

For: State and County Offices

FY 2012 National CORP Review for Improper Payments for LFP

Approved by: Acting Deputy Administrator, Farm Programs



1 CORP Findings for FY 2012

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 2012 CORP review, the LFP error rate was 2.16 percent. A CORP review was not performed during FY 2011 for LFP.

Program	Year	Error Rate
LFP	2010	N/A
	2011	2.16

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

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

Notice LDAP-50

1 CORP Findings for FY 2012 (Continued)

C Action

SED's shall ensure that:

- applicable State Office division 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 LFP

The following table provides CORP LFP improper payment findings for FY 2011 payments and procedure reference and policy for each finding.

Program Area	Description of Findings	Procedure Reference
Payments	Payment based on incorrect forage information.	1-LDAP, subparagraphs 171 A, 171 C, and 200 F
Payments	Documentation is not on file to support the grazing losses that occurred on eligible grazing land.	1-LDAP, subparagraphs 171 D, 171 S, and 200 F
Payments	Producer did not meet the Risk Management Purchase Requirements (RMPR).	1-LDAP, subparagraphs 171 I through M, 171 O, and 171 Q
Payments	Not all livestock meet eligibility requirements.	1-LDAP, subparagraphs 171 E through H
Payments	Payment is based on incorrect livestock information.	1-LDAP, subparagraph 200 B, paragraph 202