

For: State and County Offices

FY 2007 National CORP Review for Improper Payments for NAP

Approved by: Deputy Administrator, Farm Programs



1 Overview

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 reviews enable FSA to have reliable and statistical data to discern the overall effectiveness of programs and determine 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.

The number of errors found for administration of NAP has significantly decreased in comparison to CORP reviews conducted for payments issued during FY 2005.

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

Disposal Date	Distribution
March 1, 2008	State Offices; State Offices relay to County Offices

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1 Overview (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 hold a meeting within their respective districts to review this notice with CED's and program technicians.

2 CORP Findings for FY 2007

A CORP Review Findings for NAP

The following provides CORP review NAP findings.

Program Area	Description of Findings	Procedure Reference
Application for Coverage	CCC-471 filed after application closing date without relief.	1-NAP, subparagraph 23 A.
	No CCC-471 on file for applicable crop.	1-NAP, subparagraph 23 B.
	CCC-471 not approved by CCC representative.	1-NAP, paragraph 23.
	CCC-471 is not signed by payee or payee's representative.	
	CCC-471 is signed without signature authority on file.	1-CM, paragraph 707.
Service Fee	Service fee paid after closing date.	1-NAP, paragraph 24.
	Service fee not paid.	
Notice of Loss	Loss is not approved by COC.	1-NAP, Exhibit 43, item 62.
	Notice of loss not filed timely.	1-NAP, paragraph 401.
	Notice of loss does not support payment.	
	Notice of loss not on file.	1-NAP, subparagraph 502 B.
	Notice of loss not on file and cannot determine filing date.	
	Not all required signatures obtained on Notice of Loss.	1-NAP, Exhibit 43, paragraph A, items 21 and 22.

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2 CORP Findings for FY 2007 (Continued)

A CORP Review Findings for NAP (Continued)

Program Area	Description of Findings	Procedure Reference
Acreage Report	No acreage report on file for applicable crop.	1-NAP, paragraph 151.
Application for Payment	Information on the payment application does not support the payment.	1-NAP, Part 10, Sections 4, 5, and 6; Part 11, Sections 2 and 4.
	Incorrect planting period used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 28.
	Application for payment is not approved by COC.	1-NAP, Exhibit 43, paragraph A, item 62.
	Incorrect crop used to calculate payment.	1-NAP, Part 10, Sections 4, 5, and 6; Part 11, Sections 2 and 4.
	Incorrect crop type used to calculate payment.	1-NAP, Exhibit 43, paragraph A, items 29, 41, and 48.
	Incorrect practice used to calculate payment.	1-NAP, Exhibit 43, paragraph A, items 32 and 51.
	Incorrect intended use used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 35.
	Acceptable CCC-441 not on file.	1-NAP, subparagraph 33 E.
	AD-1026 not on file for affiliated person.	1-NAP, subparagraph 30 A.
Payment Eligibility	CCC-502 not on file.	1-NAP, subparagraph 8 A.
	CCC-502 information does not support eligibility determination.	1-NAP, subparagraph 1276 J.
Late Payment Interest	Late payment interest not paid.	61-FI, subparagraph 25 I.
	Late payment interest not paid correctly.	61-FI, subparagraph 25 D.
Production	Incorrect total production used to calculate payment.	1-NAP, Part 10, Sections 4, 5, and 6; Part 11, Sections 2 and 4.
	Acceptable production evidence not filed when required.	1-NAP, subparagraph 323 A.
Yields	Units yield not properly calculated.	1-NAP, subparagraph 254 D.