



ULO Certification Triage Backlog

PROBLEM STATEMENT

RD's semi-annual and quarterly Unliquidated Obligation (ULO) Certification cycle requires field staff and program offices to attest to the validity of every open obligation across a \$224B portfolio, but staffing constraints and inconsistent field response rates have left invalid obligations on the books long past the deobligation trigger — driving the \$315M+ OIG-projected misstatement in the FY 2023 audit and a repeat continuous-monitoring deficiency in FY 2025.

WHY IT MATTERS

This is the single most direct path to a clean audit opinion on RD's financial statements. Each cycle of failed continuous monitoring increases material misstatement risk, drives audit findings into the Department-level USDA Consolidated AFR, and consumes scarce OBP and NFAOC FTE that should be focused on closing the books, not chasing certifications.

HSG'S APPROACH

1. Stand up an AI-augmented ULO triage workflow that ingests obligation memos and field responses from FMFI / NFAOC subledgers and ranks each open obligation against deobligation criteria.
2. Use a Claude-API-backed LLM to draft tailored outreach letters to State and National Office certifying officials, with human-review-and-send loop maintained by RD certifying officials.
3. Maintain an AI / Expert Reconciliation Log so every AI recommendation has an expert-confirmed disposition for OIG and external audit defense.
4. Build a Tableau / Power BI dashboard showing certification status, days-since-last-touch, deobligation candidates, and aging-by-program heat map.
5. Train RD certifying officials on the workflow with SOP and 'RD-maintainable' tier (Power Automate + Excel + Python notebooks).

EXPECTED DELIVERABLES

- ULO triage workbook with risk-tiered candidate list (refreshed monthly)
- AI / Expert Reconciliation Log with full disposition audit trail
- Outreach-letter template library and email-merge automation
- Tableau / Power BI ULO certification dashboard (program x state x cohort)
- Updated SOP and training deck for RD certifying officials

EXPECTED OUTCOME

Reduce the population of invalid open obligations by 60% within two certification cycles, materially shrink the OIG-projected misstatement, and close the repeat continuous-monitoring deficiency.

ENGAGEMENT TEAM

PRIMARY LEAD

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