

For: State and County Offices

FY 2013 National CORP Review for Improper Payments for NAP

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 NAP is 5.23 percent, down from the 7.0 percent error rate reported in FY 2012. The following table provides error rates for the past 3 years.

Program	Year	Error Rate
NAP	2011	8.97%
	2012	7.0%
	2013	5.23%

B Purpose

This notice:

- is being issued as part of FSA’s corrective action plan as required under IPIA
- informs State and County Offices of CORP findings about NAP
- directs follow-up action within each State to ensure that all offices review the errors and take any needed corrective action.

Disposal Date	Distribution
December 1, 2013	State Offices; State Offices relay to County Offices

Notice NAP-156

1 CORP Findings for FY 2013 (Continued)

C Action

SED's shall ensure that:

- applicable State Office program chiefs and specialists review this notice in detail to develop Corrective Action Plans (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, and ensure that the instructions for completing CCC-576 are followed according to 1-NAP, Exhibit 43 for 2012 and prior years, and 1-NAP, Exhibit 44 for 2013 and subsequent years.

D CORP Review Improper Payments for NAP

The following provides CORP NAP improper payment findings for FY 2012 payments and procedure requirements.

Program Area	Description of Findings	Procedure Reference
Producer Eligibility	Payee exceeded Adjusted Gross Income requirements.	1-NAP, paragraph 33.5
	CCC-576, Notice of Loss, filed late.	1-NAP, subparagraphs 401 B and C
Application for Coverage	CCC-471, Application for Coverage is not on file.	1-NAP, subparagraph 23 A
Notice of Loss and Application for Payment	Producer did not sign CCC-576, Part G before payment was issued.	1-NAP, Exhibit 43, paragraph A, item 59
	CCC-576 is not on file for crop receiving payment.	1-NAP, subparagraph 502 B
Production Evidence	Acceptable production evidence is not on file.	1-NAP, paragraph 322
Payment Calculation	Incorrect crop type used to calculate payment.	1-NAP, subparagraph 1619 C
	Payee share is incorrect.	1-NAP, Exhibit 43, paragraph A, item 31
	Incorrect crop acreage was used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 32
	Incorrect total production used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 35
Approved Yield Calculation	Approved yield is not properly calculated.	1-NAP, paragraph 251