

For: State and County Offices

CCC-770 Spot Check Requirements for STC's or Designees

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine if internal controls are sufficient to prevent improper payments. In 2006, FSA County Offices were reviewed externally by Price-Waterhouse and internally by CORP checking improper payments; and a Farm Program Delivery Streamlining Task Force was created to assist with the internal analysis of program delivery at all levels.

As a result of the reviews and recommendations from the task force, the National Office developed CCC-770's to assist County Offices with issuing proper payments to intended recipients. In late 2006 and early 2007, amendments and notices were issued providing policy for using CCC-770's and spot check requirements for CED's and STC's or designees.

Numerous concerns were received about the number of CCC-770 spot checks required by STC's or designees. After a review of the spot check requirements, the number of CCC-770 spot checks required by STC's or designees is revised, effective immediately.

B Purpose

This notice provides a revised policy for CCC-770 spot check requirements for STC's or designees.

Note: Notice TB-1217 and TB-1237 provisions shall be followed for TTPP.

C Contact

State Offices shall contact the applicable program division at the National Office with any questions.

Disposal Date	Distribution
June 1, 2008 8-9-07	State Offices; State Offices relay to County Offices

Notice CM-582

2 New CCC-770 Spot Check Policy

A STC or Designee Spot Check Requirements

STC's or designees shall select a:

- minimum of twenty CCC-770's per program (including Eligibility) to spot check per year
- combination of CCC-770's that were:
 - spot checked by CED
 - randomly selected, not previously reviewed by CED.

Example: In FY 2007, the County Office administered 5 programs, with twenty-five CCC-770's completed for each of the 5 programs. STC or designee is required to review twenty CCC-770's for each of the 5 programs. A minimum of one hundred CCC-770 spot checks by STC or designee shall be completed in that County Office for the FY, with some CCC-770's being second party reviews and some CCC-770's being third party reviews.

B Other Requirements

The following are other spot check requirements:

- SED's may require additional spot check reviews at their discretion provided SED determines there are apparent internal control deficiencies
- STC or designee shall spot check **all** FSA employee:
 - program CCC-770's per Notice CM-576
 - CCC-770 Eligibility's per 3-PL, subparagraph 3 F
- if STC or designee has completed twenty CCC-770 spot checks for a program in a FY, **no** additional spot checks are required for that program for that FY.

Note: CED CCC-770 spot check requirements have **not** changed.

3 Action

A STC or Designee Action

STC's or designees shall follow the policy in this notice when selecting CCC-770's to spot check

B CED Action

CED's shall continue to follow applicable program requirements for selection of CCC-770's to spot check