

For: State and County Offices

**FY 2013 National CORP Review for Improper Payments for LFP**

Approved by: Deputy Administrator, Farm Programs



**1 CORP Findings for FY 2013**

**A Background**

The Improper Payments Information Act (IPIA) of 2002 requires Federal Agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments.

These IPIA reviews enable FSA to have reliable and statistical data to determine the effectiveness of programs and whether adequate management controls are in place to conform to IPIA requirements. OMB defines an improper payment as any payment that should **not** have been issued or was issued for an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

The FY 2013 improper payment rate for LFP is 2.72 percent, up .56 percent from the 2.16 percent error rate reported in FY 2012. The following table provides error rates for the past 2 years. A CORP review was not performed during FY 2011 for LFP.

Program	Year	Error Rate
LFP	2012	2.16
	2013	2.72

**B Purpose**

This notice:

- is being issued as part of FSA’s corrective action plan (CAP) as required under IPIA
- informs State and County Offices of CORP findings about LFP

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2013	State Offices; State Offices relay to County Offices

**Notice LDAP-51**

**1 CORP Findings for FY 2013 (Continued)**

**B Purpose (Continued)**

- directs follow-up action within each State to ensure that all offices review the errors and take any needed corrective action.

**C Action**

SED's shall ensure that:

- applicable State Office program chiefs and specialists review this notice in detail to develop CAP's, as needed, to ensure that County Offices follow applicable program procedures issued through National notices and program handbooks
- additional internal control procedures are developed to avoid findings indicated by CORP reviews
- applicable State Office program divisions provide additional program training, where needed, and implement CAP's to reduce improper payments
- DD's review this notice with CED's and PT's within their respective districts.

**D CORP Review Improper Payment Findings for LFP**

The following table provides CORP LFP improper payment findings for FY 2013 payments and procedure requirements.

<b>Program Area</b>	<b>Description of Findings</b>	<b>Procedure Reference</b>
Payments	Payment based on incorrect forage information.	1-LDAP, subparagraphs 171 A, 171 C, and 200 F.
Payments	Producer did not meet Risk Management Purchase requirements.	1-LDAP, subparagraphs 171 I through M, 171 O, and 171 Q.
Payments	Documentation is not on file to support the grazing losses that occurred on eligible grazing land.	1-LDAP, subparagraphs 171 D, 171 S, and 200 F.
Payments	Payee exceeded applicable AGI limitation.	1-LDAP, subparagraphs 1 B, 181 E, and 184 D.
Payments	Monthly feed cost is incorrectly calculated.	1-LDAP, subparagraphs 182 A, 182 B, 182 C, 182 D, and 183 A.
Payments	Payment is based on incorrect livestock information.	1-LDAP, subparagraph 171 E, 171 F, 171 G, and 171 H.