

For: State and County Offices

FY 2014 National CORP Review for Improper Payments for NAP

Approved by: Deputy Administrator, Farm Programs



1 CORP Findings for FY 2014

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 2014 improper payment rate for NAP is 4.25 percent, down from the 5.23 percent error rate reported in FY 2013. The following table provides error rates for the past 3 years.

Program	Year	Error Rate
NAP	2012	7.0%
	2013	5.23%
	2014	4.25%

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
April 1, 2015	State Offices; State Offices relay to County Offices

Notice NAP-170

1 CORP Findings for FY 2014 (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 44 before application for payment is approved.

D CORP Review Improper Payments for NAP

The following table provides CORP NAP improper payment findings for payments issued during FY 2013 and the applicable procedural requirements.

Program Area	Description of Findings	Procedure Reference
Producer Eligibility	AGI certification is not on file.	1-NAP, paragraph 33.5
	Acceptable acreage report is not on file.	1-NAP, paragraph 151
	AD-1026 is not on file.	1-NAP, paragraph 8
CCC-576, Notice of Loss and Application for Payment	Producer did not sign CCC-576, Part G before payment was issued.	1-NAP, Exhibit 44, subparagraph A, item 52A
	Notice of Loss is not on file.	1-NAP, subparagraph 401 B
	Notice of Loss filed late.	1-NAP, subparagraph 401 C
Payment Calculation	Incorrect crop type used to calculate payment.	1-NAP, subparagraph 1619 C
	Incorrect planting period used to calculate payment.	1-NAP, Exhibit 44, subparagraph A, item 21
	Incorrect crop acreage was used to calculate payment.	1-NAP, Exhibit 44, subparagraph A, item 25
	Incorrect total production used to calculate payment.	1-NAP, Exhibit 44, subparagraph A, item 28
Approved Yield Calculation	Approved yield is not properly calculated.	1-NAP, paragraph 251