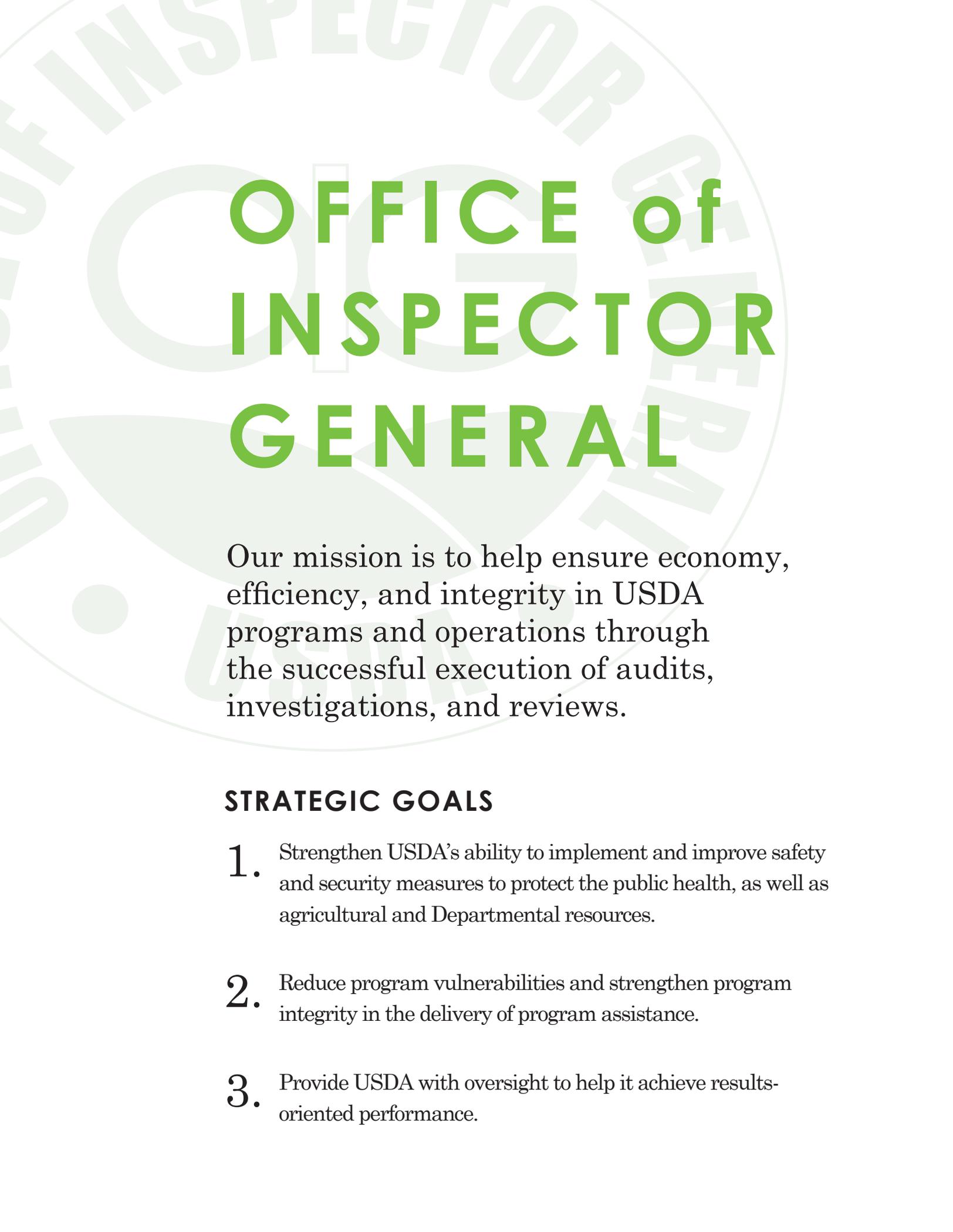




United States Department of Agriculture



OFFICE OF INSPECTOR GENERAL



OFFICE of INSPECTOR GENERAL

Our mission is to help ensure economy, efficiency, and integrity in USDA programs and operations through the successful execution of audits, investigations, and reviews.

STRATEGIC GOALS

1. Strengthen USDA's ability to implement and improve safety and security measures to protect the public health, as well as agricultural and Departmental resources.
2. Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance.
3. Provide USDA with oversight to help it achieve results-oriented performance.

Message from the

INSPECTOR GENERAL

The Reports Consolidation Act of 2000 requires the Department of Agriculture's (USDA) Office of Inspector General (OIG) to report annually on the most serious management challenges faced by USDA and its agencies and briefly assess progress towards addressing those challenges.¹ Management challenges are agency programs or management functions with vulnerability to waste, fraud, abuse, and mismanagement, where a failure to perform well could seriously affect the ability of USDA or the Federal Government to achieve its mission or goals.²

In accordance with the law, OIG annually assesses the challenges identified in the previous year's management challenges report to determine if those are still critical issues for the Department. We then review recently issued audit reports to identify activities that remain topical or represent common themes and where corrective action has not been adequately implemented. We do the same for ongoing audit and investigative work, to identify new issues and supply analysis of new programs and activities that pose significant challenges due to size and complexity. Reviews of inquiries and hotline reports may reveal trends in risk areas that merit evaluation. We may remove a challenge if USDA has fully implemented our recommendations or if agencies have shown significant improvement. Additional challenges may exist in areas we have not yet reviewed, and other significant findings could result from future work.

Since 2015, OIG has reported on seven major challenges that represent broad issues for the Department as well as challenges unique to specific programs.³ These challenges remain unchanged, as it is our view that they continue to be critical challenges for the Department. In this year's report, we included an analysis in each challenge regarding the Department's progress towards addressing that challenge, using as our source material audit reports issued

¹ Public Law 106-531.

² Government Performance and Results Modernization Act of 2010, Public Law 111-352.

³ Previous publications reported more challenges. In 2015, OIG revised the presentation of the Department's management challenges to supply the Secretary and policymakers with a document that clarifies how challenges are identified, addressed, and resolved.

from June 2016 to June 2017, as well as audit reports highlighted in the previous year's publication.

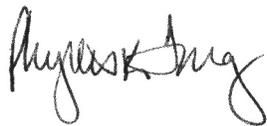
We also reviewed the Office of the Chief Financial Officer's (OCFO) monthly report of open recommendations, as of August 11, 2017, to determine the status of relevant recommendations. We highlighted individual open and closed recommendations in the narrative of each challenge; these recommendations were selected for perceived relevance and potential impact to the challenge. Recommendations that were categorized as "no management decision" in the monthly OCFO report were considered "open" for purpose of our analysis. In the case of closed recommendations, we have not verified the implementation of the Department's corrective actions.

These selected recommendations represent a small fraction of progress made and remaining work. As of March 31, 2017, OCFO reported 399 recommendations pending corrective action. Although the Department continues to make progress towards meeting or improving certain management challenges through corrective actions, USDA should continue its efforts to implement outstanding audit recommendations.

In closing, we would like to express appreciation to the Secretary and the Acting Deputy Secretary for their ongoing support of our work and their commitment to excellence at USDA. We look forward to working with the Department to address these management challenges.

If you have any questions or would like to discuss these issues, please contact me (202-720-8001) or Deputy Inspector General David Gray (202-720-7431). You or your staff may also contact Audit's Assistant Inspector General, Gil H. Harden (202-720-6945), or Investigations' Assistant Inspector General, Ann Coffey (202-720-3306).

Phyllis K. Fong

A handwritten signature in black ink, appearing to read "Phyllis K. Fong". The signature is fluid and cursive, with the first name being the most prominent.

INSPECTOR GENERAL

cc: Subcabinet Officials,
Agency Administrators

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Challenge 1:

USDA Needs to Improve Oversight and Accountability for its Programs

Challenge for the Department

USDA, much like other agencies and departments throughout the Government, faces challenges in overseeing its many programs. USDA employs nearly 100,000 employees in 17 agencies and 18 staff offices; in total, these employees operate approximately 300 programs responsible for delivering about \$143 billion in public services annually. Overseeing these programs so every dollar spent accomplishes the intended results poses significant challenges to USDA program managers.

Background

USDA managers are responsible for establishing an effective internal control system, ensuring a culture of compliance with those controls, and holding employees accountable for implementing those controls. Managers use internal controls to ensure programs achieve intended results efficiently and effectively; they provide for program integrity and proper stewardship of resources. Ultimately, as the U.S. Government Accountability Office (GAO) states, “People are what make internal control work.”⁴ Since systemic control flaws can yield systemic program weaknesses—e.g., unrealized goals—managers must continuously assess and improve their internal control systems. If management does not emphasize those controls, then Federal programs will not function as intended.

The Department’s Progress

USDA has made some progress improving accountability for its programs when the Office of Inspector General (OIG) or other third parties, such as GAO, have identified deficiencies. For example, after we received a complaint concerning recent changes in how the Natural Resources Conservation Service (NRCS) makes determinations regarding whether a wetland exists on a given tract of land, OIG reviewed determinations made in the “prairie pothole region” (Iowa, Minnesota, North Dakota, and South Dakota).⁵ We found that, to address a backlog of requests for wetland determinations, NRCS made significant changes in its process for wetland determinations that allowed producers to drain and farm more wetlands. However, the agency did not execute the process for making this change in a transparent manner. NRCS generally agreed with our finding and recommendations to issue official guidance reinforcing correct and current rules and clarifying procedures for making wetland

⁴ GAO-14-704G, *Standards for Internal Control in the Federal Government*, Sept. 2014, page 6.

⁵ Audit Report 10601-0003-31, *NRCS Wetland Conservation Provisions in the Prairie Pothole Region*, Jan. 2017.

determinations and certifications, including the status of pre-1996 determinations.

► **Closed Recommendation⁶**

Issue official guidance reinforcing correct and current rules and clarifying procedures for making wetland determinations and certifications, including the status of pre-1996 determinations.

Similarly, USDA's Office of Homeland Security and Emergency Coordination (OHSEC) has taken steps to improve oversight and management controls over handling of classified material. In 2013, OIG made 17 recommendations about the Department's internal management controls over classified material. In our subsequent audit, we found that OHSEC management did not supply adequate oversight to monitor audit follow-up activities performed by its staff, as we found that 11 recommendations were not addressed at the time of our fieldwork.⁷ Weaknesses existed in four other recommendations. Such weaknesses introduced a higher potential for misclassification, over-classification, and unauthorized release of national security information within USDA. OHSEC has stated that it completed implementation of our previous recommendations and revised guidance and processes to improve management oversight, as we recommend in the most recent report.

► **Closed Recommendation**

Closely monitor OHSEC and ensure that it properly completes final actions agreed to in the previous OIG audit on Classified Management, Audit Report 61701-0001-32, as well as any other recommendations presented to the agency in the future.

⁶ We consider recommendations "closed" when the Office of the Chief Financial Officer (OCFO) has determined that all agency actions are completed and has accepted final action.

⁷ Audit Report 61701-0001-23, *Fiscal Year 2016 Classification Management*, Sept. 2016.

What Remains to be Done

OIG audits consistently show that USDA agencies need to strengthen oversight and accountability over their programs. For example, OIG recently reviewed OHSEC's actions related to agroterrorism preparedness.⁸ Agroterrorism is a threat to national security and could result in increased human illnesses and deaths, widespread destruction of crops and livestock, and significant economic loss to the Nation's farmers and ranchers. We found that OHSEC had not adequately overseen and coordinated USDA's efforts to prevent, detect, and respond to agroterrorism. Also, OHSEC did not demonstrate that USDA was in compliance with Homeland Security Presidential Directive 9 requirements to defend the agriculture and food system against terrorist attacks, major disasters, and other emergencies.

▷ **Open Recommendation⁹**

Develop and implement a written process for how OHSEC oversees and coordinates USDA's agroterrorism prevention, detection, and response activities. At a minimum, this process should include steps to: (a) perform a USDA-wide vulnerability assessment for agroterrorism preparedness every two years, and (b) integrate, coordinate, and communicate response plans for agricultural disease emergencies and agroterrorist acts.

⁸ Audit Report 61701-0001-21, *Agroterrorism Prevention, Detection, and Response*, March 2017.

⁹ We consider recommendations "open" when final action has not been accepted by OCFO. Recommendations with no management decision (i.e., no agreement between the agency and OIG as to the actions to take regarding the recommendations and the timeframe for completing the actions) are considered "open" for the purpose of our analysis.

Another audit reviewed multiple USDA agencies' work to reduce the reporting burden producers must bear.¹⁰ To ensure payments are made in accordance with individual program rules, farmers must meet compliance requirements for various Farm Service Agency (FSA), Risk Management Agency (RMA), and NRCS programs. When USDA agencies share data effectively, they reduce the burden on participants and improve program eligibility determinations. USDA agencies have implemented a variety of data sharing processes and coordinated efforts for assuring compliance with program requirements. However, USDA needs to take additional steps to improve its agencies' data sharing practices.

▷ **Open Recommendation**

A Department-level entity (e.g., OCIO) should be assigned responsibilities for the Acreage Crop Reporting Streamlining Initiative (ACRSI) oversight and develop policies for coordinating among agencies for the continued development of ACRSI to completion, and the ACRSI charter should be updated to define this role.

Recommendations from previous years regarding important controls remain outstanding. For example, in 2014, OIG published an audit reviewing how USDA transfers funds between agencies, known as “green book” transfers.¹¹ We found that USDA was not always transferring money appropriately, and we questioned \$43 million in transfers. One recommendation for this project remains unresolved, 3 years later.

¹⁰ Audit Report 50601-0003-22, *Coordination of USDA Farm Program Compliance—FSA, RMA, and NRCS*, Jan. 2017.

¹¹ Audit Report 50099-0001-23, *USDA's Controls Over Economy Act Transfers and Greenbook Program Charges*, Sept. 2014.

▷ **Open Recommendation**

Implement a control mechanism for tracking all interagency agreements that transfer appropriated funds to USDA's Departmental Management, including identifying the legal authority for the agreement (i.e., the Economy Act, USDA's Greenbook authority, the Working Capital Fund authority).

Anticipated Future Work

➤ **FNS Controls over SFSP**

Our objective is to determine whether the Food and Nutrition Service (FNS) has adequate controls in place to reasonably ensure the Summer Food Service Program (SFSP) is complying with program regulations and other requirements.

➤ **Department of Agriculture's Management over the Misuse of Government Vehicles**

We will determine if the Office of Procurement and Property Management effectively oversees USDA agencies and enforces controls to detect and prevent the misuse of government vehicles by USDA employees.

Challenge 2:

Information Technology Security Needs Continuous Improvement

Challenge for the Department

Despite actions to improve information technology (IT) security, USDA continues to display weaknesses in planning, management, and oversight of its cybersecurity initiatives that affect the Department's compliance with standards for safeguarding IT systems as directed in the Federal Information Security Modernization Act of 2014 (FISMA).¹² The degree to which USDA complies with FISMA and other security guidance directly correlates to the security posture of each agency and office. USDA senior management needs to make sure agencies and offices understand how

¹² Pub. L. No. 113-283, 128 Stat. 3073.

implementation of IT security directly impacts USDA's overall security posture. For USDA to attain a security posture that is secure and sustainable, all 35 of its agencies and offices must consistently implement Departmental policy based on a standard methodology. When every agency and office is in compliance with USDA's policies, USDA as a whole will be compliant with FISMA and, more importantly, have a sustainable security posture.

Background

USDA must efficiently manage vast amounts of data to accomplish its mission of providing benefits and services to the American public. Critical information includes agriculture statistics that drive domestic and global markets or data from inspection systems that ensure food safety. USDA employees must be able to access, use, and communicate this information reliably and timely. Members of the public apply for and access many USDA programs, benefits, and other services through online or mobile portals, which can require the transfer of personal information. USDA has a responsibility to safeguard this information by protecting the security, confidentiality, and integrity of its IT infrastructure.

OIG has annually reviewed the Department's cybersecurity initiatives, including those that shield IT equipment and systems from theft, attack, and intrusion, since 2002. Our reviews have consistently found that the Department faces great challenges in complying with FISMA.

The Department's Progress

Our most recent report on FISMA, which reviewed activities in FY 2016, recognized that the Office of the Chief Information Officer (OCIO) continues to take positive steps toward improving the Department's security posture. OCIO released two critical

policies in fiscal year (FY) 2016: the Secure Communication Systems policy and the Contingency Planning and Disaster Recovery Planning policy. Once implemented, these policies should improve IT security within USDA.

Our report also noted that OCIO began implementing the Congressionally-mandated Department of Homeland Security Continuous Diagnostics and Mitigation (CDM) program within USDA. The CDM project represents a dynamic approach to fortifying the cybersecurity of USDA networks and systems.¹³ CDM should provide USDA with capabilities and tools that identify cybersecurity risks on a continual basis, prioritize these risks based upon potential impacts, and enable cybersecurity personnel to mitigate the most significant problems first. Once CDM is fully implemented and the Department has an accurate inventory of hardware and software on the USDA networks, the Department will be in a better position to secure its assets and data. In addition to actions taken on the CDM project, OCIO and OIG generally agreed on all three audit recommendations presented in the FY 2016 FISMA report, and OCIO has proposed acceptable corrective actions. However, none of these recommendations were closed at the time of publication of this document.

What Remains to be Done

Due to prior outstanding recommendations and weaknesses related to IT and FISMA, we continue to report a material weakness in USDA's IT security that should be included in the Department's annual Federal Managers Financial Integrity Act report. OIG concluded that the Department lacks an effective information security program.¹⁴ OCIO has not implemented corrective actions that the Department committed to in response to prior OIG recommendations. In our report released in

¹³ Audit Report 50501-0010-12, *Continuous Diagnostics and Mitigation Program Assessment*, June 2016.

¹⁴ Audit Report 50501-0012-12, *U.S. Department of Agriculture: Office of the Chief Information Officer: Fiscal Year 2016: Federal Information Security Modernization Act*, Nov. 2016.

2016, we found that from FYs 2009 through 2015 we made 61 recommendations for improving the overall security of USDA's systems. OCIO implemented corrective action for 39 of those recommendations, but our testing identified that security weaknesses still exist in 3 of those closed recommendations. OCIO should revisit these three areas. Also, a number of recommendations have exceeded the specified corrective action implementation dates. If the planned corrective actions to close out these recommendations are no longer achievable due to budget cuts or other reasons, then OCIO needs to update those corrective action plans and request a change in management decision in accordance with Departmental guidance.

In that report, we also found that policies and programs designed to address FISMA requirements have not been completed or fully implemented, and USDA has not fully developed an organizational perspective that includes a comprehensive governance structure and organization-wide risk management strategy. Governance is a set of processes that ensures the effective and efficient use of IT in enabling an organization to achieve its goals. A nonexistent governance structure will continue to leave USDA's IT security program in a reactive state, continuously struggling to adapt to changing conditions. In order to resolve these far-reaching IT security problems, senior USDA management needs to develop a governance structure that will encourage compliance at both the agency and Departmental level. This should improve the Department's overall security posture and FISMA score.

▷ **Open Recommendation**

Implement a governance structure in accordance with the risk management framework, using tools that exist and have been implemented as well as those under development.

Anticipated Future Work

➤ **FY 2017 Federal Information Security
Modernization Act Audit**

In OIG's annual review of the Department's compliance with FISMA, we will evaluate the status of USDA's overall IT security program by evaluating USDA's cybersecurity framework security functions.

➤ **Continuous Diagnostics and Mitigation Program
Assessment**

OIG will continue to assess the implementation of CDM to recommend best practices for the program's management.

Challenge 3:

USDA Needs to Strengthen Program Performance and Performance Measures

Challenge for the Department

Designing, developing, and implementing programs that reliably achieve their intended results has been a recurring challenge for the Department. OIG has found that agencies do not have adequate reviews or controls in place to supply the metrics necessary to evaluate program performance. In some programs, the strategy for measuring performance is missing altogether. As a result, some agencies are using inaccurate or unreliable data in program performance reports.

Background

Currently, USDA manages approximately 300 programs that provide a variety of services and financial assistance to the American public. This diverse portfolio of programs means that, for the Department to serve as a diligent steward of Federal funds, USDA must have well-designed programs with clear goals and performance measures.

The Government Performance and Results Modernization Act of 2010 set requirements for regular and recurring program performance assessment.¹⁵ In keeping with the law, an agency should have controls in place that allow it to regularly review a program's performance, and then compile reports that allow it to measure that performance. These reports allow the Department to evaluate fairly its programs' successes and failures.

The Department's Progress

Due to ongoing efforts to establish and develop outcome-based performance measures, the Department has made progress in measuring the actual success of its programs. In FY 2015, OIG found that USDA's programs for supporting beginning farmers, funded by different agencies, could benefit from a thorough revision of how they report program results.¹⁶ Since FY 2015, USDA has developed an integrated, coordinated strategy to ensure that these programs help new farmers establish and sustain new farming operations. As part of this strategy, the Department provides direction to agencies for defining consistent and measurable outcomes, clearly articulates desired outcomes, develops milestone dates for goals, and creates a timeline to ensure agencies accomplished all mandated duties from the 2008 Farm Bill. This direction has helped agencies improve their coordination and more consistently define eligibility requirements for their programs for beginning farmers and ranchers.

¹⁵ Pub. L. No. 111-352, 124 Stat. 3866.

¹⁶ Audit Report 50601-0003-31, *USDA Beginning Farmers and Ranchers Programs*, May 2015.

► Closed Recommendation

Create a Departmental strategic beginning farmers goal that identifies the desired outcomes for its beginning farmer's assistance and links to related agency performance goals.

What Remains to be Done

Performance measures are designed to help assess a program's progress. However, some agencies have not developed adequate measures, which increases the risk of inaccurately reported program outcomes. For example, OIG recommended that the Rural Utilities Service (RUS) develop performance measures specific to the Energy Efficiency and Conservation Loan Program (EECLP) to ensure reliable performance data are reported.¹⁷ RUS created EECLP to provide loans for energy efficiency projects and conservation activities in rural communities. The program is currently considered small—with only three loans totaling \$56.6 million—but it has the potential for growth due to increasing interest in energy efficiency and renewable power from Federal, State, and local governments. Our report found that RUS did not have relevant quantitative performance measures needed to assess and monitor EECLP performance, or have a process to obtain appropriate and reliable performance information. Establishing performance measures should enable agency managers to make informed decisions about this program.

¹⁷ Audit Report 09601-0001-41, *RUS—Energy Efficiency and Conservation Loan Program*, Sept. 2016.

▷ **Open Recommendation** _____

Establish quantitative, outcome-based performance measures that reflect the specific program objectives of EECLP.

▷ **Open Recommendation** _____

Modify current reporting procedures (e.g., Form 7 and/or CPAP) to provide a mechanism for obtaining relevant, reliable, and consistent EECLP energy efficiency data.

OIG has concluded that other programs have unreliable data. In our report on the Rural-Business Cooperative Service's (RBS) Rural Energy for America Program (REAP), we recommended better supervision over recipient compliance and better tracking of yearly performance reports.¹⁸ Our review found that RBS needs to strengthen internal controls over approving and servicing REAP loans and grants. The data maintained in RBS' information system for REAP award and project performance were unreliable. REAP recipients did not always submit performance reports as required. The amount of energy produced or saved was not always accurately recorded, and other information was either inaccurate or incomplete. Unreliable data about REAP could affect RBS' ability to accurately assess program performance against performance measures.

▷ **Open Recommendation** _____

Provide training to recipients on implementing the newly created performance report templates for use in calculating and reporting the yearly energy savings by completed EEU projects.

¹⁸ Audit Report 34001-0001-21, *Rural Energy for America Program*, Aug. 2016.

Additionally, when reviewing the Conservation Stewardship Program at NRCS, OIG recommended ongoing, specific, and concerted collaboration between NRCS and other USDA agencies on a regular basis to identify common information used by agencies in the administration of their programs.¹⁹ These agencies must continue to improve oversight over their data so they can accurately measure performance and deliver successful programs.

▷ **Open Recommendation**

Incorporate in NRCS' compliance strategy ongoing, specific, and concerted collaboration with other USDA agencies on at least an annual basis to identify common information used by the agencies in the administration of their programs. Also, develop an NRCS compliance strategy that integrates and capitalizes upon such information to improve program efficiency, compliance, and integrity.

OIG's ongoing work has also demonstrated a need for agencies to establish specific program goals and establish specific measures to meet them. In 2017, OIG recommended that the Forest Service (FS) create an effective overall strategy to address the backlog of repairs to buildings and infrastructure on FS land that were not performed timely or were delayed, also known as deferred maintenance.²⁰ Specifically, OIG recommended that FS identify particular goals and objectives for managing deferred maintenance so it can successfully reduce the backlog. Like program performance measures, the Department needs to emphasize these objectives so that programs and initiatives can operate with clear goals.

¹⁹ Audit Report 10601-0001-32, *NRCS Controls over the Conservation Stewardship Program*, Sept. 2016.

²⁰ Audit Report 08601-0004-31, *Forest Service Deferred Maintenance*, May 2017.

▷ **Open Recommendation**

Develop and implement an overall, integrated strategy to address the deferred maintenance backlog that identifies goals and objectives for managing deferred maintenance, including a multi-year strategy with assigned roles and responsibilities. Additionally, ensure the necessary resources are devoted to implement the multi-year strategy and maintain continuity.

Anticipated Future Work

➤ **NIFA Formula Grant Programs Controls over Fund Allocations to States**

Our overall objective is to determine whether the National Institute of Food and Agriculture's (NIFA) internal controls are adequate over allocating grant funds to States based on statutory formulas, for research, education, and extension activities. A specific objective is to evaluate NIFA's actions to address results of assessments performed on determining the completeness and accuracy of formula grant allocations, and their compliance with laws, regulations, and statutory guidance.

➤ **NRCS Regional Conservation Partnership Program Controls**

Our objectives will be to assess NRCS' Regional Conservation Partnership Program proposal review process. We will also determine the adequacy of NRCS' controls over partner adherence to program requirements, including the reimbursement of partner expenses.

Challenge 4:

USDA Needs to Strengthen Controls over Improper Payments and Financial Management

Challenge for the Department

USDA continues to be noncompliant with Federal requirements for improper payments. Also, USDA needs to address internal control deficiencies to resolve ongoing problems with financial management and reporting.

Background

The Department's annual financial reports provide the public, Congress, and the President with information about the nearly \$143 billion spent on public services every year. These reports account for USDA's costs and revenues, assets and liabilities, and other information, such as improper payments. OIG reviews the Department's financial reports annually, as required by law, to verify accuracy and compliance with Federal rules regarding high-dollar overpayments and improper payments. Improper payments occur when funds go to the wrong or ineligible recipient, the proper recipient receives an incorrect amount of funds or uses funds in an improper manner, or documentation is not available to support a payment. Not all improper payments involve fraud or waste; payment errors are sometimes inadvertent or based on missing documentation. Regardless of origin, improper payments affect the integrity of Federal programs.

In addition, annually OIG either conducts or oversees audits of the financial statements for the Department and five component agencies to determine if the statements are fairly presented in accordance with generally accepted accounting principles, reviews internal controls over financial reporting, and tests compliance with applicable laws and regulations.²¹

The Department's Progress

The Department has taken steps to improve the quality of financial reports in response to our annual audit work.

The accuracy and timeliness of the required high-dollar overpayment reports improved from FY 2015.²² We considered other reporting errors to be inadvertent and found the

²¹ Five component agencies are required to have standalone financial statement audits: Rural Development, FNS, the Commodity Credit Corporation (CCC), NRCS, and the Federal Crop Insurance Corporation.

²² Audit Report 50024-0010-11, *Executive Order 13520, Reducing Improper Payments, Fiscal Year 2015 High-Dollar Overpayments Reports Review*, Sept. 2016.

agencies' actions or planned actions appropriate to remedy inconsistencies.²³ In addition, despite being noncompliant with improper payment requirements for a sixth consecutive year, USDA is making progress toward being fully compliant. For example, NRCS reduced its improper payment rate from 22.04 percent in FY 2014 to 2.38 percent in FY 2016 and became fully compliant with the Improper Payments Elimination and Recovery Act of 2010.²⁴ The Department also continued to comply with three of the six requirements for handling and reporting improper payments: publishing improper payment information in the FY 2016 Agency Financial Report (AFR), conducting risk assessments for each program or activity, and publishing programmatic corrective action plans in the AFR.

In FY 2015, after receiving an unqualified (unmodified) opinion on its annual financial statement audit from FY 2008 through FY 2014, USDA received a disclaimer of opinion on its financial statements.²⁵ OIG could not express an opinion concerning the Department's overall financial statements because the Commodity Credit Corporation (CCC) and NRCS were unable to support certain transactions and balances. In FY 2016, USDA elected to present only the consolidated balance sheet for audit. OIG determined that USDA's consolidated balance sheet presented fairly, in all material respects, USDA's financial position as of September 30, 2016, in accordance with accounting principles generally accepted in the United States.²⁶

²³ Because many of their programs have been assessed as high-risk by the Office of Management and Budget (OMB), CCC, FNS, FS, FSA, NRCS, Rural Development, and RMA were required to regularly report on high-dollar overpayments and improper payments in FY 2016.

²⁴ Audit Report 50024-0011-11, *USDA's Fiscal Year 2016 Compliance with Improper Payment Requirements*, May 2017.

²⁵ Audit Report 50401-0009-11, *Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2015 and 2014*, Feb. 2016.

²⁶ Audit Report 50401-0011-11, *Department of Agriculture's Consolidated Balance Sheet for Fiscal Year 2016*, Dec. 2016.

What Remains to be Done

In OIG’s annual review of USDA’s compliance with improper payment requirements, we found that USDA did not comply with all requirements set by the Improper Payments Information Act of 2002, as amended, for a sixth consecutive year.²⁷ Of USDA’s 18 high-risk programs, 9 programs did not comply with 1 or more of the following requirements: publishing an improper payment estimate as required, meeting annual reduction targets, or publishing gross improper payment rates of less than 10 percent.²⁸ We also found discrepancies between supporting documentation and information reported in the AFR due to ongoing internal control weaknesses in the quality review process. OCFO and senior officials for each noncompliant component agency must set aggressive goals to help USDA achieve compliance with the Improper Payments Information Act of 2002, as amended.

▷ Open Recommendation

OCFO should revise the Department’s current quality review process to ensure it includes a well-defined process to review, identify, and resolve discrepancies for the final publication of the Agency Financial Report.

During the review of USDA’s consolidated balance sheet for FY 2016,²⁹ we noted certain matters involving internal controls

²⁷ Audit Report 50024-0011-11, *USDA’s Fiscal Year 2016 Compliance with Improper Payment Requirements*, May 2017.

²⁸ In FY 2016, USDA reported improper payment information for 18 programs identified by OMB as “high-risk,” or susceptible to significant improper payments.

²⁹ Audit Report 50401-0011-11, *Department of Agriculture’s Consolidated Balance Sheet for Fiscal Year 2016*, Dec. 2016.

that we consider significant deficiencies.³⁰ Specifically, we identified weaknesses in USDA’s overall financial management, the security program for IT, and controls over financial reporting. We deemed the first two deficiencies as material weaknesses.³¹ The Department concurred with our findings and generally agreed with our recommendations.

The Department’s material weakness in financial management reflects the ongoing material weaknesses found in the annual financial reviews of CCC and NRCS. CCC demonstrated material weaknesses in its accounting estimates and the maintenance of its accounting records due to continued deficiencies with internal controls.³² NRCS has deficiencies in internal controls in accounting for obligations and expenses, which are considered material weaknesses.³³ Both agencies have made significant gains toward resolving financial management problems that have been reported by OIG for the previous 5 fiscal years, but some corrective actions remain in process.³⁴

▷ **Open Recommendation**

CCC should design and implement processes, procedures, and controls to ensure data used in its accounting estimates are complete and accurate.

³⁰ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

³¹ A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected or corrected, on a timely basis.

³² Audit Report 06401-0006-11, *Commodity Credit Corporation’s Balance Sheet for Fiscal Year 2016*, Nov. 2016.

³³ Audit Report 10401-0007-11, *Natural Resources Conservation Service’s Balance Sheet for Fiscal Year 2016*, Nov. 2016.

³⁴ NRCS has achieved final action on all audit recommendations from Audit Report 10401-0003-11, *Natural Resources Conservation Service’s Financial Statements for Fiscal Year 2013*. However, we will not know the impact of those corrective actions until the FY 2017 audit of NRCS’ financial statements is completed.

Anticipated Future Work

- **USDA’s FY 2017 Compliance with Improper Payment Requirements**
As mandated by Congress, OIG will review USDA’s FY 2017 AFR and accompanying information to determine whether the Department is compliant with the improper payment requirements.

- **Agency Financial Statements for FYs 2017 and 2016**
As mandated by Congress, OIG will complete annual reviews of the financial statements for FY 2017 for USDA and component agencies to express opinions about fair presentation of those statements, identify significant deficiencies or material weaknesses, and report on the Department’s compliance with the Federal Financial Management Improvement Act.

Challenge 5:

USDA Needs to Improve Outreach Efforts

Challenge for the Department

USDA has emphasized its efforts to improve outreach to new and beginning farmers and ranchers, local and regional food producers, minorities, women, and veterans. As part of those efforts, the Department has stressed the importance of civil rights, highlighting that significant progress needs to be made in working with communities when addressing past civil rights issues. Due to a history of public attention concerning how USDA has treated members of socially disadvantaged groups, the Department faces challenges in earning those groups' trust.

Background

In recent years, OIG has completed audits intended to help resolve long-standing complaints against USDA. The Food, Conservation, and Energy Act of 2008 directed that all pending claims and class actions (for example, *Pigford v. Glickman*, *Garcia v. Vilsack*, and *Love v. Vilsack*) brought against USDA by socially disadvantaged farmers or ranchers, including Hispanics and women, based on racial, ethnic, or gender discrimination in farm program participation, be resolved in an expeditious and just manner. Our reviews of the claims administration process for these class actions generally found that the process for resolving these complaints was strong, and appropriate payments were being made to eligible farmers.

We also performed audits designed to help the Department improve outreach to socially disadvantaged groups. For example, we evaluated the effectiveness of the Department's activities related to providing assistance to beginning farmers and ranchers.³⁵ USDA agencies have provided significant financial resources and technical support to beginning farmers to assist in the establishment and sustainability of farming operations. We found, however, that the Department had not developed an integrated and coordinated strategy to ensure effective implementation. The Department also lacked sufficient performance goals, direction, coordination, and monitoring to ensure success. Since USDA spent \$3.9 billion in beginning farmers' assistance in FYs 2012 and 2013, it is critical that the Department ensure that these funds are benefiting those intended.

The Department's Progress

USDA is moving in the right direction to correct these problems. For example, the Department unveiled a website that provides a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA assistance designed

³⁵ Audit Report 50601-0003-31, *USDA Beginning Farmers and Ranchers Programs*, May 2015.

to help them succeed. USDA has also recently completed recommendations that should improve the Department's outreach to that group.

▶ **Closed Recommendation** _____

Conduct a review of the Office of Advocacy and Outreach (OAO) to assess the agency's resource needs to perform the duties specified in the 2008 Farm Bill and adjust OAO resources accordingly.

▶ **Closed Recommendation** _____

Direct agencies across all mission areas to work with OAO in accomplishing the Department's initiative to assist beginning farmers. Ensure OAO has the authority to work across mission areas of the Department to carry out its goals and duties.

What Remains to be Done

There are several recommendations outstanding related to a review we performed of FSA's Microloan Program. The Microloan Program is intended to create new economic opportunities through farming. The Microloan Program offers flexible access to credit and serves as an attractive loan alternative for smaller farm operations, including nontraditional farm operations, which often face limited financing options. However, we found that FSA could not demonstrate that it successfully reached out to some targeted audiences, such as specific underserved groups and veterans.³⁶ The low percentage of participation by some targeted groups suggests FSA needs to increase its outreach to those underserved groups.

In response to our review of FSA's Microloan Program, USDA has seven recommendations outstanding. They involve ensuring that applicants are treated consistently, especially concerning

³⁶ Audit Report 03601-0003-22, *FSA Microloans*, Sept. 2015.

the security applicants are required to provide and their terms of repayment.

▷ **Open Recommendation**

Require district directors to evaluate the amount of security and the repayment terms for microloans and indicate an exception when they identify a deviation from the microloan guidance or requirements that are not adequately justified in the loan file.

▷ **Open Recommendation**

Require the Director of FSA's Outreach Program to formally evaluate States' outreach activities, on a periodic basis, and report evaluation results, including making recommendations to the Administrator, to address weaknesses, when necessary.

Anticipated Future Work³⁷

➤ **FSA Commodity Purchases for International Food Assistance Programs**

Our review of this program includes steps to evaluate the outreach efforts FSA performs to promote competition and assign awards to small and disadvantaged businesses.

➤ **States' Controls over the Summer Food Service Program**

Our series of reviews of this program in California, Florida, New York, and Texas will include work to determine if States are meeting outreach requirements and are taking steps to ensure that the program is accessible to participants of all demographics.

³⁷ In the FY 2016 *USDA Management Challenges* report, we reported anticipated future work on the Office of the Assistant Secretary for Civil Rights Processing of Equal Employment Opportunity Complaints. We canceled this audit due to the occurrence of an active OIG investigation covering the same subject matter.

Challenge 6:

Food Safety Inspections Need Improved Controls

Challenge for the Department

The Food Safety and Inspection Service (FSIS) has taken action to improve food safety and the humane handling of animals at the plants FSIS inspects. However, we have found that FSIS continues to face challenges gathering reliable data to ensure safety verification tasks are completed, effective, and consistent. FSIS also continues to face challenges in training, documenting and tracking, overseeing, testing, and verifying that the Nation's commercial supply of meat, poultry, and egg products complies with regulatory requirements.

Background

FSIS inspectors verify that the Nation's commercial supply of meat, poultry and egg products are safe, wholesome, and correctly handled, processed, labeled, and packaged. FSIS has approximately 9,600 employees, which includes inspection personnel stationed at approximately 6,500 Federally-inspected establishments. Slaughter and processing facilities are responsible for implementing FSIS' directives for controlling hazards in food production. To assess the overall effectiveness of the establishments' food safety systems, inspectors verify whether an establishment is meeting its regulatory requirements and has addressed the relevant food safety hazards for all of its processes, products, and intended uses. To this end, FSIS inspectors must reliably and timely access, input, and use information in its reporting systems.

The Department's Progress

FSIS has implemented a number of actions to reduce the likelihood of high-risk issues such as *Escherichia coli* (E. coli), bovine spongiform encephalopathy ("mad cow disease"), and *Salmonella* from entering the Nation's human food supply. Most recently, the agency has taken steps to enhance the safety of ground turkey products. Our audit found that FSIS' noncompliance records process is sufficient to document failures to comply with regulations, but the process was inadequate to use as an indicator of process control.³⁸ This occurred because of limitations on how inspection personnel record and use noncompliance data, which meant that FSIS could not use noncompliance records to identify plants that lost process control. FSIS needed to improve its recording model to accurately tally sanitation violations based on frequency, severity, and risk, and reduce the risk of unsanitary plant conditions or unsafe food products going undetected and uncorrected.

³⁸ Audit Report 24601-0004-31, *FSIS Ground Turkey Inspection and Safety Protocols*, July 2015.

► Closed Recommendation

Review the process of how sanitation noncompliance records are drafted and the data are recorded, in order to develop a methodology to assure the information recorded can be better utilized by the agency to determine the scope and complexity of any underlying plant process control issues. Based on the review, FSIS should develop a plan with appropriate timeframes and milestones to implement the new and improved methodology.

What Remains to be Done

We continue to report weaknesses in how FSIS oversees the plant inspection process, collects critical information, complies with humane handling requirements, and schedules food safety assessments. In reports issued in FYs 2007 and 2008, OIG made 60 recommendations involving improvements in how FSIS ensures inspectors were completing requirements.³⁹ In a follow-up audit that reviewed 47 of the prior recommendations, OIG found that for 14 of these recommendations, FSIS did not always follow corrective actions as designed to prevent reported conditions from recurring.⁴⁰ FSIS officials either did not effectively monitor or did not hold their staff accountable when these actions did not correct the problems identified. As a result, the deficiencies identified for these 14 recommendations continue to exist.

³⁹ Audit Report 24601-07-Hy, *Issues Impacting the Development of Risk-Based Inspection at Meat and Poultry Establishments*, Dec. 2007; Audit Report 24601-07-KC, *Evaluation of FSIS Management Controls over Pre-Slaughter Activities*, Nov. 2008.

⁴⁰ Audit Report 24016-0001-23, *FSIS Followup on the 2007 and 2008 Audit Initiatives*, June 2017.

▷ **Open Recommendation**

Require the Office of Investigation, Enforcement and Audit to augment its current process to include periodic reviews on the effectiveness of the Districts' implementation of correction actions from prior audit recommendations in the 2007 and 2008 audit initiatives.

In addition, because food allergens are a critical health issue for an increasing number of Americans, especially children, the proper identification and labeling of allergens in meat, poultry, and egg products need prioritizing. We found that FSIS must enhance its methods of verifying labels for undeclared allergens to a more robust approach.⁴¹ While FSIS has systems in place concerning proper labeling for allergens, we found that personnel were inconsistent with documenting tasks. Therefore, OIG concluded that FSIS needs to improve how it monitors and documents food safety tasks specific to allergens.

▷ **Open Recommendation**

Determine which additional directives and notices provide instructions regarding allergens to FSIS inspectors. Review and update the material as necessary to ensure consistency among the documents and consider stating that allergen verification is a priority 3 task.⁴²

⁴¹ Audit Report 24601-0005-31, *FSIS Controls over Declaring Allergens on Product Labels*, June 2017.

⁴² FSIS ranks tasks by priority from 1 to 6, with 1 as the highest priority and 6 the lowest. Based on the recent increase in recalls related to undeclared allergens, FSIS has identified the allergen formulation verification task as a priority 3.

Anticipated Future Work

➤ **Evaluation of FSIS' Equivalency Assessments of Exporting Countries**

Our objective is to evaluate: (1) FSIS' determinations that the exporting countries' food safety systems were equivalent to U.S. standards, and (2) FSIS' oversight to ensure that foreign systems remain equivalent. In addition, we will evaluate the effectiveness of corrective actions implemented by FSIS in response to prior OIG audits in 2005 and 2008.

➤ **FSIS' Oversight of the New Poultry Inspection System**

Our objective will be to examine the policy and procedures FSIS used to implement and guide the New Poultry Inspection System and determine if FSIS could improve the oversight of the system at the national office level.

Challenge 7:

FNS Needs to Strengthen SNAP Management Controls

Challenge for the Department

Although FNS has endeavored to improve management controls for the Supplemental Nutrition Assistance Program (SNAP), weaknesses continue to exist in controls over administrative tasks, benefit distribution, and quality control (QC) processes. The potential exists for billions of dollars of taxpayer-funded assistance not to be delivered or used as intended.

Background

As the largest benefit program within USDA and one of the largest in the Federal Government, SNAP presents a unique challenge for the program's managers. In FY 2016, SNAP provided monthly food assistance for nearly 44 million low-income individuals and disbursed almost \$67 billion in benefits. Given SNAP's size and significance, fraud, waste, and abuse are critical concerns. OIG's audit work focuses on improving the efficiency of program administration and maintaining the integrity of Federal funds. Further, USDA loses hundreds of millions of dollars every year to fraud and crime associated with SNAP and other FNS food assistance programs. OIG devotes significant investigative resources to recover that money and prosecute criminals. In the first half of FY 2017, OIG's investigative efforts related to SNAP resulted in 171 indictments, 187 convictions, and 511 arrests, with a total dollar impact of \$54.9 million.

The Department's Progress

In FY 2016, FNS made a number of improvements to SNAP management controls. In FY 2016, OIG found that FNS' oversight of State agency controls over able-bodied adults without dependents (ABAWD) could be improved. FNS improved administrative oversight of ABAWD provisions by updating the Management Evaluation Management System (MEMS) to MEMS Next Generation in 2016. MEMS allowed FNS to track reports to States, including management evaluations and financial management reviews, and provided a central repository of schedules for all reviews and reports. However, it did not always contain complete information on ABAWD management evaluations due to confusion regarding data entry procedures.⁴³ Prior to implementing MEMS Next Generation, FNS provided necessary training and training manuals to ensure employees used the system correctly. These improvements demonstrate FNS' commitment to ensuring the effective and efficient delivery of services to eligible SNAP recipients.

⁴³ Audit Report 27601-0002-31, *FNS Controls over SNAP Benefits For Able-Bodied Adults Without Dependents*, Sept. 2016.

► **Closed Recommendation**

Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

What Remains to be Done

OIG audit work focuses on improving the efficiency of SNAP administration at the Federal and State levels. Although FNS has made progress in improving SNAP administration, some recommendations remain outstanding. For example, we continue to find weaknesses in FNS' quality control process. In 2015, OIG found that States weakened the QC processes regarding how States determine household eligibility for SNAP and calculate and issue benefits. States weakened the QC process by using third-party consultants and error review committees to mitigate QC-identified errors instead of reporting them.⁴⁴ As a result, States reported inaccurate QC rates. Since FNS' current two-tier QC process is vulnerable to State abuses, does not meet SNAP regulatory requirements, and does not have sufficient FNS oversight, OIG recommended that FNS consider switching to a one-tier system in which only FNS or an unaffiliated third party reviews the QC cases for errors. Such a system would help ensure that State and national QC error rates are more accurate.

▷ **Open Recommendation**

Perform an analysis of the cost/benefit of changing the QC process from a two-tier process that relies on the States to make error determinations to a one-tier process where only FNS or an unaffiliated contracted third party reviews cases for errors. If determined cost beneficial, establish a timeline for implementing the change.

⁴⁴ Audit Report 27601-0002-41, *FNS Quality Control Process for SNAP Error Rates*, Sept. 2015.

We also continue to find weaknesses in FNS' controls for SNAP administration. In 2016, OIG reviewed FNS' controls over SNAP administrative costs with a specific focus on whether States with county-administered programs were effectively and efficiently controlling costs and minimizing variances. OIG found that weaknesses in State and county controls and a lack of FNS oversight led to inaccurate program financial reporting and questioned costs.⁴⁵ For example, the Ohio Department of Job and Family Services (ODJFS) did not correctly report expenditures for reimbursement from SNAP employment and training funds in the counties' accounting system. The State and county expenditures were commingled, so approximately \$3.6 million was questionable. OIG found that ODJFS did not have adequate controls over accounting processes and, as a result, recommended that ODJFS review those funds to determine if any are eligible for reimbursement.

▷ **Open Recommendation**

Review the \$3,575,424 in FY 2014 employment and training grant expenditures from ODJFS to determine if any of these funds are eligible for reimbursement and establish an account receivable from the State as needed.

Another report found weaknesses in SNAP administration controls over transaction data for SNAP retailers.⁴⁶ We reviewed the data representing approximately \$23 billion in transactions for potential fraud and identified discrepancies and inaccuracies representing over \$3 billion. We found that some authorized SNAP retailers listed owners whose Social Security Numbers belonged to people who were either deceased or underage. Also, FNS uses two information systems to administer SNAP, which should reflect the same monetary data. However, we found that some retailers recorded different monetary transaction totals in

⁴⁵ Audit Report 27601-0003-22, *SNAP Administrative Costs*, Sept. 2016.

⁴⁶ Audit Report 27901-0002-13, *Detecting Potential SNAP Trafficking Using Data Analysis*, Jan. 2017.

the two systems. We concluded that FNS' controls over these data were insufficient to identify the problems we found. FNS should design controls that allow the data to reveal these types of problems and finalize procedures to identify and reconcile discrepancies between its two information systems.

▷ **Open Recommendation** _____

Review the list of 1,819 owners on the Death Master File to verify the identity of these owners, and take necessary action to correct data that are incorrect, and remove any owners who are indeed no longer living.

▷ **Open Recommendation** _____

Design and implement a control to identify owners whose information matches that of deceased persons, and correct or update this information as needed.

OIG acknowledges that administration of SNAP is exceptionally complex. USDA must authorize and oversee more than 260,000 SNAP retailers in every State and territory. Consequently, the statutes and regulations for delivering SNAP benefits to participants are intricate. As millions of Americans rely on SNAP benefits for nutrition assistance, successful program performance is critical. It is imperative FNS continue to strengthen management controls to ensure effective and efficient delivery of services to SNAP recipients.

Anticipated Future Work

➤ **States' Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)**

We have contracted with an independent certified public accounting firm to conduct an engagement at selected States (Georgia, Nebraska, Pennsylvania, South Carolina,

and Washington) and provide FNS with recommendations to enhance SNAP efficiency and effectiveness. The objective is to assess States' compliance with selected aspects of 7 CFR, Part 272, Requirements for Participating State Agencies. We plan to issue a report for each State as well as a consolidated report on States' compliance with 7 CFR, Part 272.

➤ **States' Compliance with the Issuance and Use of SNAP Benefit Requirements (7 CFR, Part 274)**

We have contracted with an independent certified public accounting firm to also conduct an engagement at five selected States and provide FNS with recommendations to enhance SNAP efficiency and effectiveness.⁴⁷ The objective is to assess States' compliance with selected aspects of 7 CFR, Part 274, Issuance and Use of Program Benefits. We plan to issue a report for each State as well as a consolidated report on States' compliance with 7 CFR, Part 274.

⁴⁷ The five States selected for review have not been determined as of the date of publication of this management challenges report.

Appendix A: Audits Cited in this Report

Audit Number	Audit Title	Publication Date	Page No.
CCC			
06401-0006-11	Commodity Credit Corporation's Balance Sheet for Fiscal Year 2016	November 2016	p. 27
FSA			
03601-0003-22	FSA Microloans	September 2015	p. 31
FNS			
27601-0002-31	FNS Controls over SNAP Benefits For Able-Bodied Adults Without Dependents	September 2016	p. 40
27601-0002-41	FNS Quality Control Process for SNAP Error Rates	September 2015	p. 41
27601-0003-22	SNAP Administrative Costs	September 2016	p. 42
27901-0002-31	Detecting Potential SNAP Trafficking Using Data Analysis	January 2017	p. 42
FSIS			
24016-0005-31	FSIS Followup on the 2007 and 2008 Audit Initiatives	June 2017	p. 35
24601-0004-31	FSIS Ground Turkey Inspection and Safety Protocols	July 2015	p. 34
24601-0005-31	FSIS Controls over Declaring Allergens on Product Labels	June 2017	p. 36
24601-07-Hy	Issues Impacting the Development of Risk-Based Inspection at Meat and Poultry Establishments	December 2007	p. 35
24601-07-KC	Evaluation of FSIS Management Controls over Pre-Slaughter Activities	November 2008	p. 35

Audit Number	Audit Title	Publication Date	Page No.
FS			
08601-0004-31	Forest Service Deferred Maintenance	May 2017	p. 21
NRCS			
10401-0007-11	Natural Resources Conservation Service's Balance Sheet for Fiscal Year 2016	November 2016	p. 27
10601-0001-32	Controls over the Conservation Stewardship Program	September 2016	p. 21
10601-0003-31	NRCS Wetland Conservation Provisions in the Prairie Pothole Region	January 2017	p. 6
RBS			
34001-0001-21	Rural Energy for America Program	August 2016	p. 20
RUS			
09601-0001-41	RUS—Energy Efficiency and Conservation Loan Program	September 2016	p. 19
USDA			
50024-0010-11	Executive Order 13520, Reducing Improper Payments, Fiscal Year 2015, High-Dollar Overpayments Reports Review	September 2016	p. 24
50024-0011-11	USDA's Fiscal Year 2016 Compliance with Improper Payment Requirements	May 2017	p. 25
50099-0001-23	USDA's Controls over Economy Act Transfers and Greenbook Program Charges	September 2014	p. 9
50401-0009-11	Department of Agriculture's Consolidated Balance Sheet for Fiscal Years 2015 and 2014	February 2016	p. 25
50401-0011-11	Department of Agriculture's Consolidated Balance Sheet for Fiscal Year 2016	December 2016	p. 25
50501-0010-12	Continuous Diagnostics and Mitigation Program Assessment	June 2016	p. 13

Audit Number	Audit Title	Publication Date	Page No.
50501-0012-12	U.S. Department of Agriculture: Office of the Chief Information Officer: Fiscal Year 2016: Federal Information Security Modernization Act	November 2016	p. 13
50601-0003-22	Coordination of USDA Farm Program Compliance—FSA, RMA, and NRCS	January 2017	p. 9
50601-0003-31	USDA Beginning Farmers and Ranchers Programs	May 2015	p. 18 p. 30
61701-0001-21	Agroterrorism Prevention, Detection, and Response	March 2017	p. 8
61701-0001-23	Fiscal Year 2016 Classification Management	September 2016	p. 7

Appendix B: Abbreviations and Acronyms

ABAWD	able-bodied adults without dependents
ACRSI	Acreage Crop Reporting Streamlining Initiative
AFR	Agency Financial Report
CCC	Commodity Credit Corporation
CDM	Continuous Diagnostics and Mitigation program
E. coli	<i>Escherichia coli</i>
EECLP	Energy Efficiency and Conservation Loan Program
FISMA	Federal Information Security Modernization Act of 2014
FNS	Food and Nutrition Service
FS	Forest Service
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
FY	fiscal year
IT	Information Technology
MEMS	Management Evaluation Management System
NPIS	New Poultry Inspection System
NRCS	Natural Resources Conservation Service
OAO	Office of Advocacy and Outreach

OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
ODJFS	Ohio Department of Job and Family Services
OHSEC	Office of Homeland Security and Emergency Coordination
OIG	Office of Inspector General
QC	quality control
OMB	Office of Management and Budget
RBS	Rural Business-Cooperative Service
REAP	Rural Energy for America Program
RMA	Risk Management Agency
RUS	Rural Utilities Service
SFSP	Summer Food Service Program
SNAP	Supplemental Nutrition Assistance Program
USDA	U.S. Department of Agriculture

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