UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice SURE-25

For: State and County Offices

FY 2011 OIG Financial Audit of SURE

Approved by: Deputy Administrator, Farm Programs

1 Overview

A Background

OIG conducted a financial audit of payments for various farm assistance programs during FY 2011. A statistical sample from all programs was reviewed. This resulted in the review of 122 payments with 14 errors identified.

Of the 122 reviews, 10 of the 14 errors identified were within SURE. OIG determined that most of these errors occurred primarily because FSA did not have effective internal controls over the manual SURE payment calculation process. Documentation for the SURE errors included a second-party reviewer initial and date indicating a second-party review had been completed as required by 1-SURE, subparagraphs 576 H and 615 H; however, the second-party reviews conducted by FSA personnel did not detect the data input errors.

B Purpose

This notice:

- is being issued in response to OIG's audit findings and recommendations
- informs State and County Offices of OIG findings discovered for SURE
- directs follow up action within each State to ensure that all offices review the findings in paragraph 2 and take corrective action as needed.

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

2 Findings

A OIG Findings for FY 2011

The following provides OIG findings in the FY 2011 audit of payments for SURE.

Program Area	Description of Findings	Procedure Reference
Acreage Eligibility	Entering the incorrect acres.	1-SURE, paragraph 91
	Omitting RMA units.	1-SURE, paragraph 91
SURE Yield	Incorrectly blending yields.	1-SURE, paragraph 132
Total Crop Value	Entering the incorrect production to count.	1-SURE, paragraph 201
	Entering the incorrect NAMP.	1-SURE, paragraph 63
	Entering the incorrect Quality Adjustment Factor	1-SURE, paragraph 66
	Entering the incorrect assigned production.	1-SURE, paragraph 205
Total Farm Revenue	Entering incorrect DCP payment amounts.	1-SURE, paragraph 263
	Failure to include all RMA indemnities for the net indemnity calculation.	1-SURE, paragraph 263

3 Action

A State Office Action

SED's shall ensure that:

- applicable State Office program chiefs and specialists review this notice, in detail, to ensure persons conducting second party reviews are aware of the importance of a thorough review

- paragraph 21 of 1-SURE is reviewed to remind managers of the management tools available to help address deficiencies that can be identified during a review

- DD's review this notice with CED's and PT's within their respective districts.

B County Office Action

CED's shall:

- ensure that persons involved in completing SURE applications, especially those conducting second party reviews:

  - are familiar with the contents of this notice
  - review the findings and procedure in paragraph 2
  - review 1-SURE, paragraph 614 for completing 2010 SURE workbook data entry

- implement the management tools in 1-SURE, paragraph 21, if necessary.