

For: State and County Offices

New State Office Annual Review of the FSFL Program

Approved by: Acting Deputy Administrator, Farm Programs



1 FSFL Program Annual Review

A Background

OIG audited the FSFL program during 2011 and mid-2012, for FSFL's disbursed during FY 2010. With the support of the audited State and County Offices, the National Office was able to provide OIG all requested documents to satisfy and close-out the FY 2010 FSFL audit expeditiously.

During the FSFL OIG audit, it was recommended that State Offices perform annual reviews of outstanding FSFL's. The annual reviews will allow the National Office to measure and evaluate the effectiveness of FSFL policies and internal controls. Therefore, annually the National Office will select a sample of outstanding FSFL's and notify the respective State Offices of the selection. The annual selections will include a sample of outstanding FSFL's for loan processing and servicing reviews. The selected State Offices will receive notification of their selection from the National Office by **February 11, 2013**.

Note: The notification memorandum issued to the selected State Offices will provide pertinent details for the FSFL annual review.

A future FSFL notice will be issued after each FSFL annual review is completed to provide the common errors discovered.

B Purpose

This notice informs State and County Offices of the new requirement for State Office annual review of the FSFL program.

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

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1 FSFL Program Annual Review (Continued)

C Contact

If there are any questions about this notice, contact Toni Williams, PSD, by any of the following:

- e-mail to **toni.williams@wdc.usda.gov**
- telephone at 202-720-2270
- FAX at 202-690-1703.

2 Action

A SED Action

SED's shall:

- designate the State Office reviewing official, such as the State Office Price Support specialist or DD
- ensure that the original approving official is **not** the reviewer of the selected FSFL file.

B State Office Action

State Offices shall:

- review and thoroughly follow the instructions provided in the memorandum
- contact the applicable County Offices referenced in the memorandum for the selected FSFL files
- initiate the State Office review of the FSFL files using the instructions provided in the memorandum
- provide corrective actions to the applicable County Offices
- report to the National Office the review findings and corrective actions taken
- follow instructions provided by the National Office, if contacted to forward the file to the National Office for a subsequent review
- contact PSD with any questions about this notice according to subparagraph 1 C.

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2 Action (Continued)

C County Office Action

County Offices shall:

- ensure that all requested FSFL files are provided to the State Office within 3 workdays after the date of request

Notes: FSFL files may be provided to the State Office by FAX, or scanned and e-mailed. Any documentation containing PII data shall be protected according to applicable encryption or e-mailing procedures.

Hard copy mailing should be avoided.

- **not** sanitize the documents before sending the files to the State Office
- complete, in a timely manner, all required corrective actions provided by the State Office
- contact the State Office with any questions about this notice.