

Office of Inspector General

**OPERATING AND PERFORMANCE
PLAN
FISCAL YEARS 2004-2005**



Farm Credit Administration

Farm Credit Administration

Office of Inspector General
1501 Farm Credit Drive
McLean, Virginia 22102-5090

July 7, 2003



The Honorable Michael M. Reyna
Chairman and Chief Executive Officer
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Dear Mr. Reyna:

The enclosed document presents the Office of Inspector General's (OIG) operating and performance plan for Fiscal Years 2004 and 2005. Our mission remains the same and our objectives and goals are similar to that of previous years. We have updated the annual audit plan to reflect issues from which we select most of our assignments.

The accomplishment of our products and services correlate to fulfilling our goals and objectives. I do not anticipate any structural changes in the OIG staffing plan.

Please do not hesitate to call me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, which appears to read 'Stephen G. Smith'. The signature is written in a cursive style.

Stephen G. Smith
Inspector General

Enclosure

Copy to: Cheryl Macias
Chief Operating Officer

**Office of Inspector General
Operating and Performance Plan
FY 2004-2005**

Table of Contents

	<i>Page</i>
Mission, Objectives, and Goals.....	1
Assumptions	2
Performance Measures.....	3
Audit Plan.....	9
Staffing and Resource Needs and Distribution	13
Staffing Distribution Chart	17
IRM Plan Summary Report.....	18
FY 2004 Revised Office Performance Budget Spreadsheet.....	19
FY 2004 Revised Products and Services by Object Classification Spreadsheet.....	20
FY 2004 Revised Products and Services	21
FY 2004 Budget and Justifications	23
FY 2005 Proposed Office Performance Budget Spreadsheet	25
FY 2005 Proposed Products and Services by Object Classification Spreadsheet	26
FY 2005 Proposed Products and Services	27
FY 2005 Proposed Budget and Justifications	29
Budget Detail and Summary for FY 2004-2005	32
FY 2001-2005 Performance by Projects, Products and Services and Program Activities	34
Impact Analysis on Products and Services from a Changing Budget Environment.....	40

**Office of Inspector General
FY 2004-2005
Mission, Objectives and Goals**

MISSION

The mission of the Office of Inspector General (OIG) is to be an agent of positive change, striving for continuous improvement in the Farm Credit Administration's (FCA or Agency) management and program operations.

OBJECTIVES and GOALS

- **Audit and evaluate the Agency's programs and operations to promote economy, efficiency and effectiveness.**
 1. *Deliver quality audit and inspection products and services that are useful to the Board, management and Congress.*
 2. *Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.*
 3. *Continuously improve OIG staff, products and internal office administration.*

- **Investigate observed, alleged or suspected wrongdoing to prevent and detect fraud, waste, abuse and mismanagement in Agency programs and operations.**
 1. *Effectively investigate and report administrative and criminal violations relating to FCA programs and personnel.*
 2. *Educate employees on their responsibility to report wrongdoing to the IG.*
 3. *Provide relevant information on results of investigative activities to relevant parties.*

- **Review and make recommendations regarding existing and proposed legislation and regulations relating to Agency programs and operations and the Inspectors General community.**
 1. *Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations.*

- **Work with the Chairman and Agency management to improve program management within the Agency and in our own office; and work with the Inspectors General community and other related organizations to address government-wide issues.**
 1. *Build relationships with program managers based on a shared commitment to improving program operations and effectiveness.*
 2. *Provide leadership to the OIG community.*
 3. *Contribute to special projects to improve the Agency.*

Office of Inspector General FY 2004-2005 Assumptions

1. There will be no structural change in the OIG staffing plan.
2. The Agency will remain competitive in its compensation program.
3. The OIG's contracting budget will be adequate to obtain additional subject matter expertise whenever specific evaluations require it.
4. The OIG's training budget will be adequate to maintain leadership, technical, cultural and collaborative competencies.

Office of Inspector General
FY 2004/2005 Performance Measures
Audits and Evaluations of Agency Programs and Operations

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
1 and 2	1. Deliver quality audit, inspection, and review products and services that are useful to the Board, management and/or the Congress.	<p>Audits and inspections are relevant. Audit coverage includes all mandated audits and at least 75% of those suggested by the Board and management.</p> <p>Risk is addressed. 100% of OIG audits are performed in high risk/high \$ programs and activities and/or are tied to the Agency strategic planning goals.</p> <p>Findings made during audit fieldwork are recognized and corrected by management prior to drafting of the audit report.</p> <p>Products are timely, i.e. average time to complete audits and issue draft reports will not exceed 6 months.</p> <p>Audits are constructive. At least 75% of audit products contain recommendations to improve Agency operations. The Agency accepts at least 80% of OIG audit recommendations.</p> <p>The Agency implements all corrective actions prescribed by management decisions.</p>	<p>FCA programs and operations are more effective.</p> <p>Waste in Agency programs and operations is reduced.</p> <p>Increased Agency compliance with laws, regulations and internal policies and procedures.</p> <p>The Agency's stature and reputation is elevated in the eyes of Congress, the Administration, the FCS, FCA employees and the public.</p> <p>FCA is more effective in carrying out its mission.</p> <p>The OIG is more effective in promoting economy, effectiveness and efficiency within the Agency.</p> <p>FCA continues to get an unqualified audit opinion on financial statements.</p>

Office of Inspector General
FY 2004/2005 Performance Measures
Audits and Evaluations of Agency Programs and Operations

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
	<p><i>(continued)</i></p> <p>2. Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.</p> <p>3. Continuous improvement of OIG staff, products and internal administration.</p>	<p>The IG advises the Chairman concerning policy direction or administrative priorities.</p> <p>OIG performs analysis and provides technical advice to management concerning accounting, management systems and controls, and performance measures.</p> <p>Customer survey feedback is used to improve products and services.</p> <p>OIG training ensures the technical proficiency of staff.</p> <p>OIG implements administrative improvements identified through reviews of other Agency programs and through staff involvement with the professional community.</p>	<p>OIG input and advice contributes to Agency decisions and actions that are more complete and valid at their inception.</p> <p>Increase in management requests for advice, review and technical assistance.</p> <p>Peer review reports provide an unqualified opinion that OIG audit work meets or exceeds quality audit standards prescribed by GAO and the PCIE/ECIE.</p> <p>Customer survey feedback evidences increased satisfaction with report practices.</p> <p>The Inspector General's opportunity to facilitate positive change within the Agency is enhanced by the quality and credibility of OIG products and advice.</p>

Office of Inspector General
FY 2004/2005 Performance Measures
Investigations

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
<p>1 and 2</p>	<p>1. Administrative and criminal violations relating to FCA programs and personnel are effectively investigated and reported.</p> <p>2. FCA employees and managers recognize their responsibility to immediately report observed or suspected wrongdoing to the IG.</p>	<p>Investigative reports are timely and presented in an objective and factual manner. Memoranda are issued to management describing internal control weaknesses or program deficiencies found during the investigative process with suggestions to prevent and/or detect future wrongdoing.</p> <p>70% of active cases will be less than two years old (from the date the case was opened).</p> <p>100% of employee cases without criminal prosecution potential will be completed within one year from opening the case.</p> <p>Allegations of wrongdoing are received in a timely manner and are supported by specific information.</p>	<p>Administrative action, convictions or pleas are obtained for employees and/or contractors found guilty of wrongdoing.</p> <p>Management actions taken against employees serve as a deterrent to future wrongdoing.</p> <p>FCA internal policies, procedures and controls are strengthened to prevent and/or detect future wrongdoing.</p> <p>Investigations are more successful because they are initiated in a timelier manner and have better information.</p> <p>FCA employees are more willing to report real or suspected wrongdoing because they trust the competence and fairness of OIG's investigations.</p>

Office of Inspector General
FY 2004/2005 Performance Measures
Investigations

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
	<p><i>(continued)</i> 3. Agency officials and Congress are kept fully and currently informed of problems found in the process of and resulting from investigative activities.</p>	<p>Summaries of investigations and the resulting administrative or judicial actions taken are incorporated into the Semiannual Report to Congress, along with any disagreements on the actions taken or failure of management to act in a timely and responsible fashion.</p> <p>Findings made during the investigative process concerning the problem at issue or systemic problems are recognized and corrected or mediated by management.</p> <p>\$□□□□\$□□□□□□ ▪</p>	<p>The Chairman and Congress are better informed about OIG investigations, and administrative and judicial consequences.</p> <p>Public confidence in the integrity of FCA programs and internal operations are heightened.</p>

Office of Inspector General
FY 2004/2005 Performance Measures
Review of Legislation and Regulations

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
2	1. Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations effecting the Agency and the Inspectors General community.	<p>Processes are established and documented for identifying and circulating (as appropriate) relevant documents.</p> <p>Constructive comments on relevant documents are submitted by the deadlines requested by the office, Agency or staff circulating comments.</p> <p>Document review activity is summarized for inclusion in the Semiannual Report to Congress.</p>	<p>OIG input is part of the decision making process in approving or amending legislation, regulations, circulars and other policy positions.</p> <p>Constructive criticism and creative alternatives offered in OIG comments improve the quality and usefulness of documents initiated by the Agency.</p> <p>FCA Board and management are informed about the status of new or pending legislation or regulations initiated externally.</p>

Office of Inspector General
FY 2004/2005 Performance Measures
Outreach

AGENCY GOAL	OIG GOAL	PERFORMANCE MEASURE	OUTCOME/ IMPACT
1 and 2	<ol style="list-style-type: none"> 1. Agency personnel understand and accept OIG's role within FCA and the community at large. 2. OIG staff provides leadership to organizations directly contributing to the Inspectors General community. 3. OIG staff contributes to special projects for improving the Agency, the OIG community and the government. 	<p>Develop and maintain educational brochures or pamphlets describing OIG roles and activities.</p> <p>Facilitate feedback from Agency employees and refine products and practices based on the feedback to OIG products and educational materials</p> <p>Time and resources are provided to OIG staff members as an incentive to contribute to outside organizations by serving on committees and holding offices.</p> <p>OIG staff will participate in projects that contribute to achieving the vision of a better Agency and government.</p>	<p>Agency employees' acceptance of and cooperation with OIG activities is improved through better understanding. OIG programs and products are improved through feedback from Agency employees.</p> <p>Projects and activities of adjunct organizations such as the AGA, IIA, PCIE/ECIE, CCIG, FLETC, and IGATI are improved by OIG staff contributions and participation.</p> <p>The Inspectors General community is more credible and effective.</p> <p>Management practices at the Agency are improved by OIG staff participation in FCA special projects.</p> <p>FCA programs and operations are more effective and efficient.</p>

Office of Inspector General

Audit Plan

FY 2004/2005

BACKGROUND

This audit plan is based on input from FCA management and staff as well as other issues identified by OIG staff. In particular, the CEO and the Farm Credit Administration (FCA) Board have expressed an interest in independent assessments of significant programs of the Agency. The OIG has identified its focus issues in its Semiannual Report to Congress in the form of management challenges. OIG audits and inspections are planned to provide assurances to the CEO and FCA Board that programs are operating effectively with appropriate controls. The Annual Audit Plan is intended to be a living document that is updated periodically throughout the year. It notes activities completed along with activities tentatively planned. Actual activities will most likely be selected from the areas listed below. However, actual coverage may change in order to be responsive to changing needs or circumstances.

MANAGEMENT CHALLENGES

The OIG identified major challenges confronting the FCA as it works to fulfill its mission. These management challenges were incorporated in the OIG semiannual report and have been updated to reflect changes and progress in meeting the challenges. The challenges fall into two general categories. First are the challenges related to the FCA's core mission of ensuring a dependable supply of credit to agriculture through the institutions it has chartered. These challenges are often shaped and influenced by events that are outside the control of the Agency. Second, but no less important, are those challenges related to the Agency's operations.

Organizational Leadership

The Farm Credit Act provides for a full time three-member Board. The Board members are appointed by the President and confirmed by the Senate. The rapidly changing complex financial and banking environment makes the Board's task both challenging and important. The Board must be able to engage in healthy professional policy debate and set a sound course for the Agency. A full strength Board is an important element in setting clear priorities and deliberating fully on the issues. In the 17 years since the inception of the FCA Board, it has been at full strength for less than half of that time. On November 14, 2002, the newest Board member joined FCA, providing of full Board compliment.

A relatively small full-time Board also presents a challenge in terms of defining the roles and responsibilities of the Board members relative to the governance of the Agency. As the membership on the Board changes, it needs to update its rules of operation to ensure it fulfills its statutory role in the governance of FCA. The Board will also need to review and revise the strategic plan for FCA.

Farm Credit System Risk

The Farm Credit System (FCS) is a single industry lender and therefore is vulnerable to economic swings in the industry. FCA is challenged to balance the often-competing demands of ensuring the FCS fulfills its public purpose, proactively examining risk in the regulated institutions both individually and systemically, and controlling the cost of the regulator.

Financial Management

FCA's financial management system has undergone almost continuous change over the past five years. During this reporting period, the Agency completed its first financial statement using the services of the Department of Interior's National Business Center. With a successful implementation, management's challenge will be to leverage the system to deliver timely financial information that is critical to well informed management decisions.

Security

In the aftermath of the events of September 11, 2001, security remains a major challenge for the Agency. In the August 2001 report on information security, the OIG found a strong foundation for security practices. However, the speed of change in the security environment will be a challenge for all government organizations. This is especially true for smaller organizations like FCA where an increased emphasis on physical and information security will compete with program areas for tight budget funding.

Human Capital

FCA needs to develop a comprehensive, integrated approach to human capital issues. The FCA has not adopted a human capital strategy. In light of the changes in the competitive environment, advances in technology, and the tenure of its workforce, FCA needs to closely evaluate business processes, their associated costs, and alternatives.

Leveraging Technology

The Agency has recognized that in order to meet the constraints of its budget, it must be able to maximize its return on investment in technology. FCA will need effective mechanisms to ensure that current and future staff has the technical skills to use technology to operate in an efficient manner.

AUDIT AND INSPECTION ACTIVITIES

Audit of Financial Statements

The OIG contracts with an independent accounting firm to conduct an audit of FCA financial statements. During FY 2003 the OIG will deliver the audit opinion on the financial statements as of September 30, 2002. In future years, there is an expectation by management and the OMB that audit opinions will be issued closer to the end of the fiscal year. OIG will incorporate more interim audit work in its contract to ensure expectations are met.

During FY 2003, the OIG will compete the contract for an external auditor for the audit opinion on the financial statements as of September 30, 2003. Traditionally, audit costs and time associated with managing the contract is higher during the first year of an engagement.

Young, Beginning and Small Farmers

The objective of this activity is to evaluate the work performed by the Office of Examination to examine compliance with YBS. This activity will follow up management's actions to address GAO concerns from a recent report issued by the GAO.

FISMA

The, Financial Information Security Management Act of 2002, mandates an annual evaluation by the OIG or an independent external auditor. Security remains a significant management challenge and the OIG anticipates computer security will remain a high priority. The OIG will continue to work with the Chief Information Officer (CIO) to incorporate issues of concern in audit activities.

Compensation

This audit will determine whether the objectives of the FCA compensation program are being met. We expect to conduct the audit in three distinct phases. This approach will ensure that management gets the benefits of audit results more timely as work on the overall objective is completed.

GPRA

This activity will evaluate the agency's compliance with the Government Performance and Review Act. We will focus on the FCA Board's development of a strategic plan and an evaluation of the performance measures that the FCA uses to measure its impact and progress.

Inspections and Management Letters

The OIG will conduct a variety of activities on areas and issues that merit review because of potential risk or operational weaknesses. These activities may be reported as management advisories or inspection reports. While planning these activities, we may determine the issues are broader and may expand the scope to audit the issues. Activities that OIG is currently considering or working on include:

- Agency Governance
- FCA Policy and Regulatory Development process
- Management Decision Model
- Implementation of risk based examinations
- OSMO effectiveness (will depend on scope of GAO audit)
- Comparison of SESD and OPA – Cost and Products

- OGC Legal Opinion process, efficiency, and effectiveness
- FCA Commission Program
- Borrower Complaint Handling
- FOIA Program
- Office Quality Control Programs
- Evaluation of physical security practices
- PPM Process
- Improper Payments
- Administrative operations of offices in McLean
- Competitive sourcing

Office of Inspector General

5–Year Staffing Plan

FY 2004-2008

I. **Statutory Role and Responsibilities**

The OIG was created within the Farm Credit Administration (FCA or Agency) by the 1988 Amendments to the Inspector General Act of 1978 (Act) as an independent unit to: 1) conduct and supervise audits and investigations; 2) promote economy, efficiency and effectiveness and to prevent fraud and abuse in program administration; and 3) keep the Chairman and the Congress fully informed about problems and deficiencies and the need and progress in correcting them.

The Act specifies the Inspector General's duties, responsibilities and authorities. The Act precludes the OIG from performing any Agency program operating function; rather, OIG advises management and the Congress about ways to improve programs. The Inspector General works with the Chairman to promote positive change within the Agency's programs and operations.

II. **OIG Functions and the Staffing Needed to Deliver Related Products and Services**

This section describes the staffing of the OIG. It also discusses how the OIG is organized to produce the products and services appropriate to fulfill its responsibilities.

The **Inspector General** provides leadership, policy direction, and general management and supervision to OIG staff. He is also an adviser to the Chairman and the principal spokesperson for OIG, coordinating its activities and issues with other agencies. The Inspector General position is comparable in grade with the other office directors.

The **Counsel to the Inspector General** provides independent legal advice, analysis of proposed legislation and regulations, and reviews OIG products for legal sufficiency. Counsel represents and defends OIG in all legal issues. The Counsel also participates in audits and inspections on an as needed basis. This position is a permanent part-time position with .8 FTE.

A **Program Auditor** position is devoted exclusively to audits, inspections and management analyses, focusing on the significant management challenges of the Agency.

A **Criminal Investigator** provides the expertise to conduct investigations. This task is less than fulltime and the person in this position also performs audits, inspections and other analyses.

A **Management Analyst** is responsible for budgeting, personnel, procurement, coordinating training, and for general support to the rest of the staff (time and

attendance, preparation of all final documents, maintaining files, telephone coverage, etc.). The position also participates in audits, inspections and management reviews of administrative and operational activities.

A **College Intern** is used to augment the audit and inspection staff. This position helps the OIG ensure that new resources are available in the event of a future vacancy. Recently, the OIG has used the INROADS program to further diversify staffing.

Audits and inspections are the primary vehicles through which OIG develops recommendations to promote economy, efficiency and effectiveness in Agency programs and prevent waste and mismanagement. OIG also provides input to the Chairman or managers through management letters and confidential advisories. In total, approximately three FTEs are devoted to this function.

An Auditor is devoted full time to audits. Also, the Counsel to the Inspector General, the Criminal Investigator, and the Management Analyst are cross-training to perform evaluations under the supervision of the Inspector General, focusing on evaluating administrative and operational issues. The varied backgrounds of these individuals bring expertise to evaluating Agency activities beyond that of traditional audits.

OIG augments its core staff with contracts when high level subject matter expertise is needed to perform a particular task.

Investigations encompass all OIG activities designed to detect or prevent fraud and abuse in administering Agency programs. Investigations are normally distinguished from other evaluations mainly in that they are directed at individuals rather than programs and activities. However, some of OIG's investigative actions are directed at preventing fraud and abuse through improving the effectiveness of management and administrative controls and practices, especially in high-risk areas where we know there are weaknesses. OIG also manages a HOTLINE to help FCA employees and the public report wrongdoing.

Other OIG Functions include internal policy direction and leadership, review of proposed legislation and regulations, coordination with other agencies, and advice to the Chairman and management about Agency programs and operations. The Inspector General is also responsible for fully informing the Chairman and the Congress about fraud and other serious problems in Agency programs, including management's progress in carrying out corrective actions.

III. OIG's Mission, Vision and Implications for Staffing

It is OIG's goal to be an agent of positive change, striving for continuous improvement in Agency management and program operations, including our own office. Our mission is to be a leader and catalyst to improve FCA by identifying challenges and opportunities of the Agency. We strive to:

- Deliver products and services that are competent, objective, timely and relevant;
- Maintain a customer focus which is responsive to the needs of decision makers; and

- Provide a positive working environment that encourages us to be innovative and reach our potential through teamwork and open, candid communication.

If we are to fulfill these statements, each staff member must broaden and refine their skills and abilities, adopt a creative approach to problem solving, and take the initiative to influence management. That way, management will be receptive to our conclusions and recommendations. Staff must be supported through management's actions; equipment and training appropriate to support their activities; and mutual support from teammates.

IV. Staffing Assessment and Strategies

OIG's diverse responsibilities prescribed by the Act dictate the presence of certain competencies within OIG's staff, and the independent nature of its role also has implications for staffing. Even with a very small staff, the OIG can deliver its products and services by maintaining a high level of cross training and a broad base of expertise in audit, investigation, legal, management, and administration. The 5.27 FTE in this plan constitutes the critical mass to credibly perform OIG's responsibilities. Conversely, the relative level of risk at FCA does not warrant either an increase in the number of FTE or change in the mix of competencies.

Staff performs OIG evaluations and investigations under the general supervision by the Inspector General. These assignments are often unlike previous assignments and need original, creative thinking in planning and developing the project; and mature judgment in developing conclusions and recommendations and defending them before management. Counsel, the Investigator and Management Analyst must develop and maintain evaluative skills and abilities as well as their basic skill sets. Grades must reflect the depth and breadth of their work in OIG.

The OIG established the staff pattern after careful analysis of the specialized nature of the OIG's responsibilities and volume of work. Over the past 5 years, OIG reduced staff by 30 percent (2 auditor positions).

The current OIG staff profile includes 80 percent women and 20 percent African American. OIG has been successful in obtaining a diverse pool of applicants in its recent job postings. When filling future OIG vacancies, we will make a concerted effort to encourage a diverse pool of qualified candidates. We share the Agency's affirmative employment objectives and believe that a diverse staff is a critical factor in the long-term success of an organization. In addition to the permanent staff, the OIG budgets for one summer intern to work on specific audit assignments.

V. Staffing Objectives, Strategies and Assumptions

Objectives

- Retain and refine the skills and competencies represented by the current staff profile.
- Increase the diversity of OIG staff.
- Cross-train all OIG staff to ensure each staff member can capably perform at least one OIG function as well as their primary staffing role.

- Maintain and improve collaboration between OIG staff members.
- Expand OIG staff participation in non-program activities of the Agency.

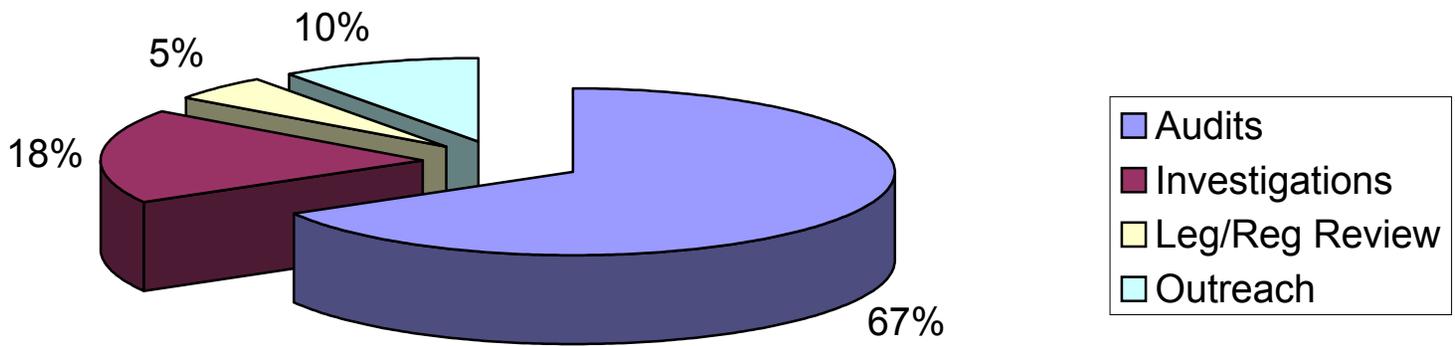
Strategies

- Agency affirmative employment objectives will be a consideration in filling any OIG vacancies to achieve appropriate diversity.
- Staff will identify and participate in training and professional development activities identified in individual development plans to retain and enhance skills.
- Teamwork training will occur regularly to promote collaboration between OIG staff members.
- Use intern programs to identify possible future permanent staff.

Assumptions

Please refer to page 2

**Office of Inspector General
Time by Products**
(allocating Indirect Time)



**Office of Inspector General
IRM Plan Summary
FY 2004-2009**

<i>IRM Budget Category</i>	<i>Object Class</i>	<i>FY 2004 Costs</i>	<i>FY 2005 Costs</i>	<i>FY 2006 Costs</i>	<i>FY 2007 Costs</i>	<i>FY 2008 Costs</i>	<i>FY 2009 Costs</i>	<i>Total Costs</i>
Telephone & Comm. Services	2329	600	600	600	600	600	600	3,600
Consulting Services	2510	30,000	35,000	35,000	40,000	40,000	40,000	220,000
IT Equipment	3140	10,900	7,800	0	11,300	7,400	800	38,200
Software	3143	500	500	500	500	500	500	3,000
		42,000	43,900	36,100	52,400	48,500	41,900	264,800
Total IRM Budget FY 2004-2009								264,800

**Office of Inspector General
Office Performance Budget
FY 2004 Revised**

PERFORMANCE OBJECTIVES				
PROGRAM ACTIVITIES	Total Cost	Direct Cost	Indirect Cost	Total FTE
<i>Products and Services</i>				
1.0 Policy and Regulation	0	0	0	0.00
1.1 Regulations and Policy Development	0	0	0	0.00
1.2 Statutory and Regulatory Approvals	0	0	0	0.00
2.0 Safety and Soundness	0	0	0	0.00
2.1 Examination	0	0	0	0.00
2.2 Economic, Financial and Risk Analysis	0	0	0	0.00
2.3 FCS Data Management	0	0	0	0.00
3.0 Reimbursable Activities	0	0	0	0.00
3.1 SBA	0	0	0	0.00
3.2 USDA	0	0	0	0.00
3.3 FCSIC	0	0	0	0.00
3.4 NCB/NCB Development Corporation	0	0	0	0.00
4.0 Distributed Costs	933,129	0	0	5.27
4.1 Budget and Financial Management	0	0	0	0.00
4.2 Human Resources Management	0	0	0	0.00
4.3 Information Resources Management	0	0	0	0.00
4.5 Communication	0	0	0	0.00
4.6 Contracting, Procurement, Mail and Supply	0	0	0	0.00
4.7 Board Activities and Board Support	0	0	0	0.00
4.8 Congressional and Intergovernmental Affairs	0	0	0	0.00
4.9 Records Management and Information Services	0	0	0	0.00
4.10 Audits and Investigations	0	0	0	0.00
4.11 Administration	0	0	0	0.00
4.12 OSMO/Farmer Mac (non-exam activities)	0	0	0	0.00
TOTAL	933,129	0	0	5.27

Office of Inspector General
Products and Services by Object Classification
FY 2004 Revised

RESOURCES	TOTAL	PS 2.10 Audits & Investigations	PS #	PS #	PS #	PS #
Full Time Equivalents (FTE)	5.27	5.27	0.00	0.00	0.00	0.00
Percentage of costs distributed on the basis of FTE	1.00	1.00	0.00	0.00	0.00	0.00
Total Resource Budget	891,129	891,129	0	0	0	0
OBJECT CLASSIFICATION						
11.1 Full-time Permanent	418,923	418,923	0	0	0	0
11.3 Other than full-time permanent	156,382	156,382	0	0	0	0
11.5 Other personnel compensation	2,000	2,000	0	0	0	0
Total 11	577,305	577,305	0	0	0	0
12.1 Personnel benefits	170,674	170,674	0	0	0	0
13.0 Benefits for former personnel	0	0	0	0	0	0
21.0 Travel and transportation of persons	15,000	15,000	0	0	0	0
22.0 Transportation of things	1,000	1,000	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0	0
23.3 Communications, utilities, and miscellaneous charges	750	750	0	0	0	0
Total 23	750	750	0	0	0	0
24.0 Printing and reproduction	1,000	1,000	0	0	0	0
25.1 Advisory and assistance services	30,000	30,000	0	0	0	0
25.2 Other services	119,000	119,000	0	0	0	0
25.3 Other purchases from Government accounts	3,000	3,000	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0	0
Total 25	152,000	152,000	0	0	0	0
26.0 Supplies and materials	3,500	3,500	0	0	0	0
31.0 Equipment	11,900	11,900	0	0	0	0
42.0 Insurance claims and indemnities	0	0	0	0	0	0
92.0 Undistributed	0	0	0	0	0	0
Total Cost	933,129	933,129				

Office of Inspector General Products and Services FY 2004 Revised

The accomplishment of the Office of Inspector General's products and services correlate to fulfilling our goals and objectives.

Product/Service¹	Budget	% Budget	FTE	% FTE
Audits, Inspections, and Review Products	\$625,196	67%	3.53	67%
Investigations	\$167,963	18%	.95	18%
Regulation Review and Comment	\$ 46,656	5%	.26	5%
Outreach	\$ 93,313	10%	.53	10%
Centrally Budgeted Items	0	0	0	0
Total	\$933,129	100%	5.27	100%

Audits, Inspections, and Review Products. Approximately 6-10 evaluative reports per year (including annual financial audit). This includes technical advice and assistance to Agency officials in developing management information and financial reporting systems and in streamlining programs and organizations. It also includes survey production. At present, two surveys are produced in OIG for the direct benefit of the Agency for use in measuring performance. These two surveys are the Farm Credit System Survey and the Regulation Development Survey. In addition, each audit and inspection contains a customer survey (This is directly linked to FCA Strategic Plan.)

Budget for FY 2004 - \$625,196

3.53 FTE

Investigative Function. Review of allegations. Testing information provided to determine whether an investigation should be opened and conducting investigations when appropriate. Maintaining OIG HOTLINE. Directing FCS Borrower issues to Agency components.

Budget for FY 2004 – \$167,963

.95 FTE

Review and Comment on Proposed and Existing Regulations and Legislation. Responding to Congressional and Executive requests and inquiries. Reviewing and commenting on proposed and existing legislation and regulations affecting the Agency and the Inspectors General community.

Budget for FY 2004 - \$ 46,656

.26 FTE

¹ Management, administrative support and leave are disbursed across the four program areas.

Outreach Program. Educating employees about OIG's role within the Agency. Lend leadership to organizations directly contributing to the IG community. Making contributions to special projects and work groups for improving the Agency, the OIG community and the government. This includes but is not limited to: Semiannual reports to the Agency Chairman and Congress, participation in external activities such as membership on the Executive's Council on Integrity and Efficiency, and Council of Counsels to Inspectors General. We also participate in Agency efforts, such as GPRA Initiative, Employee Council, Administrative Burden Workgroup, Blacks in Government, Continuity of Operations Plan, FCA Compensation Study, and the Federal Women's Program.

Budget for FY 2004 - \$ 93,313

.53 FTE

Office of Inspector General Budget and Justifications Fiscal Year 2004

TOTAL OFFICE BUDGET	\$933,129
Total approved IRM Plan amount included in Office Budget	\$ 42,000

1100 Personnel Compensation	\$577,305
------------------------------------	------------------

Justification

Amount required to fund salaries of OIG staff (5.27 FTE) charged with conducting audits and investigations relating to Agency programs and operations. We are also responsible for reviewing existing and proposed legislation and regulations to evaluate their impact on economy and efficiency in the Agency and on the prevention of fraud and abuse. Funds are also allocated for cash awards for deserving employees.

1200 Personnel Benefits	\$170,674
--------------------------------	------------------

Justification

Benefits are the direct result of salaries, consistent with employees' retirement systems, health and other elected benefits.

1300 Benefits for Former Personnel	\$ --
---	--------------

N/A

2100 Travel and Transportation of Persons	\$ 15,000
--	------------------

Justification

OIG staff will use travel funds for audit and investigative related matters. Funds will also be used for travel related to training courses, professional association meetings, and a teambuilding session for all OIG staff.

2200 Transportation of Things	\$ 1,000
--------------------------------------	-----------------

Justification

This amount is necessary for anticipated express mail services throughout the year.

2300 Rent, Communications, Utilities and Misc.	\$ 750
2300 Approved IRM Plan	\$ 600

Justification

These funds will cover anticipated usage of telephone credit cards while on official travel, long distance phone service in McLean, courier delivery services throughout the year to hand-deliver information and reports to Congress and other groups, and pager service for the Inspector General. Funds will also cover Lexis/Nexis service and a separate Internet access for the anonymous hotline account.

IRM Justification

The independent internet account is used for confidential reporting of fraud, waste, abuse and mismanagement. The pager service is used by the IG. Counsel to the IG uses Lexis/Nexis for research capabilities.

2400 Printing and Reproduction **\$ 1,000**

Justification

Cost of printing brochures, pamphlets, business cards, etc. when FCA cannot produce items.

2500 Other Contractual Services **\$152,000**

2500 Approved IRM Plan \$ 30,000

Justification

Contract services will be needed to assist in staff reviews of programs, including FISMA and financial statements audit. The tuition funds will be used for individual training classes for staff. Individual training classes are a mandatory requirement of the Federal Yellow Book for auditors and of the legal bar association for the Counsel to the IG. Membership fees will cover the dues for professional organizations to which OIG staff belong such as the Institute of Internal Auditors and Association of Government Accountants.

Government contractual funds will be used for miscellaneous training courses being attended by staff at USDA, FLETC, and other government agencies. They will also be used for contracts issued by other government agencies (Department of Labor and General Services Administration) for independent reviews of such things as the Agency's financial statements and the OMB required IT security audit.

IRM Justification

GISRA requires agencies to perform an audit of IT security on an annual basis.

2600 Supplies and Materials **\$ 3,500**

Justification

To purchase miscellaneous text and reference books as well as on-going subscriptions. Office supply funds will be used mainly to purchase supplies for the velobinder, which is used by the entire Agency. Non-cash awards will be given to staff at the discretion of the IG.

3100 Equipment **\$ 11,900**

3100 Approved IRM Plan \$ 11,400

Justification

Purchase software as necessary in support of IG programs.

IRM Justification

Replacement of five laptops.

**Office of Inspector General
Office Performance Budget
FY 2005 Proposed**

PERFORMANCE OBJECTIVES				
PROGRAM ACTIVITIES	Total Cost	Direct Cost	Indirect Cost	Total FTE
<i>Products and Services</i>				
1.0 Policy and Regulation	0	0		0.00
1.1 Regulations and Policy Development	0	0		0.00
1.2 Statutory and Regulatory Approvals	0	0		0.00
2.0 Safety and Soundness	0	0		0.00
2.1 Examination	0	0		0.00
2.2 Economic, Financial and Risk Analysis	0	0		0.00
2.3 FCS Data Management	0	0		0.00
3.0 Reimbursable Activities	0	0		0.00
3.1 SBA	0	0		0.00
3.2 USDA	0	0		0.00
3.3 FCSIC	0	0		0.00
3.4 NCB/NCB Development Corporation	0	0		0.00
4.0 Distributed Costs	941,467		0	5.27
4.1 Budget and Financial Management	0		0	0.00
4.2 Human Resources Management	0		0	0.00
4.3 Information Resources Management	0		0	0.00
4.5 Communication	0		0	0.00
4.6 Contracting, Procurement, Mail and Supply	0		0	0.00
4.7 Board Activities and Board Support	0		0	0.00
4.8 Congressional and Intergovernmental Affairs	0		0	0.00
4.9 Records Management and Information Services	0		0	0.00
4.10 Audits and Investigations	0		0	0.00
4.11 Administration	0		0	0.00
4.12 OSMO/Farmer Mac (non-exam activities)	0		0	0.00
TOTAL	941,467	0	0	5.27

Office of Inspector General
Products and Services by Object Classification
FY 2005 Proposed

RESOURCES	TOTAL	PS 2.10 Audits & Investigations	PS #	PS #	PS #	PS #
Full Time Equivalents (FTE)	5.27	5.27	0.00	0.00	0.00	0.00
Percentage of costs distributed on the basis of FTE	1.00	1.00	0.00	0.00	0.00	0.00
Total Resource Budget	897,567	897,567	0	0	0	0
OBJECT CLASSIFICATION						
11.1 Full-time Permanent	418,923	418,923	0	0	0	0
11.3 Other than full-time permanent	157,311	157,311	0	0	0	0
11.5 Other personnel compensation	2,000	2,000	0	0	0	0
Total 11	578,234	578,234	0	0	0	0
12.1 Personnel benefits	176,183	176,183	0	0	0	0
13.0 Benefits for former personnel	0	0	0	0	0	0
21.0 Travel and transportation of persons	15,000	15,000	0	0	0	0
22.0 Transportation of things	1,000	1,000	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0	0
23.3 Communications, utilities, and miscellaneous charges	750	750	0	0	0	0
Total 23	750	750	0	0	0	0
24.0 Printing and reproduction	1,000	1,000	0	0	0	0
25.1 Advisory and assistance services	35,000	35,000	0	0	0	0
25.2 Other services	119,000	119,000	0	0	0	0
25.3 Other purchases from Government accounts	3,000	3,000	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0	0
Total 25	157,000	157,000	0	0	0	0
26.0 Supplies and materials	3,500	3,500	0	0	0	0
31.0 Equipment	8,800	8,800	0	0	0	0
42.0 Insurance claims and indemnities	0	0	0	0	0	0
92.0 Undistributed	0	0	0	0	0	0
Total Cost	941,467	941,467				

Office of Inspector General Products and Services FY 2005 Proposed

The accomplishment of the Office of Inspector General's products and services correlate to fulfilling our goals and objectives.

Product/Service²	Budget	% Budget	FTE	% FTE
Audits, Inspections, and Review Products	\$630,783	67%	3.53	67%
Investigations	\$169,464	18%	.95	18%
Regulation Review and Comment	\$ 47,073	5%	.26	5%
Outreach	\$ 94,147	10%	.53	10%
Centrally Budgeted Items	0	0	0	0
Total	\$941,467	100%	5.27	100%

Audits, Inspections, and Review Products. Approximately 6-10 evaluative reports per year (including annual financial audit). This includes technical advice and assistance to Agency officials in developing management information and financial reporting systems and in streamlining programs and organizations. It also includes survey production. At present, two surveys are produced in OIG for the direct benefit of the Agency for use in measuring performance. These two surveys are the Farm Credit System Survey and the Regulation Development Survey. In addition, each audit and inspection contains a customer survey (This is directly linked to FCA Strategic Plan.)

Budget for FY 2004 - \$630,783

3.53 FTE

Investigative Function. Review of allegations. Testing information provided to determine whether an investigation should be opened and conducting investigations when appropriate. Maintaining OIG HOTLINE. Directing FCS Borrower issues to Agency components.

Budget for FY 2004 – \$169,464

.95 FTE

Review and Comment on Proposed and Existing Regulations and Legislation. Responding to Congressional and Executive requests and inquiries. Reviewing and commenting on proposed and existing legislation and regulations affecting the Agency and the Inspectors General community.

Budget for FY 2004 - \$ 47,073

.26 FTE

² Management, administrative support and leave are disbursed across the four program areas.

Outreach Program. Educating employees about OIG's role within the Agency. Lend leadership to organizations directly contributing to the IG community. Making contributions to special projects and work groups for improving the Agency, the OIG community and the government. This includes but is not limited to: Semiannual reports to the Agency Chairman and Congress, participation in external activities such as membership on the Executive's Council on Integrity and Efficiency, and Council of Counsels to Inspectors General. We also participate in Agency efforts, such as GPRA Initiative, Employee Council, Administrative Burden Workgroup, Blacks in Government, Continuity of Operations Plan, FCA Compensation Study, and the Federal Women's Program.

Budget for FY 2004 - \$ 94,147

.53 FTE

Office of Inspector General Budget and Justifications Fiscal Year 2005

TOTAL OFFICE BUDGET

\$941,467

Total approved IRM Plan amount included in Office Budget \$
43,900

1100 Personnel Compensation

\$578,234

Justification

Amount required to fund salaries of OIG staff (5.27 FTE) charged with conducting audits and investigations relating to Agency programs and operations. We are also responsible for reviewing existing and proposed legislation and regulations to evaluate their impact on economy and efficiency in the Agency and on the prevention of fraud and abuse. Funds are also allocated for cash awards for deserving employees.

1200 Personnel Benefits

\$176,183

Justification

Benefits are the direct result of salaries, consistent with employees' retirement systems, health and other elected benefits.

1300 Benefits for Former Personnel

\$ -

-

N/A

2100 Travel and Transportation of Persons

\$

15,000

Justification

OIG staff will use travel funds for audit and investigative related matters. Funds will also be used for travel related to training courses, professional association meetings, and a teambuilding session for all OIG staff.

2200 Transportation of Things

\$

1,000

Justification

This amount is necessary for anticipated express mail services throughout the year.

2300 Rent, Communications, Utilities and Misc.	\$
750	
2300 Approved IRM Plan	\$
600	

Justification

These funds will cover anticipated usage of telephone credit cards while on official travel, long distance phone service in McLean, courier delivery services throughout the year to hand-deliver information and reports to Congress and other groups, and pager service for the Inspector General. Funds will also cover Lexis/Nexis service and a separate Internet access for the anonymous hotline account.

IRM Justification

The independent internet account is used for confidential reporting of fraud, waste, abuse and mismanagement. The pager service is used by the IG. Counsel to the IG uses Lexis/Nexis for research capabilities.

2400 Printing and Reproduction	\$
1,000	

Justification

Cost of printing brochures, pamphlets, business cards, etc. when FCA cannot produce items.

2500 Other Contractual Services	
\$157,000	
2500 Approved IRM Plan	\$
35,000	

Justification

Contract services will be needed to assist in staff reviews of programs, including FISMA and financial statements audit. The tuition funds will be used for individual training classes for staff. Individual training classes are a mandatory requirement of the Federal Yellow Book for auditors and of the legal bar association for the Counsel to the IG. Membership fees will cover the dues for professional organizations to which OIG staff belong such as the Institute of Internal Auditors and Association of Government Accountants.

Government contractual funds will be used for miscellaneous training courses being attended by staff at USDA, FLETC, and other government agencies. They will also be used for contracts issued by other government agencies (Department of Labor and General Services Administration) for independent reviews of such things as the Agency's financial statements and the OMB required IT security audit.

IRM Justification

GISRA requires agencies to perform an audit of IT security on an annual basis.

2600 Supplies and Materials	\$
3,500	

Justification

To purchase miscellaneous text and reference books as well as on-going subscriptions. Office supply funds will be used mainly to purchase supplies for the velobinder, which is used by the entire Agency. Non-cash awards will be given to staff at the discretion of the IG.

3100 Equipment	\$
8,800	
3100 Approved IRM Plan	\$
8,300	

Justification

Purchase software as necessary in support of IG programs.

IRM Justification

Replacement of five laptops.

FARM CREDIT ADMINISTRATION
FY 2004/2005 Budget Call
Unit: 70000
Office of Inspector General
Detailed Budget

FULL-TIME EQUIVALENTS (FTE)		5.08	5.08			
OBJECT CLASSIFICATION		FY 2004 Revised	FY 2005 Proposed	DIFFERENCE		
				Amount	Percent	
1100	Total Personnel Compensation					
11.1	Permanent full-time					
	1111	Permanent full-time	418,923	418,923	0	0.00%
	Sub-Total	11.1	418,923	418,923	0	0.00%
11.3	Other than Permanent Full-Time					
	1139	Other than permanent full-time	156,382	157,311	0	0.00%
	Sub-Total	11.3	156,382	157,311	929	0.59%
11.5	Other Personnel Compensation					
	1151	Overtime	0	0	0	0.00%
	1154	Cash incentive and other awards	2,000	2,000	0	0.00%
	Sub-Total	11.5	2,000	2,000	0	0.00%
TOTAL	1100		577,305	578,234	929	0.16%
1200	Total Personnel Benefits					
12.1	Benefits					
	1214	TSP – Matching	20,206	21,006	800	3.96%
	1217	Disability insurance premium	0	0	0	0.00%
	1224	Relocation payments under object code 1200	0	0	0	0.00%
	1299	Benefits generated from payroll	150,468	155,177	4,709	3.13%
	Sub-Total	12.1	170,674	176,183	5,509	3.23%
TOTAL	1200		149,616	151,550	5,509	3.23%
2100	Travel and Transportation of Persons					
21.0	Travel and Transportation of Persons					
	2101	TDY and local travel	15,000	15,000	0	0.00%
	2110	Lodging rooms paid under one document	0	0	0	0.00%
	2116	Taxi voucher	0	0	0	0.00%
	2121	Lease of passenger vehicles	0	0	0	0.00%
	2122	Relocation payments-2100 taxable	0	0	0	0.00%
	2123	Relocation payments-2100 non-taxable	0	0	0	0.00%
	Sub-Total	21.0	15,000	15,000	0	0.00%
TOTAL	2100		15,000	15,000	0	0.00%
2200	Transportation of Things					
22.0	Transportation of Things					
	2212	Freight, express mail (UPS, DHL, FedEx)	100	100	0	0.00%

OBJECT CLASSIFICATION (continued)			FY 2002 Revised	FY 2004 Proposed	DIFFERENCE	
					Amount	Percent
	2213	Other freight, express mail (UPS, DHL, FedEx)	1,000	1,000	0	0.00%
	2214	Transportation of household goods	0	0	0	0.00%
	Sub-Total	22.0	1,000	1,000	0	0.00%
TOTAL	2200		1,000	1,000	0	0.00%
2300	Total Rent, Comm., Util., and Misc.					
23.2	Rental Payments to Others					
	2321	Rent/lease-space – lodging	0	0	0	0.00%
	Sub-Total	23.2	0	0	0	0.00%
23.3	Communications, Utilities and Miscellaneous Charges					
	2329	Telephone and communications services	600	600	0	0.00%
	2330	Other telephone and communications services	0	0	0	0.00%
	2331	Data and other IT communications charges	0	0	0	0.00%
	2333	Other postages – USPS	0	0	0	0.00%
	2334	Postage – USPS	0	0	0	0.00%
	2335	Messenger and courier services	150	150	0	0.00%
	2336	Other messenger and courier services	0	0	0	0.00%
	2338	Equipment and software rental	0	0	0	0.00%
	Sub-Total	23.3	750	750	0	0.00%
TOTAL	2300		750	750	0	0.00%
2400	Printing and Reproduction					
24.0	Printing and Reproduction					
	2401	U.S. Government Printing Office (GPO)	0	0	0	0.00%
	2402	Other U.S. Government Printing Office (GPO)	0	0	0	0.00%
	2403	Commercial printers/photographers	1,000	1,000	0	0.00%
	2404	Publications of notices/classified advertising, etc.	0	0	0	0.00%
	2405	Other commercial printers/photographers	0	0	0	0.00%
	Sub-Total	24.0	1,000	1,000	0	0.00%
TOTAL	2400		1,000	1,000	0	0.00%
2500	Other Contractual Services					
25.1	Consulting Services					
	2510	Consulting Services	30,000	35,000	5,000	16.67%
	Sub-Total	25.1	30,000	35,000	5,000	16.67%
25.2	Other Services					
	2524	Convenience check fees	0	0	0	0.00%

OBJECT CLASSIFICATION (continued)			FY 2002 Revised	FY 2004 Proposed	DIFFERENCE	
					Amount	Percent
	2525	Training	3,500	3,500	0	0.00%
	2526	Membership Fees	500	500	0	0.00%
	2528	Other contractual services	115,000	115,000	0	0.00%
	2529	Renovating office space	0	0	0	0.00%
	Sub-Total	25.2	119,000	119,000	0	0.00%
25.3	Purchase of Goods and Services from Government					
	2535	Training – Gov't	3,000	3,000	0	0.00%
	2538	Other contractual services – Gov't	0	0	0	0.00%
	2539	Security investigations, NFC payroll processing and dn	0	0	0	0.00%
	Sub-Total	25.3	3,000	3,000	0	0.00%
25.7	Operation and Maintenance of Equipment					
	2576	Operation/maintenance – equipment/software	0	0	0	0.00%
	2577	Other operation/maintenance – equipment/software	0	0	0	0.00%
	Sub-Total	25.7	0	0	0	0.00%
TOTAL	2500		152,000	157,000	5,000	3.29%
2600	Supplies and Equipment					
26.0	Supplies and Materials					
	2609	Supplies	2,000	2,000	0	0.00%
	2610	Central Supplies	0	0	0	0.00%
	2611	Paper Supplies	0	0	0	0.00%
	2613	Non-cash awards and gifts	1,000	1,000	0	0.00%
	2614	Other non-cash awards and gifts	0	0	0	0.00%
	2639	Subscriptions and publications	500	500	0	0.00%
	2650	Fuel	0	0	0	0.00%
	2660	Reception and representation expenses	0	0	0	0.00%
	Sub-Total	26.0	3,500	3,500	0	0.00%
TOTAL	26.0		3,500	3,500	0	0.00%
3100	Equipment					
31.0	Equipment					
	3109	Non-IT equipment, furniture, fixtures	500	500	0	0.00%
	3140	IT equipment	10,900	7,800	-3,100	-28.44%
	3143	Software	500	500	0	0.00%
	Sub-Total	31.0	11,900	8,800	-3,100	-26.05%
TOTAL	3100		11,900	8,800	-3,100	-26.05%
4200	Insurance Claims and Indemnities					
42.0	Insurance Claims and Indemnities					
	4200	Insurance claims and indemnities	0	0	0	0.00%
	Sub-Total	42.0	0	0	0	0.00%
TOTAL	4200		0	0	0	0.00%
GRAND TOTAL FOR UNIT			\$933,129	\$941,467	\$8,338	0.89%

FARM CREDIT ADMINISTRATION
FY 2004/2005 Budget Call
Unit: 70000
Office of Inspector General
Budget Summary

FULL-TIME EQUIVALANETS (FTE)		5.27	5.27		
OBJECT CLASSIFICATION		FY 2004 Revised	FY 2004 Proposed	DIFFERENCE	
				Amount	Percent
1100	Total Personnel Compensation				
11.1	Permanent Full-Time	418,923	418,923	0	0.00%
11.3	Other than Permanent Full-Time	156,382	157,311	929	0.59%
11.5	Other Personnel Compensation	2,000	2,000	0	0.00%
	TOTAL 1100	577,305	578,234	929	0.00%
1200	Total Personnel Benefits				
12.1	Benefits	170,674	176,183	5,509	3.23%
	TOTAL 1200	170,674	176,183	5,509	3.23%
2100	Travel and Transportation of Persons				
21.0	Travel and Transportation of Persons	15,000	15,000	0	0.00%
	TOTAL 2100	15,000	15,000	0	0.00%
2200	Transportation of Things				
22.0	Transportation of Things	1,000	1,000	0	0.00%
	TOTAL 2200	1,000	1,000	0	0.00%
2300	Total Rent, Comm., Util., and Misc.				
23.2	Rental Payments to Others	0	0	0	0.00%
23.3	Communications, Utilities and Miscellaneous Charges	750	750	0	0.00%
	TOTAL 2300	750	750	0	0.00%
2400	Printing and Reproduction				
24.0	Printing and Reproduction	1,000	1,000	0	0.00%
	TOTAL 2400	1,000	1,000	0	0.00%
2500	Other Contractual Services				
25.1	Advisory and Assistance Service	30,000	35,000	5,000	16.67%
25.2	Other Services	119,000	119,000	0	0.00%
25.3	Purchases of Goods and Services from Government	3,000	3,000	0	0.00%
25.7	Operation and Maintenance of Equipment	0	0	0	0.00%
	TOTAL 2500	152,000	157,000	5,000	0.00%
2600	Supplies and Equipment				
26.0	Supplies and Materials	3,500	3,500	0	0.00%
	TOTAL 2600	3,500	3,500	0	0.00%
3100	Equipment				
31.0	Equipment	11,900	8,800	-3,100	-26.05%
	TOTAL 3100	11,900	8,800	-3,100	-26.05
4200	Insurance Claims and Indemnities				
42.0	Insurance Claims and Indemnities	0	0	0	0.00%
	TOTAL 4200	0	0	0	0.00%
GRAND TOTAL FOR UNIT		\$933,129	\$941,467	\$8,338	0.89%

Office of the Inspector General
FY 2001- 2005
Performance by Projects, Products and Services
and Program Activities

Program Activities		RESOURCES					
Products and Services		Project Number	FY 2001 Actual	FY 2002 Actual	FY 2003 Rev.	FY 2004 Rev.	FY 2005 Prop.
Projects							
1.0 Policy and Regulation			0	0	0	0	0
1.1 Regulation and Policy Development			0	0	0	0	0
Competition/Regulation Review		3177	0	0			
Regulatory Burden		3178	0	0			
Termination/Banks & Large Associations		3180	0	0			
Leasing Authorities		3181	0	0			
Borrower Rights		3182	0	0			
Releasing Information		3184	0	0			
FCA Handbook		3185	0	0			
Federal Register Liaison		3186	0	0			
Other Regulatory Initiatives		3187	0	0			
YBS Policy Statement		3188	0	0			
Recodify Farm Credit Act		3196	0	0			
Other Policy Initiatives		3200	0	0			
Investments in Rural USA		3292	0	0			
OFI Lending		3293	0	0			
National Charters		3308	0	0			
Texas FCB Litigation		3313	0	0			
Capital and Financial Risk Management		3315	0	0			
Electronic Commerce (FCS)		3318	0	0			
Distressed Loan Restructuring		3323	0	0			
Effective Interest Rate		3324	0	0			
Credit and Related Services		3325	0	0			
FCS Institution Structure		3326	0	0			
Enforcement Activities		3327	0	0			
FCS/GSE Mission		3328	0	0			
Flood Insurance (CMP)		3329	0	0			
Section 508 Compliance		3338	0	0			
Capital/Technical Amendments		3345	0	0			
Capital Leverage Ratio		3346	0	0			
Young, Beginning and Small Farmers (YBS)		3349	0	0			
Loan Syndications		3350	0	0			
Scope and Eligibility		3351	0	0			
Regulatory Burden Solicitation		3352	0	0			
Governance of FCS Institutions		3353	0	0			
1.2 Statutory and Regulatory Approvals			0	0	0	0	0
Corporate Activity		3204	0	0			
Funding Approvals		3205	0	0			
Other Regulatory Approvals		3206	0	0			
2.0 Safety and Soundness			0	0	0	0	0
2.1 Examination			0	0	0	0	0
Examination		UNINUM	0	0			
Early Warning Analysis		508	0	0			
General Examination		2206	0	0			
OE QA Program/Vulnerability Assessment		2042	0	0			
Training Development		2048	0	0			

Program Activities (continued)	RESOURCES					
	Project Number	FY 2001 Actual	FY 2002 Actual	FY 2003 Rev.	FY 2004 Rev.	FY 2005 Prop.
OE Workshops/Conferences	2050	0	0			
Automated IS Issues	2335	0	0			
Exam Manual Update	2640	0	0			
CMS Activities	2963	0	0			
Legal Support for OE	3175	0	0			
E-Commerce Task Force	3307	0	0			
OE Modernization Project	3317	0	0			
Commission Test Development	3320	0	0			
2.2 Economic, Financial and Risk Analysis		0	0	0	0	0
Underwriting Standards	2851	0	0			
Ag Land Value Trends	3169	0	0			
Public Reports and Briefing	3170	0	0			
Market Research and Monitoring	3172	0	0			
Board Support Initiatives	3173	0	0			
Other Risk Analysis	3174	0	0			
System Structure Study	3321	0	0			
2.3 FCS Data Management		0	0	0	0	0
FCS Data Management	3190	0	0			
YBS and OMB Reports	3332	0	0			
LARS Redesign	3337	0	0			
3.0 Reimbursable Activities		0	0	0	0	0
3.1 SBA		0	0	0	0	0
SBA Project Management	3143	0	0			
SBA Training	3319	0	0			
SBLC-Commercial Capital Corporation	1900701	0	0			
SBLC-Business Loan Center, Inc.	1900702	0	0			
SBLC-Grow America Fund, Inc.	1900703	0	0			
SBLC-Loan Source, Inc.	1900704	0	0			
SBLC-CIT SBLC	1900705	0	0			
SBLC-First Western SBLC	1900706	0	0			
SBLC-Amresco	1900707	0	0			
SBLC-Associated Commercial Corporation	1900708	0	0			
SBLC-Small Business Loan Source, Inc.	1900709	0	0			
SBLC-Allied Capital SBLC	1900710	0	0			
SBLC-Transamerica	1900711	0	0			
SBLC-Money Store	1900712	0	0			
SBLC-Heller First Capital Corporation	1900713	0	0			
SBLC-GE Capital	1900714	0	0			
3.2 USDA		0	0	0	0	0
USDA Project Management	3314	0	0			
USDA Training	3343	0	0			
USDA State Office Exams	3344	0	0			
USDA-Alternative Agricultural Research Corp.	3354	0	0			
USDA-Business Loan Express	2500001	0	0			
USDA-B&I Lending	2500002	0	0			
USDA-Carolina Capital	2500003	0	0			
3.3 FCSIC		0	0	0	0	0
FCSIC Default Project	2225	0	0			
FCA Support of FCSIC	3279	0	0			
ORM Support of FCSIC	3283	0	0			
3.4 NCB/NCB Development Corporation		0	0	0	0	0
FCA Support of NCB	3280	0	0			
FCA Support of NBC Development Corp.	3281	0	0			

Program Activities (continued)	RESOURCES					
Products and Services	Project Number	FY 2001 Actual	FY 2002 Actual	FY 2003 Rev.	FY 2004 Rev.	FY 2005 Prop.
Legal Counsel NCB Development Corporation	3285	0	0			
NCB	2000100	0	0			
4.0 Distributed cost		732,998	763,617	852,046	933,129	941,467
4.1 Budget and Financial Management		376	0	0	0	0
Financial Management Policies	3234	0	0			
Budgeting and Analysis	3235	0	0			
Financial Management Systems	3236	0	0			
Financial Reports and Statements	3237	0	0			
Accounting Duties	3238	376	0			
Financial Management Guidance	3322	0	0			
4.2 Human Resources Management		3,103	13,335	0	0	0
Training Taken	3001	0	5668			
Personnel and Payroll Processing	3161	0	0			
Compensation and Benefits	3162	0	0			
Training Administration and Development	3163	3,103	0			
Staffing and Job Evaluation	3164	0	3,500			
Employee/Management Relations	3165	0	0			
Training G2	3222	0	0			
Training Development G2	3223	0	0			
Other Administration G2	3225	0	0			
Structural Streamlining	3334	0	0			
Bonus Performance Payments	3339	0	3,882			
FCA Compensation Study	3341	0	285			
Executive Leadership Program	3342	0	0			
Human Development and Investment	3356	0	0			
4.3 Information Resources Management		0	95	0	0	0
System Development	3229	0	0			
User Support	3230	0	0			
NT and Network Management	3231	0	0			
Client Systems Management	3232	0	0			
Database Administration	3233	0	0			
Agency Laptop Replacement	3309	0	0			
IT Accessibility Task Group	3310	0	0			
Lotus Notes R5 Upgrade	3312	0	0			
IRMOC	3330	0	0			
IRM Planning	3331	0	0			
IT Security	3340	0	95			
4.4 Other Legal Counsel		0	0	0	0	0
General Litigation	3197	0	0			
Legal Counsel – Other	3336	0	0			
4.5 Communication		150	0	0	0	0
Management Reporting	2308	0	0			
Design and Duplicating	2663	0	0			
Borrower Complaints	3156	0	0			
Symposium – Ag Lending	3167	0	0			
Economic Seminars and Conferences	3171	0	0			
Government Coordination	3207	0	0			
System Liaison	3208	0	0			
Media and Public Affairs	3209	0	0			
International Program	3211	0	0			
Informational Memoranda	3212	113	0			
Publication Editing	3214	0	0			
Meeting Planning	3215	0	0			
Plain Language Initiative	3216	0	0			
Internal Communication G2	3219	0	0			

Program Activities (continued)	RESOURCES					
Products and Services	Project Number	FY 2001 Actual	FY 2002 Actual	FY 2003 Rev.	FY 2004 Rev.	FY 2005 Prop.
Internal Communication	3247	37	0			
FCA Web Site	3333	0	0			
4.6 Contracting, Procurement, Mail & Supply		0	0	0	0	0
Procurement	3239	0	0			
Mail Administration	3240	0	0			
Supplies Administration	3241	0	0			
Transportation Administration	3242	0	0			
4.7 Board Activities and Board Support		0	250	0	0	0
Board Support Initiatives	2357	0	0			
Board Support Initiatives	2989	0	0			
Board Support	3213	0	250			
Board Member Activity	3335	0	0			
4.8 Congressional & Intergovernmental Affairs		0	0	0	0	0
Congress and Government Liaison	3201	0	0			
Legislative Analysis	3203	0	0			
Ombudsman Activities	3355	0	0			
4.9 Records Management & Information Services		104	125	0	0	0
Information Center and Records Management	3226	104	125			
4.10 Audits and Investigations		555,437	629,034	852,046	933,129	941,467
OIG Time	1425	555,414	629,034			
Audit, QA and Internal Control	3221	0	0			
Audit, QA and Internal Control	3249	23	0			
4.11 Administration		171,463	120,778	0	0	0
General Administration	3002	0	293			
Planning	3004	0	127			
Clerical and Administrative Support	3005	0	0			
Year 2000 Activities	3006	0	0			
Best Practices	3059	0	0			
Year 2000	3063	0	0			
Management and Supervision	3160	77,470	0			
Management G2	3217	0	0			
Planning and Budgeting G2	3218	0	0			
Clerical and Administrative Support G2	3220	2,310	0			
Technical Committees	3224	0	0			
FCS Building Association Liaison	3243	0	0			
Leave	3244	91,683	120,117			
Management G3	3245	0	0			
Planning and Budgeting G3	3246	0	0			
Clerical and Administrative Support G3	3248	0	0			
Other Administration G3	3250	0	0			
Ethics Program	3251	0	241			
FOIA and Release of Information	3252	0	0			
EEO	3254	0	0			
Agency Compliance	3287	0	0			
FCA Mentoring Program	3288	0	0			
4.12 OSMO/Farmer Mac (non-exam activities)		2,365	0	0	0	0
Legal Counsel – OSMO	3276	0	0			
Risk-Based Capital Rule	3277	2,365	0			
OSMO Activities	3290	0	0			
Farmer Mac Call Reports	3347	0	0			
Farmer Mac Issues	3348	0	0			
TOTAL		732,998	763,617	852,046	933,129	941,467

**Office of Inspector General
FY 2004
Impact Analysis on Products and Services from a
Changing Budget Environment**

Alternative Budget Plus and Minus 10 percent

An increase in the OIG budget of 10 percent would allow the OIG to expand the audit plan to incorporate more contract audit work.

A decrease in the OIG budget of 10 percent would eliminate the hiring of an intern and also create a potential reduction in force scenario. The decrease would adversely impact the ability to meet reporting requirements of the IG Act and the delivery of products and services.