee Reporting Needs Improvement**

Our review disclosed errors and other deficiencies in the agencies' submissions to OCFO entitled "CFO Biennial Review of Charges for Things of Value." OMB Circular No. A-25, "User Charges," requires, in part, that user charges be assessed to each identifiable recipient for special benefits derived from Federal activities beyond those received by the general public. Further, the Circular requires that user charges be sufficient to recover the full cost of providing the special benefits incurred by the Federal Government. The CFO Act of 1990 (Public Law 101-576, Section 205) requires, in part, that the Chief Financial Officer "review, on a biennial basis, the fee, royalties, rents and other charges imposed by the agency for services and things of value it provides, and make recommendations on revising those charges to reflect costs incurred by it in providing those services and things of value." We determined that the agency submissions were inadequate because OCFO had not established a formal process to identify weaknesses in the agencies' reports. As a result, assurance was lacking that OCFO was in compliance with the Act and the agencies were in compliance with OMB Circular No. A-25.

We reviewed the 2004 user fee submissions of the Animal and Plant Health Inspection Service (APHIS), the Agricultural Marketing Service, and the Food Safety and Inspection Service to OCFO. We also reviewed the 2004 credit reform fee submissions of Rural Development and FSA to OCFO. We selected these agencies for review because of their extensive user fee activity. We also requested (and received) written confirmation from the Cooperative State Research, Education, and Extension Service and the Natural Resources Conservation Service that they had no programs for which user fees should be charged.

Department Regulation (DR) 2100-3 requires that the agencies analyze their financial activity and perform reviews to include, in part, an analysis of current charges for things of value. The DR also states that "OCFO will

review and consolidate the responses from the agency CFOs...,” and “OCFO may conduct examinations of the agencies’ reviews on a sample basis.” Our discussions with OCFO disclosed that the methodology to be employed in these reviews was not documented and, thus, we could not independently assess the adequacy of the control measures intended.

Our review of the agencies’ submissions identified issues which questioned the utility of the reports and the level of assurance that could be garnered that the requirements of the OMB Circular A-25 had been met. For example, the report submitted by APHIS showed the following for various user fee programs:

<b>Program</b>	<b>Revenue</b>	<b>Expense</b>
International Air Passenger	\$172,401,487	\$172,401,487
Commercial Truck	\$4,492,935	\$4,492,935
Commercial Vessel	\$23,840,488	\$23,840,488
Aircraft Clearance	\$27,226,568	\$27,226,568
Loaded Railcar	\$1,269,713	\$1,269,713
Solid Wood Packing Materials	\$15,189	\$15,189

When we discussed with agency officials the extraordinary accuracy with which the user fees had been established, they then acknowledged that the obligation data had been estimated to agree with actual revenues. They also acknowledged that the process needed to be strengthened. As a result, there was no assurance that full costs had been recouped, as required.

Further, the Food Safety and Inspection Service submission contained the following for the user fee “Laboratory Accreditation Program:”

Total Revenue during fiscal year 2003 = \$193,585

Total Full Cost during fiscal year 2003 = \$697,124

When we inquired of agency officials why the deficit had occurred (i.e., why fees had not been increased to cover full costs) we were told that the fee level in prior years had been set too high, thus generating a sizeable surplus. As a result, the agency reduced the fee to bring the fund closer to the required break-even level. This means, however, that users in prior years were overcharged and current years’ users have been provided an unwarranted subsidy because of the inadequate rate-setting processes.

In addition, agencies which have credit reform programs are required by DR 2100-3 to submit their fee data annually in a specialized format. OMB Circular No. A-129, “Managing Federal Credit Programs,” requires that reviews of credit program fees be performed annually. Statement of Federal Financial Accounting Standards No. 2 states, “the present value of fees and



other collections is recognized as a deduction from subsidy costs.” The Federal Credit Reform Act of 1990 defines cost as “the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs.” Fees are collected to offset subsidy costs.

We reviewed the credit reform fee submissions to OCFO from FSA and the Rural Development mission area. We noted that frequently the fees charged were insufficient to cover the subsidy costs of the programs. The “Justification for Not Covering the Subsidy Cost of the Program” provided in the agencies’ submissions appeared to be based on anecdotal, and not documentary, evidence. For FSA’s Agricultural Credit Insurance Fund (ACIF) program, for example, the justification reported as follows:

“It is our belief that raising user fees to cover the direct or full cost of the program would prevent FSA from successfully providing assistance to those who need it most and meeting the mission of FSA Farm loans administered through the ACIF program.”

The (unrecouped) subsidy for this program was reported to be \$81.6 million.

Rural Development’s submission contains several such “justifications.” For example, one of the Rural Housing Insurance Fund programs submission stated “Since the direct loan programs target rural families in the lowest possible income brackets, requiring additional fees that would directly or indirectly cost the targeted participants would impede the accessibility of the programs.”

The subsidy for the Single Family Housing Loan program was \$125.2 million.

Agency officials did not have documentation or analysis to support the justifications for not covering the full cost of the direct and guaranteed loan programs. Net program costs need to be minimized to comply with legal and administrative requirements. Although the agencies’ views may be valid, they should have documentation to support the level at which fees can be set for direct and guaranteed loan programs to offset the subsidy and still retain the required functionality of the programs.

**Recommendation No. 8**

Prescribe a documented methodology for reviewing the reasonableness of agency fee submissions and formalize a review schedule.

**Recommendation No. 9**

Require Rural Development and FSA to document their justifications for not recouping the full costs of their programs.

***Exhibit A – Audit Reports Related to the Fiscal Year 2004 Financial Statements***

<b>AUDIT NUMBER</b>	<b>AUDIT TITLE</b>	<b>RELEASE DATE</b>
50501-1-FM	Fiscal Year 2004 Federal Information Security Management Act Report	October 2004
88501-1-FM	National Information Technology Center General Controls Review-Fiscal Year 2004	September 2004
05401-13-FM	Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Years 2004 and 2003	November 2004
06401-17-FM	Commodity Credit Corporation's Financial Statements for Fiscal Years 2004 and 2003	November 2004
08401-4-FM	Forest Service's Financial Statement Audit for Fiscal Years 2004 and 2003	November 2004
11401-20-FM	Fiscal Year 2004 Review of the National Finance Center General Controls	October 2004
15401-5-FM	Rural Telephone Bank's Financial Statements for Fiscal Years 2004 and 2003	November 2004
85401-11-FM	Rural Development's Financial Statements for Fiscal Years 2004 & 2003	November 2004