

For: State and County Offices

**Conducting CORP Reviews Offsite**

Approved by: Associate Administrator for Operations and Management



**1 Overview**

**A Background**

The Federal Managers Financial Integrity Act of 1982 (FMFIA) requires performing detailed program, administrative, and financial management system reviews to ensure that adequate internal controls and reporting of material weaknesses and nonconformance is accomplished. CORP is designed to meet the requirements of FMFIA for County Office operations.

ORAS is responsible for developing the policies and procedures on how COR's conduct CORP reviews and prepare CORP reports. With the with the current budget situation, FSA has to find ways to reduce costs with minimal affect on the integrity of internal controls and have developed policies and procedures for conducting offsite reviews.

**B Purpose**

This notice provides the policies and procedures for conducting offsite CORP reviews.

**C Entrance and Exit Conferences**

Entrance and exit conferences may be held by telephone. COR, in consultation with SED, shall determine who is required to participate in the conferences.

**Note:** Working within current budget constraints, SED has the option to require in-person entrance and/or exit conferences, if conditions warrant.

<b>Disposal Date</b>  April 1, 2014	<b>Distribution</b>  State Offices; State Offices relay to County Offices, CORP Coordinators, and COR's
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## Notice COR-119

### 2 Scope of Review

#### A Single Program

The scope of an offsite review shall be limited to only 1 major program. The scope of the review should be designed so the number of documents needed to be reviewed is minimal.

**Note:** Common provisions, such as payment eligibility determinations and acreage reports that are requirements of a program, shall not be considered a major program and may be considered part of the scope of the review.

#### B Sample Size

The minimum sample sizes described in 1-COR may be reduced by two-thirds for offsite reviews. The CORP report will clearly define the scope of review, including the size of the sample and how the sample was selected.

**Note:** COR shall:

- continue to select which records will be reviewed
- work with applicable State Office specialists to determine the sources available to determine record populations.

### 3 Conducting Offsite Reviews

#### A Basic Policy

The majority of the review work shall be conducted at the COR's headquarter location.

It is preferred COR's travel to the review County Office to make the necessary copies of the documentation needed to conduct the review and then return to their headquarter location to conduct the review.

If travel to and from the review County Office cannot be done without incurring lodging cost or travel funds are not available, SED has the option to instruct COR to obtain the required documents according to subparagraph B.

#### B County Offices Sending Documentation to COR

When COR's will not be traveling to County Offices to obtain the documentation required to conduct the reviews, COR shall contact the County Office and request the required documentation be FAXed or scanned and e-mailed. County Offices shall be given up to 3 workdays from the date of request to provide the requested documentation. Any documentation containing PII data shall be protected according to applicable encryption or e-mailing procedures.

**Note:** Other ways for providing documentation electronically is also acceptable; however, hard copy mailing should be avoided.

**3 Conducting Offsite Reviews (Continued)**

**C Integrity of the Review**

Given FSA's current and future budget outlook, FSA must be able to balance cost savings with maintaining an internal control program that can withstand scrutiny. In many cases, County Offices will be asked to send documentation directly to COR. In these situations, it is important the documentation is **not** sanitized before being sent.

If County Offices discover errors with the documentation to be sent to COR, the documentation shall be sent before making any corrections. After the documentation is sent, the County Office may begin the necessary corrective actions.