

**For:** State and County Offices

**FY 2011 National CORP Review for Improper Payments for DCP**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 CORP Findings for FY 2011**

**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.

During the FY 2011 CORP review, the DCP/ACRE error rate was 0.05 percent, down from 0.96 percent for the FY 2010 review.

Program	Year	Error Rate
ACRE/DCP	2010	0.96 percent
	2011	0.05 percent

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

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2012 10-3-11	State Offices; State Offices relay to County Offices

## Notice DCP-258

### 1 CORP Findings for FY 2011 (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.

#### D CORP Review Improper Payment Findings for DCP

The following table provides CORP DCP improper payment findings for FY 2010 payments and procedure requirements.

<b>Program Area</b>	<b>Description of Findings</b>	<b>Procedure Reference</b>
DCP Contract Operations	Payee did <b>not</b> have interest in enough acres on farm to support claimed share of base acres.	1-DCP, paragraphs 352 and 355
Payments	Payment was <b>not</b> properly reduced for FAV's or wild rice planted on base acres.	1-DCP, paragraph 469 and 4-CP (Rev. 6), Part 3