

FY 2020 OMB Supplemental Data Call

USDA

FS Capital Improvement and Maintenance (Harvey-CIM)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service Management is made aware of improper payments identified and held accountable for the reduction and recovery of improper payments. Forest Service Manual 6500-2012-1, Chapter 6540 requires management to ensure that payments are accurate, legal, and for eligible goods and services received. The policy prescribes that internal financial control over all payments is established and adequate to safeguard against illegal or erroneous payments and that procedures are implemented to identify, review, and recover improper payments.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)		FY2020 Q3

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts internal reviews to identify improper payments, quarterly reporting of overpayment recoveries for all programs, high-dollar overpayment reporting for high-risk programs, and annual statistical sampling of high-risk programs. These analytics assist in identifying the number, dollar value, and root cause of improper payments that have been detected and recovered. Forest Service has a collection process to issue bills for collection to

recover improper payments. Where appropriate corrective actions are implemented to prevent future occurrences. Results are provided to the Forest Service Chief Financial Officer and the U.S. Department of Agriculture (USDA) Office of the Chief Financial Officer – Fiscal Policy Division as required by the Payment Integrity Information Act (PIIA).

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

When improper payments are identified as part of the recovery audit, the vendor is contacted to inform them of the error. A bill for collection is issued and tracked until the collection is received from the vendor.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

No programs are excluded from the review.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Establishing Strategies, Procedures and Other steps *Fully operational above

* A-123 internal controls are fully operational. Forest Service is implementing Enterprise Risk Management strategies to enhance the agency's risk response.

Based on your selection (s) above, provide additional information below. Please note there is a 3000 character limit.

The A-123 Appendix A, Assessment of Internal Control over Financial Reporting, annual risk assessment incorporates specific internal and external fraud risk questions in the "Inherent Risk Considerations" section. The questions allow the respondent to rate the risk of the agency's process as either highly susceptible, susceptible, or not susceptible to fraud. Scoped areas that were identified as vulnerable to fraud, waste, and abuse included: payroll, beneficiary payments, grants, large contracts, and purchase and travel cards, as applicable. Purchase card analytics were enhanced to focus on transactions vulnerable to potential fraud, waste, and abuse.

The Forest Service also completed an annual Entity Level Control (ELC) assessment. The ELC assessment complies with the most current GAO — Standards for Internal Control in the Federal Government ("Green Book"). The assessment includes GAO Principle 8, which assesses fraud risk. Attributes include: types of fraud, fraud risk factors, and responses to fraud risks. Objectives include: identifying fraud risks based on fraud risk factors, assessing identified fraud risks for significance, and adequately responding to identified fraud risks. The Forest Service reported overall compliance with the fraud risk principle.

The Forest Service is in the process of implementing and institutionalizing an agency-level Enterprise Risk Management (ERM) program. It will align with the USDA Departmental-Level ERM program. ERM will effectively identify risks, assess, prioritize, and respond to those risks. The agency will formulate and document the risks in the agency risk profile. Forest Service is at the initial implementation phase for ERM. The implementation of ERM will help Forest Service to identify risk and vulnerabilities better and appropriately take action to reduce and prevent fraud.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Please indicate the following:

- Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.
 - Whether it was likely to be above or below the statutory threshold.
- The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.
- If they had substantial changes to RA methodology.

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Forest and Rangeland Research Disaster Supplemental	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts risk assessments of programs on a 3 year rotation using a standard methodology as directed by USDA. In FY2020 risk assessments were completed for the following programs: Forest and Rangeland Research Disaster Supplemental, Land Acquisition, and Hurricane Sandy – Emergency Forest Restoration Program.

All three programs were found to be low risk for the susceptibility to improper payments.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
YES	9. Administrative or Process Errors Made by: Federal Agency	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Annual statistical sampling performed by the Forest Service has estimated that improper payment rates for the Capital Improvement and Maintenance Disaster Supplemental (CMDs) program are within tolerable rates and well below the \$10,000,000 and 1.5% significant improper payment rate threshold established in PIIA section 3352 (a).

Additionally, Forest Service conducts annual internal control reviews to ensure that process areas are operating effectively or corrective action plans are in place. Programs are monitored regularly to detect improper payments. The results of monitoring and recoveries are reported quarterly to Forest Service Management and are within tolerable rates.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
YES

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The improper payment rate for the CMDs program is 0.000692%, less than \$100.00; well below the \$10,000,000 and 1.5% significant improper payment rate threshold in PIIA section 3352 (a), and the 10% compliance standard defined by PIIA section 3351 (2)(F).

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
NO	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Internal control reviews are conducted annually to ensure that process areas are operating effectively or corrective action plans are in place.

The Forest Service conducts annual statistical sampling of the CMDS program to estimate improper payment rates. At this time, no additional program needs have been identified.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Forest Service has not identified program or structural issues within the CMDS program that would require corrective actions to reduce improper payments at this time.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Forest Service has not identified program or structural issues within the CMDS program that would require corrective actions to reduce improper payments.

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments caused by a Program design or Structural Issue.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Office of Inspector General (OIG) found the Forest Service to be in overall compliance with improper payment requirements during their review of USDA's 2019 Agency Financial Report, OIG Audit Report 50024-0015-11.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Office of Inspector General (OIG) found the Forest Service to be in overall compliance with improper payment requirements during their review of USDA's 2019 Agency Financial Report, OIG Audit Report 50024-0015-11.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service uses the FMFI System for Award Management to verify vendor eligibility prior to award and any official contract action. Forest Service does not assess the reduction in improper payments related to the Do Not Pay Initiative.

FSA Hurricane Harvey- Emergency Conservation Program (Harvey-ECP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees

will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Program did not prepare corrective actions, as program estimate dollars for improper payment was below the statutory threshold.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has established financial and administrative controls to identify and assess fraud risk and has designed and implemented control activities to prevent, detect and respond to fraud, including improper payments. Various financial and administrative controls are in place to detect and prevent fraud including but limited to controls surrounding system access, segregation of duties, eligibility and payments. Improper payment reviews are done annually to detect improper payment root causes, including fraud.

The Performance, Accountability and Risk (PAR) Division within the FPAC Business Center will partner with FSA management to fully implement the fraud risk principle in the Standards for Internal Control and OMB Circular A-123 with respect to the leading practices for managing fraud risk. PAR will work with all FPAC agencies to develop fraud related policies and procedures and enhance existing controls.

Annual OMB Circular A-123 risk assessments were conducted that incorporate specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. FPAC launched its Enterprise Risk and Strategy Assessment, identified Risk Champions and created a Dashboard in FY 2020 to create an FPAC Risk Profile that lists the top risks to achieve FPAC's mission; how FPAC will respond to these risks; and provide continuous monitoring of FPAC’s top enterprise risks using agency enterprise risk registers. Training will be available on demand to all FPAC staff members by the end of FY 2020.

In FY 2019, PAR began to establish an anti-fraud program that provides oversight and guidance to all FPAC agencies to help prevent and detect fraud, waste and abuse. In FY 2020, PAR continued their partnership with Treasury's Bureau of Fiscal Services Payment Integrity Center of Excellence to help identify potential fraud, anomalies and improper payments by analyzing payment data.

PAR will continue to enhance FPAC's anti-fraud program in FY 2021 and beyond. This includes finalizing a charter, policies and procedures, perform data analysis, conduct audits, reviews and investigations as required, and perform testing on fraud specific controls. PAR will determine to what extent FPAC agencies have policies and procedures in place to prevent and detect fraud at the agency level.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
YES	1. Program Design or Structural Issue	1-Automation
NO	2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation
N/A	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation
NO	4. Failure to Verify: Death Data	1-Automation
N/A	5. Failure to Verify: Financial Data	Other (free text)
N/A	6. Failure to Verify: Excluded Party Data	Other (free text)
N/A	7. Failure to Verify: Prisoner Data	Other (free text)
N/A	8. Failure to Verify: Other Eligibility Data (explain)	Other (free text)
NO	9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)
N/A	11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)
N/A	12. Medical Necessity	Other (free text)
N/A	13. Insufficient Documentation to Determine	Other (free text)
N/A	14. Other	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d)(2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA Conservation Division has recommended that the process to initiate and submit a request to implement ECP for a disaster event be incorporated into the Loss Assessment Report processes. An automated request and approval process would expedite communication timeframes between County, State and National Office decision makers.

In an effort to modernize ECP there is a recommendation to move towards using NRCS payment schedules to streamline these associated actions and help with maintaining integrity of this program. This recommendation would move the program toward a more efficient and financially responsible platform which will best use the resources available to COFs and producers to more quickly and accurately issue payments. FSA is taking these recommendations into consideration for implementation.

Mandatory quarterly training for State office would help reiterate and re-enforce policy.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The program has not reached a tolerable rate of improper payment. There are several integral steps that need to occur before reaching a sustainable rate:

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
NO	4. Resources
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has operated with the understanding that the internal controls, human capital, information systems, and other infrastructure needed to reduce improper payments are in place and active. With the recent results from the IPIA reviews and with the Agricultural Adjustment Act of 2018 paragraph 1705 language, FSA is documenting findings from the reviews of employees' work nationwide. With this performance documentation in place, organizational performance should improve.

FSA implemented a new internal review system, Internal Review Documentation and Tracking System (IRDTS). In December of 2019, FSA trained nine pilot states on the system. The pilot training included practice reviews to ensure reviews will be completed in accordance with policy. The remaining States were trained in July of 2020.

The following integral steps are important reaching a sustainable rate:

Although staffing is limited nationwide, with open, frequent, and honest communication and collaboration between agencies, producer needs can be met as efficiently as possible.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
1. Program Design or Structural Issue	1-Automation	FY2019 Q4	
2. Inability to Authenticate Eligibility: Inability to Access Data	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)	FY2020 Q1	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)	FY2020 Q2	
4. Failure to Verify: Death Data	4-Change Process (instructions, checklist, policy)	FY2020 Q3	
5. Failure to Verify: Financial Data	5-Cross Enterprise Sharing	Other	
6. Failure to Verify: Excluded	6-Audit (improve IC)	Other	

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
Party Data			
7. Failure to Verify: Prisoner Data	Other (free text)	Other	
8. Failure to Verify: Other Eligibility Data (explain)	Other (free text)	Other	
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other	
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)	Other	
12. Medical Necessity	Other (free text)	Other	
13. Insufficient Documentation to Determine	Other (free text)	Other	

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
14. Other	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Program did not prepare corrective actions, as program estimate dollars for improper payment was below the statutory threshold.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	5. Publish and Meet Annual Reduction Targets
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
1

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Program did not prepare corrective actions, as program estimate dollars for improper payment was below the statutory threshold.

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- *The measurable milestones to be accomplished*
- *The senior executive agency official responsible*
- *Establishment of an accountability mechanism*
- *Incentives*
- *Consequences*

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
• Handbook 1-ECP revision completed and distributed to State Offices.	FY2021		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
• Webinar/virtual training sessions to ensure all State Office staff are aware of updated policy requirements and clarifications to requirements.	FY2021		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
• State Office employees train county office employees to ensure all are aware of	FY2021		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
updated policy requirements and clarifications to requirements.						performance rating.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The program does not use the Do Not Pay Initiative.

FSA Noninsured Crop Disaster Assistance Program (NAP)

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- Meeting applicable improper payments reduction targets;*
- Preventing improper payments from being made; and*
- Promptly detecting and recovering improper payments that are made.*

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

1. A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.
2. Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.
3. County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.
4. The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
8. Failure to Verify: Other Eligibility Data (explain)	1-Automation	See in Free Text	Other
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	See in Free Text	Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	See in Free Text	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	See in Free Text	Other
13. Insufficient	4-Change Process	See in Free Text	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
Documentation to Determine	(instructions, checklist, policy)		

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root Cause 8

Action 1, Automation. Software enhancements are being discussed to require the Business File records to be read during the NAP payment process. Software enhancements are contingent upon budget.

Detail NAP software enhancements are prioritized with other program's requests which use the same software programmers to develop enhancements. Completion Date FY2020 Q4

Action 3, Training. The Safety Net Division's (SND) Disaster Assistance Section (DAS) plans to complete additional NAP training targeting states with high error rates. The root causes of improper payments will be stressed throughout several presentations reiterating the importance of issuing proper payments

Detail SND will not pursue FY2021 Q1 training because most staff is administering ad hoc disaster programs. SND's DAS has posted many online training worksheets, videos, resource links and forms to assist State/county offices. Date FY2021 Q1

Action 3, Training. SND's DAS plans to complete additional NAP training targeting states with high error rates, to educate states and prevent future errors.

Detail DAS will not pursue FY2021 Q1 training because most staff is administering ad hoc disaster programs. DAS has posted many online training worksheets, videos, resource links and forms to assist State/county offices. Date FY2021 Q1

Root Cause 9

Action 4, Change Process. An updated NAP 770 Checklist was drafted and will be issued in an amendment which will assist specialists to complete applications thoroughly with less administrative data missing. The NAP 770 Checklist is required to be completed when an application for payment is approved.

Detail Notice NAP 210, issued 9.14.20 announced and included the updated NAP 770 to assist in preventing improper payment findings and is required to be completed whenever a payment is approved. Date FY2020 Q4

Action 3, Training. SND's DAS is planning to complete additional NAP training targeting states with high error rates, to educate states and prevent future errors.

Detail SND will not pursue FY2021 Q1 training because most of the staff is administering ad hoc disaster programs. SND has posted many online training worksheets, videos, resource links and forms to assist State/county offices. Date FY2021 Q1

Root Cause 13

Action 4, Change Process. Deputy Administrator Farm Programs (DAFP) SND's DAS has expanded NAP's 770 Checklist, which is now required to be completed when an application for payment is approved.

Detail Notice NAP 210, issued 9.14.20 announced and included the updated NAP 770 to assist in preventing improper payment findings and is required to be completed whenever a payment is approved. Date FY2020 Q4

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has established financial and administrative controls to identify and assess fraud risk and has designed and implemented control activities to prevent, detect and respond to fraud, including improper payments. Various financial and administrative controls are in place to detect and prevent fraud including but limited to controls surrounding system access, segregation of duties, eligibility and payments. Improper payment reviews are done annually to detect improper payment root causes, including fraud.

The Performance, Accountability and Risk (PAR) Division within the FPAC Business Center will partner with FSA management to fully implement the fraud risk principle in the Standards for Internal Control and OMB Circular A-123 with respect to the leading practices for managing fraud risk. PAR will work with all FPAC agencies to develop fraud related policies and procedures and enhance existing controls.

Annual OMB Circular A-123 risk assessments were conducted that incorporate specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. FPAC launched its Enterprise Risk and Strategy Assessment, identified Risk Champions and created a Dashboard in FY 2020 to create an FPAC Risk Profile that lists the top risks to achieve FPAC's mission; how FPAC will respond to these risks; and provide continuous monitoring of FPAC’s top enterprise risks using agency enterprise risk registers. Training will be available on demand to all FPAC staff members by the end of FY 2020.

In FY 2019, PAR began to establish an anti-fraud program that provides oversight and guidance to all FPAC agencies to help prevent and detect fraud, waste and abuse. In FY 2020, PAR

continued their partnership with Treasury's Bureau of Fiscal Services Payment Integrity Center of Excellence to help identify potential fraud, anomalies and improper payments by analyzing payment data.

PAR will continue to enhance FPAC's anti-fraud program in FY 2021 and beyond. This includes finalizing a charter, policies and procedures, perform data analysis, conduct audits, reviews and investigations as required, and perform testing on fraud specific controls. PAR will determine to what extent FPAC agencies have policies and procedures in place to prevent and detect fraud at the agency level.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
N/A	1. Program Design or Structural Issue	Other (free text)
N/A	2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation
NO	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)
NO	4. Failure to Verify: Death Data	3-Training (how to complete contracts)
NO	5. Failure to Verify: Financial Data	3-Training (how to complete contracts)
NO	6. Failure to Verify: Excluded Party Data	1-Automation
NO	7. Failure to Verify: Prisoner Data	1-Automation
NO	7. Failure to Verify: Prisoner Data	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	8. Failure to Verify: Other Eligibility Data (explain)	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)
N/A	9. Administrative or Process Errors Made by: Federal Agency	Other (free text)
NO	10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)
NO	10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)
N/A	11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)
N/A	12. Medical Necessity	Other (free text)
NO	13. Insufficient Documentation to Determine	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root Cause 1 Corrective Action. #7 Other: NAP's design is constrained by some statutory rules such as production records for determining yields, coverage levels and eligible crops.

Root Cause 2 Corrective Action. #1 Automation: It is rare that access to data through automation is unavailable for an extended period.

Root Cause 3 Corrective Action. #2 Behavioral: Data exists in National Crop Table, NASS, Extension Service, or eligibility requirements outlined in 1-NAP, Rev. 2.

Root Cause 4 Corrective Action. #3 Training: 1-CM and 1-NAP, Rev. 2 provide deceased producer guidance.

Root Cause 5 Corrective Action. #3 Training 5: PL handbook addresses financial data requirements such as determining AGI

Root Cause 6 Corrective Action. #1 Automation: NAP payments are checked against other agencies' debt file before being issued.

Root Cause 7 Corrective Action. #1 Automation: NAP payments are checked against other agencies' debt file before being issued, #2 – Producer eligibility rules are in 1-NAP, Rev. 2.

Root Cause 8 Corrective Action. #2 Behavioral: Required program data is provided in 1-NAP, Rev. 2 and 5-PL. If an applicant cannot provide required documentation, they should be determined ineligible for a NAP payment.

Root Cause 9 Corrective Action. If referring to the National office, the answer is N/A because we do not issue payments, rather write policy.

Root Cause 10 Corrective Action. #2 Behavioral: Guidance to process payments is available through handbooks, DAFP online training topics, and contacting the National office or State office. #3 Training – County offices are trained by State offices. State offices are trained by the National office. Funds for training have been limited.

Root Cause 13 Corrective Action. #2 Behavioral: 1-NAP, Rev. 2 provides guidance for all required documentation.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Tolerable rate is the improper payment estimate achieved with a balance of payment integrity risk and controls. The tolerable improper payment rate for a program is determined by agency senior management and often includes improper payments which are unavoidable and beyond the agency's ability to reduce as well as improper payments which are cost prohibitive or sometimes mission prohibitive for the agency to prevent. FSA has operated with the understanding that the internal controls, human capital, information systems, and other infrastructure needed to reduce improper payments are in place and active. With the recent results from the IPIA reviews and with the Agricultural Adjustment Act of 2018 paragraph 1705 language, FSA is documenting findings from the reviews of employees' work nationwide. With this performance documentation in place, organizational performance should improve.

FSA implemented a new internal review system, Internal Review Documentation and Tracking System (IRDTS). In December of 2019, FSA trained nine pilot states on the system. The pilot training included practice reviews to ensure reviews will be completed in accordance with policy. The remaining States were trained in July of 2020.

SND/DAS continues to communicate with county office reviewers the intent of a review question, so all reviewers interpret and respond consistently.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
NO	1. Internal Controls
NO	2. Human Capital
NO	3. Information Systems
NO	4. Resources
NO	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

No, NAP does not have the human capital and software enhancements (information systems) to reduce improper payments to levels the Agency has targeted. Many county offices are understaffed due to a multitude of programs, and ad hoc programs. Combined with program complexities, errors are made which lead to improper payments. Many software enhancements are known to assist users in reducing improper payments, but limited funding for adequate staffing of qualified software developers is not available.

FSA has operated with the understanding that the internal controls, human capital, information systems, and other infrastructure needed to reduce improper payments are in place and active. With the recent results from the IPIA reviews and with the Agricultural Adjustment Act of 2018 paragraph 1705 language, FSA is documenting findings from the reviews of employees'

work nationwide. With this performance documentation in place, organizational performance should improve.

FSA implemented a new internal review system, Internal Review Documentation and Tracking System (IRDTS). In December of 2019, FSA trained nine pilot states on the system. The pilot training included practice reviews to ensure reviews will be completed in accordance with policy. The remaining States were trained in July of 2020.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
8. Failure to Verify: Other Eligibility Data (explain)	1-Automation	Other	09/30/2020
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	Other	09/30/2020
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	Other	09/30/2020

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

For Root Cause 8

Corrective Action 1, Automation

Software enhancements are being discussed, by the Agency, to require the Business File records to be read during the NAP payment process. NOTE Software enhancements are contingent upon budget.

For Root Cause 9

Corrective Action 4, Change Process

An updated NAP 770 Checklist has been drafted and will be issued in an amendment currently in Directives which will assist NAP specialists to complete applications thoroughly with less administrative data missing. The NAP 770 Checklist is required to be completed when an application for payment is filed.

For Root Cause 13

Corrective Action 4, Change Process

Deputy Administrator Farm Programs (DAFP) SND's DAS has expanded NAP's 770 Checklist, which is now required to be completed when an application for payment is filed.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	FY2021	
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	FY2021	
13. Insufficient Documentation to	3-Training (how to complete	FY2021	

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
Determine	contracts)		

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

For Root Cause 8

Corrective Action 3, Training

The Safety Net Division's DAS is planning to complete additional NAP training targeting states with high error rates the root causes of improper payments will be stressed throughout several presentations reiterating the importance of issuing proper payments.

For Root Cause 9

Corrective Action 3, Training

The SND's DAS is planning to complete additional NAP training targeting states with high error rates, in order to educate states and prevent future errors.

For Root Cause 13

Corrective Action 3, Training

The Safety Net Division's (SND) Disaster Assistant Section (DAS) is planning to complete additional NAP training targeting states with high error rates, in order to educate states and prevent future errors

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	5. Publish and Meet Annual Reduction Targets
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
3

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
8. Failure to Verify: Other Eligibility Data (explain)	1-Automation
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)
13. Insufficient Documentation to Determine	3-Training (how to complete contracts)
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

For Root Cause 8

Corrective Action 1, Automation

Software enhancements are being discussed, by the Agency, to require the Business File records to be read during the NAP payment process. NOTE Software enhancements are contingent upon budget.

Corrective Action 3, Training

The Safety Net Division's (SND) Disaster Assistance Section (DAS) is planning to complete additional NAP training targeting states with high error rates. The root causes of improper payments will be stressed throughout several presentations reiterating the importance of issuing proper payments

For Root Cause 9

Corrective Action 3, Training

The SND's DAS is planning to complete additional NAP training targeting states with high error rates, in order to educate states and prevent future errors.

Corrective Action 4, Change Process

An updated NAP 770 Checklist has been drafted and will be issued in an amendment currently in Directives which will assist NAP specialists to complete applications thoroughly with less administrative data missing. The NAP 770 Checklist is required to be completed when an application for payment is filed.

For Root Cause 13

Corrective Action 3, Training

The SND's DAS is planning to complete additional NAP training targeting states with high error rates, in order to educate states and prevent future errors.

Corrective Action 4, Change Process

Deputy Administrator Farm Programs (DAFP) SND's DAS has expanded NAP's 770 Checklist, which is now required to be completed when an application for payment is filed.

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- The measurable milestones to be accomplished*
- The senior executive agency official responsible*
- Establishment of an accountability mechanism*
- Incentives*
- Consequences*

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
Continued clarification to the reviewers how to differentiate between an improper payment finding vs. an internal policy issue	FY2021		FSA Associate Administrator, Steve Peterson	SND intends to regularly communicate with CORs regarding intent of review questions.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Ensuring IP Root Causes are accurately identified and tracked for perennial issues	FY2021		FSA Associate Administrator, Steve Peterson	The majority of SND staff is involved in administering ad hoc disaster programs which currently interferes with providing training.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Providing training in person and online, to address these root causes	FY2021		FSA Associate Administrator, Steve Peterson	The majority of SND staff is involved in administering ad hoc disaster programs which currently	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
				interferes with providing training.		rating.
Promoting State and County performance standards to encourage program integrity accountability	FY2021		FSA Associate Administrator, Steve Peterson	The majority of SND staff is involved in administering ad hoc disaster programs which currently interferes with providing training.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Integrating with software developers to add more enhancements to payment software to ensure NAP payments are made correctly	FY2021		FSA Associate Administrator, Steve Peterson	SND evaluates and enhances internal controls we have authority of and responsibility to monitor. Two recent examples are the enhanced NAP 770 and updated review questions for CORs	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Evaluation and enhancement of internal controls	FY2021		FSA Associate Administrator, Steve Peterson	SND evaluates and enhances internal controls we have authority of and responsibility to monitor. Two recent	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
				examples are the enhanced NAP 770 and updated review questions for CORs		
Continuous reinforcement of data and administrative process requirements with county office employees	FY2021		FSA Associate Administrator, Steve Peterson	SND has requested many software enhancements however there are many requests from other programs. Funding is limited and priorities must be determined.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
NO	N/A	Daily	Daily

FSA Livestock Forage Disaster Program (LFP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation	FY20 LFP training was completed with select states (states where LFP was being administered) throughout the year and finalized with all states that had not yet received training on September 30, 2020. FY20 IPIA findings	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		were discussed and policy was reviewed that was in direct correlation to the predominate errors found.	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)	LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.	Other
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	4-Change Process (instructions, checklist, policy)	A notice will be issued identifying this finding and reiterating the applicable policy.	Other
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.	Other
8. Failure to Verify: Other Eligibility Data (explain)	4-Change Process (instructions, checklist, policy)	A notice will be issued identifying this finding and reiterating the applicable policy.	Other
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.	Other
9. Administrative or Process Errors	4-Change Process (instructions,	A notice will be issued identifying these errors and referencing	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
Made by: Federal Agency	checklist, policy)	applicable policy	
13. Insufficient Documentation to Determine	1-Automation	Program managers, Compliance Division, and program delivery branch are identifying areas where software can be enhanced to mitigate these errors, policy clarified, and training provided. This process will enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.	Other
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	A notice will be issued identifying these errors and referencing applicable policy.	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

3. Inability to Authenticate Eligibility: Data Needed Does Not Exist: Automation: ACD: FY 2022 Q1

3. Inability to Authenticate Eligibility: Data Needed Does Not Exist: Training: ACD: FY 2022 Q1

3. Inability to Authenticate Eligibility: Data Needed Does Not Exist: Change Process: ACD: FY 2022 Q1

8. Failure to Verify: Other Eligibility Data: Training: ACD: FY2021 Q1

8. Failure to Verify: Other Eligibility Data: Change Process: ACD: FY2021 Q1

9. Administrative or Process Errors Made by: Federal Agency: Training: ACD: FY 2021 Q1

9. Administrative or Process Errors Made by: Federal Agency: Change Process: ACD: FY 2021 Q1

13. Insufficient Documentation to Determine: Automation: ACD: FY 2021

13. Insufficient Documentation to Determine: Change Process: ACD: FY 2021

The majority of the findings with the LFP program were compliance errors made by the county office, which included not ensuring the producer had filed an acreage report according to handbook 2-CP. There are no validations currently in the Crop Acreage Certification Software (CARS) that would assist county offices to provide reminders that if a producer reports acreage beyond the approved acreage reporting date, that a late file fee needs to be paid, a field visit may need to be conducted, and that the report of acreage must be reviewed and documented for approval/disapproval by the COC. Since that is out of the scope of work with LFP software capability, we are exploring options for the CARS and LFP software systems to work together to help mitigate this problem.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has established financial and administrative controls to identify and assess fraud risk and has designed and implemented control activities to prevent, detect and respond to fraud, including improper payments. Various financial and administrative controls are in place to detect and prevent fraud including but limited to controls surrounding system access, segregation of duties, eligibility and payments. Improper payment reviews are done annually to detect improper payment root causes, including fraud.

The Performance, Accountability and Risk (PAR) Division within the FPAC Business Center will partner with FSA management to fully implement the fraud risk principle in the Standards for Internal Control and OMB Circular A-123 with respect to the leading

practices for managing fraud risk. PAR will work with all FPAC agencies to develop fraud related policies and procedures and enhance existing controls.

Annual OMB Circular A-123 risk assessments were conducted that incorporate specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. FPAC launched its Enterprise Risk and Strategy Assessment, identified Risk Champions and created a Dashboard in FY 2020 to create an FPAC Risk Profile that lists the top risks to achieve FPAC's mission; how FPAC will respond to these risks; and provide continuous monitoring of FPAC’s top enterprise risks using agency enterprise risk registers. Training will be available on demand to all FPAC staff members by the end of FY 2020.

In FY 2019, PAR began to establish an anti-fraud program that provides oversight and guidance to all FPAC agencies to help prevent and detect fraud, waste and abuse. In FY 2020, PAR continued their partnership with Treasury’s Bureau of Fiscal Services Payment Integrity Center of Excellence to help identify potential fraud, anomalies and improper payments by analyzing payment data.

PAR will continue to enhance FPAC’s anti-fraud program in FY 2021 and beyond. This includes finalizing a charter, policies and procedures, perform data analysis, conduct audits, reviews and investigations as required, and perform testing on fraud specific controls. PAR will determine to what extent FPAC agencies have policies and procedures in place to prevent and detect fraud at the agency level.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation
NO	8. Failure to Verify: Other Eligibility	3-Training (how to complete

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
	Data (explain)	contracts)
NO	9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)
NO	13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

LFP IPIA finding rates have improved dramatically over the last year. Continuing to provide automation enhancements, national training, issuing notices, and support to the field indicate a positive trend that appears to only continue in the future with limited capital outlays.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The LPF error rate was 11.92% in 2018, 17.87% in 2019, but down to 10.72% in 2020. FSA is seeing the benefits of implementing a large software enhancement late 2018, which its impacts would not have been truly represented until FY20 reviews. It is anticipated that the error rate should continue to decline with all the additional training and the awareness of the compliance deficiencies. A tolerable rate would be a rate below 10%.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has operated with the understanding that the internal controls, human capital, information systems, and other infrastructure needed to reduce improper payments are in place and active. With the recent results from the IPIA reviews and with the Agricultural Adjustment Act of 2018 paragraph 1705 language, FSA is documenting findings from the reviews of employees' work nationwide. With this performance documentation in place, organizational performance should improve.

FSA implemented a new internal review system, Internal Review Documentation and Tracking System (IRDTS). In December of 2019, FSA trained nine pilot states on the system. The pilot training included practice reviews to ensure reviews will be completed in accordance with policy. The remaining States were trained in July of 2020.

The agency has requested additional resources for software enhancements. Policy has also incorporated additional internal reviews of the first 10 applications for each county office. DAFO has incorporated work performance measures that directly correlate to the amount of improper payments determined.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
14. Other	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

All corrective actions for program will be completed in the future dates presented in question 11.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation	FY2022	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)	FY2022	
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	4-Change Process (instructions, checklist, policy)	FY2022	
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)	FY2022	
8. Failure to Verify: Other Eligibility Data (explain)	4-Change Process (instructions, checklist, policy)	FY2021	
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	FY2021	
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	FY2021	
13. Insufficient Documentation to Determine	1-Automation	FY2021	
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	FY2021	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

3. Inability to Authenticate Eligibility: Data Needed Does Not Exist:

1-Automation

A request for funding has been submitted to enhance LFP software with the ability to interface with farm record data to automatically generate a CCC-855, if needed, for owners/operators to complete to meet eligibility requirements. NOTE: Software enhancements are contingent upon budget.

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying this finding and reiterating the applicable policy.

8. Failure to Verify: Other Eligibility Data (explain)

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying this finding and reiterating the applicable policy.

9. Administrative or Process Errors Made by: Federal Agency

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying these errors and referencing applicable policy.

13. Insufficient Documentation to Determine

1-Automation

Program managers, Compliance Division, and program delivery branch are identifying areas where software can be enhanced to mitigate these errors, policy clarified, and training provided. This process will enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying these errors and referencing applicable policy.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	5. Publish and Meet Annual Reduction Targets
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
2

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	4-Change Process (instructions, checklist, policy)
8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)
8. Failure to Verify: Other Eligibility Data (explain)	4-Change Process (instructions, checklist, policy)
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)
13. Insufficient Documentation to Determine	1-Automation
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

3. Inability to Authenticate Eligibility: Data Needed Does Not Exist:

1-Automation

A request for funding has been submitted to enhance LFP software with the ability to interface with farm record data to automatically generate a CCC-855, if needed, for owners/operators to complete to meet eligibility requirements. NOTE: Software enhancements are contingent upon budget.

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying this finding and reiterating the applicable policy.

8. Failure to Verify: Other Eligibility Data (explain)

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying this finding and reiterating the applicable policy.

9. Administrative or Process Errors Made by: Federal Agency

3-Training (how to complete contracts)

LFP refresher training will be held each state/county that meet/trigger the drought monitor criteria that the county is eligible for LFP. Root causes of improper payments will be stressed throughout several presentations.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying these errors and referencing applicable policy.

13. Insufficient Documentation to Determine

1-Automation

Program managers, Compliance Division, and program delivery branch are identifying areas where software can be enhanced to mitigate these errors, policy clarified, and training provided. This process will enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

4-Change Process (instructions, checklist, policy)

A notice will be issued identifying these errors and referencing applicable policy.

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- The measurable milestones to be accomplished*
- The senior executive agency official responsible*
- Establishment of an accountability mechanism*
- Incentives*
- Consequences*

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
Budget request will include enhancements to LFP software to incorporate an enhancement to integrate the farm records system (identifying owners,	Other (select date)		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
operators, and other tenants) to help mitigate the second most common error, not having a written lease or CCC-855 Annual Lease Certification on that is required to determine eligibility on the forage portion of LFP.						
Continue to revise and update policy handbooks and guidance as program management insights evolve and as new guidance to the agency is realized.	Other (select date)		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Send new notifications to State Offices to keep them abreast of policy updates	FY2021		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
Continue to hold additional webinar/virtual training sessions to ensure all State Office staff are aware of updated policy requirements and clarifications to all requirements.	FY2021		FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible.	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This program does not use the Do Not Pay Initiative.

FNS CACFP FDCH - Tiering Decisions

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS strives to continuously improve nutrition assistance program management, including measures to improve the accuracy of program payment accuracy processes in collaboration with our State partners, while meeting its goal of providing food and nutrition education to vulnerable populations in the United States. Actions to advance this goal include setting annual priority goals and initiatives, especially for those programs that are at high risk for improper payments.

FNS senior management (in our seven regional offices and National Office) is responsible for the development and execution of the agency's strategic priority plan. Annually, FNS aligns the

performance appraisal criteria of each senior manager that supports a high risk program to the Agency's strategic priority plan to ensure steps are taken to assist State agencies to reduce improper payments. Agency management's annual performance appraisals contain elements focused on program integrity, e.g., analyzing administrative and research study datasets, researching and developing solutions to address improper payments, identifying integrity risk indicators, conducting oversight of State corrective action processes intended to prevent future improper payments, and developing performance review standards (e.g., State compliance reviews), guidance and training materials. That said, below are some examples of performance standards for our senior managers that are specific to reducing improper payments:

Although FNS is responsible for the oversight of State administration of FNS programs, including implementation of State corrective actions to strengthen program integrity, FNS does not have the authority to prescribe performance appraisal criteria at the State and local levels to evaluate their staff. State and local agencies establish and implement their own set of performance appraisal criteria that are in alignment with federal, state, and local regulations.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
10. Administrative or Process Errors Made by: State or Local Agency	6-Audit (improve IC)	FNS conducted routine management evaluations of State agencies, to ensure State agency compliance with program regulations.	Other
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	FNS awarded Child Nutrition Technology Innovation competitive grants (TIG) to States to implement innovative technology solutions to improve accountability, data accuracy,	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		performance measurements, and the capacity to identify and target error-prone areas.	

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The CACFP improper payment measure currently utilizes a non-statistically valid sampling process. In lieu of producing a program-wide improper payment measure, FNS has identified the Family Day Care Home (FDCH) component of this program as potentially high-risk. USDA estimates the error rate in CACFP FDCH reimbursement status through periodic sample-based studies. In years between studies, USDA updates the most recent study's sample-based estimate with administrative data. FNS is also working to develop an econometric model to improve its error estimates in non-study years. For the current year, however, USDA will apply the most recent study's error rate to the current year's reimbursement total. The latest CACFP study used sample payments made in October 2014 through August 2015. The improper payment measures presented do not include improper payments associated with the Adult Day Care component or Child Care Centers, nor do they include meal claiming error at this time.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

N/A for CACFP

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

CACFP is excluded from the payment recapture audit program because USDA has determined that it is not cost-effective to develop a system to attempt to recover improper payments.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;
- Identifying risk and vulnerabilities to fraud, and
- Establishing strategies, procedures, and other steps to curb fraud.

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	14. Other	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Any effort to reduce the current improper payment rate of 0.54 percent for Family Day Care Homes would be a poor use of resources. FNS is in the process of expanding its measurement of the CACFP improper payment rate to include child care centers and anticipates that the results of that study will be available in early FY 2021. That study, the first Erroneous Payments in Childcare Centers Study (EPICCS) will measure improper payments occurring in sponsored and

independent childcare and Head Start centers. EPICCS is modeled after the APEC studies FNS conducts on its school meals program and will measure certification and aggregation error.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current CACFP improper payment rate, focused on Family Day Care Homes, is 0.54 percent which is considered a tolerable rate. That said, FNS is conducting research into improper payments at childcare centers. The Erroneous Payments in Childcare Centers Study (EPPICS) will provide FNS with data on certification and aggregation error in childcare centers and will be completed sometime in early FY 2021.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
NO	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current improper payment rate for Family Day Care Homes is 0.54 percent which does not indicate that additional resources are needed to address error in these homes. In addition, FNS has received funding for its Child Nutrition, Technology Innovation Grants (TIG) which are awarded to States that propose innovative technology solutions that improve program accountability and efficiencies at both the state and local levels. FNS will continue to seek

support through budget requests for these projects as an effective strategy for supporting internal controls, human capital, information systems, and other infrastructure and program needs.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS conducted routine management evaluations of State agencies, to ensure State agency compliance with program regulations. Award Child Nutrition Technology Innovation competitive grants (TIG) to States to implement innovative technology solutions to improve accountability, data accuracy, performance measurements, and the capacity to identify and target error-prone areas.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS will continue to conduct routine management evaluations of State agencies to ensure State agency compliance with program regulations.

FNS will also continue to award Child Nutrition Technology Innovation grants (TIG) to States to implement innovative technology solutions to improve accountability, data accuracy, performance measurements, and the capacity to identify and target error-prone areas.

The Erroneous Payments in Childcare Centers Study (EPPICS) will provide FNS with data on certification and aggregation error in childcare centers. That study will be completed sometime in early FY 2021 and FNS will use the results of that study to develop and implement a response plan to address any improper payments.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
NO	N/A	Daily	Daily

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Child nutrition programs are State-administered and States will never be placed into a Do Not Pay Category. Therefore, the Do Not Pay Initiative does not apply to CN programs.

NRCS Farm Security and Rural Investment Act Programs (FSIRP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

State conservationists have elements in their performance plans regarding the detection and prevention of improper payments.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Based on a cost benefit analysis performed, NRCS does not have a separate recovery audit program. Based on the improper payment identification and recovery processes performed during the normal course of business, a separate recovery audit program is deemed unnecessary and a waiver was submitted to OMB. OMB approved this waiver.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a

summary of the justification used to make that determination. Please note there is a 3000 character limit.

NRCS excluded the programs below.

Farm Security and Rural Investment Act (FSRIP) programs:

Agricultural Conservation Easements Program – Agricultural Land Easements (ACEP ALE)

Agricultural Conservation Easements Program – Wetland Reserve Easements (ACEP WRE)

Environmental Quality Incentives Program (EQIP)

Wildlife Habitat Incentives Program (WHIP)

Conservation Security Program (CSP)

Conservation Stewardship Program (Cstp)

Agricultural Management Assistance (AMA)

Agricultural Water Enhancement Program (AWEP)

Regional Conservation Partnership Program (RCPP)

Voluntary Public Access and Habitat Incentive Program (VPAP)

Other Programs:

Conservation Technical Assistance

Watershed Programs

Plant and Materials

Soil Surveys

Snow Survey and Water Supply Forecasting

They were excluded because the contract previously used by the Department was not cost effective and NRCS has a robust improper payment identification and recovery program as outlined in Question 3.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Portal was not specifically used by NRCS in 2020, however, NRCS does check various databases directly prior to award/payment. Prior to award, NRCS ensures contract and grant vendors maintain current registrations in the System for Award Management. Additionally, for Protracts contracts, NRCS ensures that payments are not made to deceased individuals by checking the Death Master File prior to obligation and payment. NRCS uses these systems directly, rather than through the DNP portal due to its extensive use of system interfaces in business processes.

FNS Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Total Program

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- Meeting applicable improper payments reduction targets;*
- Preventing improper payments from being made; and*
- Promptly detecting and recovering improper payments that are made.*

Performance Appraisal Criteria
meeting applicable improper payments reduction targets

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS strives to continuously improve nutrition assistance program management, including measures to improve the accuracy of program payment accuracy processes in collaboration with our State partners, while meeting its goal of providing food and nutrition education to vulnerable populations in the United States. Actions to advance this goal include setting annual priority goals and initiatives, especially for those programs that are at high risk for improper payments.

FNS senior management (in our seven regional offices and National Office) is responsible for the development and execution of the agency's strategic priority plan. Annually, FNS aligns the

performance appraisal criteria of each senior manager that supports a high risk program to the Agency's strategic priority plan to ensure steps are taken to assist State agencies to reduce improper payments. Agency management's annual performance appraisals contain elements focused on program integrity, e.g., analyzing administrative and research study datasets, researching and developing solutions to address improper payments, identifying integrity risk indicators, conducting oversight of State corrective action processes intended to prevent future improper payments, and developing performance review standards (e.g., State compliance reviews), guidance and training materials. That said, below are some examples of performance standards for our senior managers that are specific to reducing improper payments:

Although FNS is responsible for the oversight of State administration of FNS programs, including implementation of State corrective actions to strengthen program integrity, FNS does not have the authority to prescribe performance appraisal criteria at the State and local levels to evaluate their staff. State and local agencies establish and implement their own set of performance appraisal criteria that are in alignment with federal, state, and local regulations.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)	Current AFR CAPs include: The National Survey of WIC Participants-III Study will provide information that will assist FNS in understanding certification error. FNS will be able to use this information to develop next steps aimed at reducing improper payments. The FY 2020-2023 target area and ongoing ME data	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		analysis support integrity in the WIC Program through the timely resolution of issues identified through MEs. This includes addressing certification and vendor issues that could result in improper payments. Updates and additions to the existing vendor management tools, guidance, and technical assistance are designed help WIC State agencies implement key requirements. Increased compliance with these requirements could reduce improper payments. Previous AFR CAPs are publicly available.	

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC program integrity is a priority for FNS. Although all payment error in WIC is attributed to State and local agency administrative/process errors, FNS works to set and meet reduction targets, establish and maintain sufficient internal controls, and produce yearly estimates of WIC improper payment rates and dollar values. Management evaluations (MEs) are FNS' primary oversight mechanism. MEs include onsite reviews of State and local agency operations, and reviews of program-specific documentation. FNS focuses WIC MEs on key areas related to program integrity and analyzes the resulting ME data to identify opportunities to improve program administration and integrity. FNS has also recently released several resources for WIC State agencies that target improvement in the areas of vendor management and certification. These resources include the WIC Vendor Management and Food Delivery Handbook, a new toolkit on assessing and developing WIC Vendor Peer Group Systems, and an updated tool for assessing WIC Vendor Cost Neutrality. FNS is working to develop the WIC Certification Handbook, which is expected to be released in FY 2021. Additional resources will be developed as needed.

The most cost-effective way for FNS to produce yearly estimates of WIC improper payments is by using periodic studies to estimate WIC certification and vendor payment errors. FNS uses the National Survey of WIC Participants and the WIC Vendor Management Study to estimate and report on payment errors. The results of these studies are also used to inform FNS' program integrity work—including the development of additional guidance, training, and resources for WIC State agencies—and to provide information to Congress and other stakeholders.

Additionally, FNS continues to look for innovative ways to leverage technology to improve WIC program integrity. FNS is working with WIC State agencies to implement WIC Electronic Benefit Transfer (EBT) nationwide by October 1, 2020. EBT provides WIC State agencies with more accurate and timely data that they can use to better monitor food costs and identify suspect transactions, in turn reducing the risk of payment errors.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a discretionary grant program administered by State agencies. As such, federal grant funds provided by FNS go to various State agencies, which then pass through the funds to local agencies and clinics and ultimately to program participants. Improper payments identified during the course of a review, audit, or other operational oversight activities can be recovered either through direct billing or through an offset of future program funds. FNS has been advised by our Office of General Counsel that since program statutes are very specific in describing circumstances under which recoveries of improper payments are to be made, recoveries made on the basis of a statistical sample or estimation procedure would not be appropriate, and that FNS would need new statutory authority to pursue such collections.

At the end of each fiscal year, FNS Regional Office staff conduct a comprehensive end-of-year financial closeout with each State agency, which reconciles the amounts drawn down from by the State agency against supporting documentation and expenses incurred. At the time of closeout, State agencies are required to return to FNS any funds not properly spent or supported by adequate documentation. This year end reconciliation, in effect, performs the function of a recovery audit for each State agency.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
	Likely to be Above Statutory Threshold	FY2019 Q4	YES

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
N/A	14. Other	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC selected N/A because no such cost analysis has been done.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC selected N/A because we have not been given, nor have we developed, parameters for determining whether we have a “tolerable rate” of payment error.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
NO	1. Internal Controls

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC program integrity is a priority for FNS. FNS has the administrative infrastructure for meeting reduction targets, establishing and maintaining sufficient internal controls, and producing yearly estimates of WIC improper payment rates and dollar values.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
14. Other	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC Oversight. In FY 2019, FNS' management evaluation (ME) target area for WIC was ME Closure. This target area was selected to ensure that FNS' oversight of the program includes both timely identification and correction of non-compliance. During this target area, FNS focused ME resources on activities that supported corrective action implementation and validation, including on-site ME closure visits, trainings/meetings, and risk-based MEs. The FY 2019 focus on ME Closure supported USDA and FNS priorities related to providing high-quality customer service to WIC State agency partners, as well as ensuring integrity in the WIC Program through the resolution of issues identified through MEs. FNS continues to support State agencies implementing corrective actions, and to analyze ME data to identify opportunities to improve program administration and integrity.

WIC Vendor Management. In FY 2017, FNS released the WIC Vendor Management and Food Delivery Handbook, which is a comprehensive, user-friendly summary of regulations, policy, and guidance related to WIC Vendor Management and Food Delivery. It also includes topical guidance designed to help State agencies effectively develop, assess, and implement vendor management and cost containment requirements. In FY 2019, FNS issued a new toolkit on assessing and developing WIC Vendor Peer Group Systems, and an updated tool for assessing WIC Vendor Cost Neutrality.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
14. Other	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC Certification. FNS is currently working on revising the WIC Certification Handbook for State agencies and is expected to be released in FY 2021. FNS is also currently conducting the National Survey of WIC Participants-III Study, which is designed to provide nationally representative estimates of improper payments in the WIC Program arising from errors in the certification or denial of WIC applicants, and to investigate potential State and local agency characteristics that may correlate with these errors.

WIC Oversight. In FY 2020-2023, FNS' management evaluation (ME) target area for WIC is Nutrition Services. Delivering high quality nutrition services is essential to carrying out the Program's mission and ensures WIC continues to support self-sufficiency through healthy outcomes for pregnant and postpartum mothers, infants, and young children. The Nutrition Services ME examines how State agencies plan for and deliver nutrition services, including nutrition and breastfeeding education. The FY 2020-2023 Target Area will also include a focus on updating existing ME materials and technology. The FY 2020 target area supports USDA and FNS priorities related to providing high quality customer service to WIC State agency partners, as well as ensuring integrity in the WIC Program through the timely resolution of issues identified through MEs. FNS continues to support State agencies implementing corrective actions, and to analyze ME data to identify opportunities to improve program administration and integrity.

WIC Vendor Management. FNS is currently working on the first update to the Handbook, which will include an additional chapter (Monitoring and Audits) and several new tip sheets designed to help WIC State agencies implement key requirements. A future release will include an additional chapter, Vendor Cost Containment, which will update and expand on existing guidance and technical assistance.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

WIC's payment error is solely attributed to administrative/process errors at the State and local agency level. This initiative is for federal agency use to prevent payment error with federal root causes; therefore, it is not applicable to WIC.

FSA Agriculture Risk and Price Loss Coverage (ARC/PLC)

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- Meeting applicable improper payments reduction targets;*
- Preventing improper payments from being made; and*
- Promptly detecting and recovering improper payments that are made.*

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	See free text	FY2020 Q3
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)		FY2020 Q3

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root cause #9: CORRECTIVE ACTION: A notice will be issued identifying this finding and reiterating the applicable policy. Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied. DETAIL: In addition to the work that has taken place to lower this error rate over the last year the agency is planning a series of training review sessions over the start of the 2021 enrollment timeframe. These reviews will key in on common areas of finding from the last reviews and serve refresher as the 2021 contract period gets underway.

Root cause #13: CORRECTIVE ACTION: A notice will be issued identifying this finding and reiterating the applicable policy. Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

Moving into the 2021 contract period additional training is being provided around the program with concentration on past findings. This training will be provided to State Offices weekly through the first quarter of FY2021. The expectation is that STO will review this training with counties. This is designed to provide training as signup is starting so there is no time loss between training and implementation of the program.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FSA has established financial and administrative controls to identify and assess fraud risk and has designed and implemented control activities to prevent, detect and respond to fraud, including improper payments. Various financial and administrative controls are in place to detect and prevent fraud including but limited to controls surrounding system access, segregation of duties, eligibility and payments. Improper payment reviews are done annually to detect improper payment root causes, including fraud.

The Performance, Accountability and Risk (PAR) Division within the FPAC Business Center will partner with FSA management to fully implement the fraud risk principle in the Standards for Internal Control and OMB Circular A-123 with respect to the leading practices for managing fraud risk. PAR will work with all FPAC agencies to develop fraud related policies and procedures and enhance existing controls.

Annual OMB Circular A-123 risk assessments were conducted that incorporate specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. FPAC launched its Enterprise Risk and Strategy Assessment, identified Risk Champions and created a Dashboard in FY 2020 to create an FPAC Risk Profile that lists the top risks to achieve FPAC's mission; how FPAC will respond to these risks; and provide continuous monitoring of FPAC’s top enterprise risks using agency enterprise

risk registers. Training will be available on demand to all FPAC staff members by the end of FY 2020.

In FY 2019, PAR began to establish an anti-fraud program that provides oversight and guidance to all FPAC agencies to help prevent and detect fraud, waste and abuse. In FY 2020, PAR continued their partnership with Treasury's Bureau of Fiscal Services Payment Integrity Center of Excellence to help identify potential fraud, anomalies and improper payments by analyzing payment data.

PAR will continue to enhance FPAC's anti-fraud program in FY 2021 and beyond. This includes finalizing a charter, policies and procedures, perform data analysis, conduct audits, reviews and investigations as required, and perform testing on fraud specific controls. PAR will determine to what extent FPAC agencies have policies and procedures in place to prevent and detect fraud at the agency level.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	1. Program Design or Structural Issue	3-Training (how to complete contracts)
NO	2. Inability to Authenticate Eligibility: Inability to Access Data	1-Automation
NO	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	1-Automation
NO	4. Failure to Verify: Death Data	3-Training (how to complete contracts)

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	5. Failure to Verify: Financial Data	3-Training (how to complete contracts)
NO	6. Failure to Verify: Excluded Party Data	3-Training (how to complete contracts)
NO	7. Failure to Verify: Prisoner Data	1-Automation
NO	8. Failure to Verify: Other Eligibility Data (explain)	1-Automation
NO	9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)
N/A	10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)
N/A	11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)
NO	13. Insufficient Documentation to Determine	3-Training (how to complete contracts)
NO	2. Inability to Authenticate Eligibility: Inability to Access Data	3-Training (how to complete contracts)
NO	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)
NO	7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)
NO	8. Failure to Verify: Other Eligibility Data (explain)	3-Training (how to complete contracts)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d)(2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root Cause #1 detail: The program policy is in place for these controls, no regulatory issues lead to the issuing of payments prior to collecting all data.

Root Cause #2 detail: Additional application reporting has been provided to identify areas of optional issue around the validation of data that we are unable to fully authenticate.

Root Cause #3 detail: Additional application reporting has been provided to identify areas of optional issue around the validation of data that we are unable to fully authenticate.

Root Cause #4 detail: 11-CM and 1 ARCPLC provide details on payments to deceased producers. The 11-CM policy of verifying date of death will be reviewed as part of ARCPLC training.

Root Cause #5 detail: 1-ARCPLC and 5/6-PL provide details on income requirements. Will be reviewed as part of ARCPLC training.

Root Cause #6 detail: 1-ARCPLC provides detail and procedure on who is required to be part of the contract. Will be reviewed as part of ARCPLC training.

Root Cause #7 detail: ARCPLC payment process verifies against producer data. Will be reviewed as part of ARCPLC training.

Root Cause #8 detail: ARCPLC reads eligibility files in all areas of known data preventing these payments. 1-ARCPLC provides details on requirements for what is needed in eligibility and payments should not be made when requirements are not met.

Root Cause #9 detail: 1-ARPLC lays out the rules needed and when a payment should be made. Will be reviewed as part of ARCPLC training.

Root Cause #10 detail: The agency has no control of other agency administrative errors.

Root Cause #11 detail: The agency has no control of other agency administrative errors. When an error is discovered the agency will work to notify these parties for correction.

Root Cause #12 detail: N/A

Root Cause #13 detail: The agency has no control of other agency administrative errors. When an error is discovered the agency will work to notify these parties for correction.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
YES

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The rate of error has dropped between 2019 and 2020. 2020 is now at a level that does not require a one-year corrective plan. The agency is moving in the right direction with plans to continue training and automation when possible to further reduce our error rate.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
YES	4. Resources

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The rate of error has dropped between 2019 and 2020. 2020 is now at a level that does not require a one-year corrective plan. The agency is moving in the right direction with plans to continue training and automation when possible to further reduce our error rate.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)	FY2020 Q3	
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)	FY2020 Q3	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root cause #9: A notice will be issued identifying this finding and reiterating the applicable policy. Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

Root cause #13: A notice will be issued identifying this finding and reiterating the applicable policy. Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

Internal reviews are conducted which enable us to identify earlier the types of

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A. All corrective actions for program were completed and reported.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	5. Publish and Meet Annual Reduction Targets

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
1

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)
13. Insufficient Documentation to Determine	4-Change Process (instructions, checklist, policy)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Root cause #9: A notice will be issued identifying this finding and reiterating the applicable policy. Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

Root cause#13: A notice will be issued identifying this finding and reiterating the applicable policy.

Deputy Administrators will reiterate the importance of following existing policies regarding signing and approving contracts before indicating approval in the applicable system to State Office leadership through weekly or bi-weekly leadership calls. Internal reviews are conducted which enable us to identify earlier the types of errors that are occurring, the underlying reasons, and communicate how policies and procedures should be applied.

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- *The measurable milestones to be accomplished*

- *The senior executive agency official responsible*
- *Establishment of an accountability mechanism*
- *Incentives*
- *Consequences*

Measurable milestones	Target Date	If other date, please specify	Senior Executive Agency Official	Accountability Mechanism	Incentives	Consequences
Revise and update policy handbooks and guidance as program management insights evolve and as new guidance to agency's are realized.	FY2021	12/31/2020	FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible. Tolerable improper payment rate can be achieved	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Send notifications to State Offices to keep them abreast of policy updates.	FY2021	12/31/2020	FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible. Tolerable improper payment rate can be achieved	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.
Continue to hold additional webinar/virtual training sessions to ensure all State Office staff are aware of updated policy requirements and clarifications to all requirements.	FY2021	12/31/2020	FSA Associate Administrator, Steve Peterson	FSA audit review findings, National Office/STO/DD program oversight.	Producer needs can be met as efficiently as possible. Tolerable improper payment rate can be achieved	Unacceptable Improper Payment Rate. Results may have adverse impacts to employee performance rating.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Agency does not use DNP.

FNS School Breakfast Program (SBP) Total Program

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS annually issues a strategic plan that includes agency priorities requiring agency and program officials to identify critical officials to take steps to help reduce payment errors, which are included in FNS's performance appraisal process. For example, staff-level annual performance appraisals currently contain elements focused on child nutrition (CN) program integrity, e.g., analyzing administrative and research study datasets, researching and developing solutions to address improper payments, identifying program integrity risk indicators, and using USDA research studies to identify process improvements to address program integrity issues. CN staff are also broadly responsible for developing performance review standards (e.g., for State compliance reviews), guidance, and training materials.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
1. Program Design or Structural Issue	1-Automation	FNS worked with States that were awarded Administrative Review and Training (ART) grant funding to improve schools' operational and oversight efforts in NSLP and SBP. Three States received ART grants to plan, develop, or adopt integrity-focused school meal applications consistent with the	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		model application developed by USDA.	
14. Other	Other (free text)	FNS continued management of a contracted research portfolio to measure and study the underlying causes of improper payments in the school meals programs. This includes the latest in the Access, Participation, Eligibility, and Certification Study (APEC) Series that is the basis for USDA's official improper payment estimates that FNS will publish towards the end of FY 20.	Other
10. Administrative or Process Errors Made by: State or Local Agency	1-Automation	FNS worked with States that received 2019 ART grants to build statewide online NSLP/SBP application systems.	Other
10. Administrative or Process Errors Made by: State or Local Agency	1-Automation	FNS promoted State agency use of the FNS Data Validation Service, a USDA created and maintained set of edit checks for the School Food Authority Verification Collection Report (FNS-742), in order to improve data integrity of the FNS-742 that provides FNS with annual school district-level certification verification results.	Other
14. Other	Other (free text)	FNS conducted analysis and correction where needed of the School Year 2018-2019 FNS-742 School Food Authority (SFA) Verification Collection Report data & FNS 834 State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report to	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		ensure accuracy of States' SY 2018-2019 SNAP-DC performance rate and identify opportunities associated with under-reported direct certifications.	
14. Other	Other (free text)	FNS conducts annual, on-site direct certification technical assistance site visits and reviews and approve State Agency direct certification Continuous Improvement Plans to improve the effectiveness of their direct certification processes.	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS oversees a competitive Administrative Review and Training (ART) grant process that is designed to identify, review, monitor, and train local education agencies that have demonstrated a high level of, or a high risk for, administrative error. The most recent ART grants were awarded to States that were focused on developing an integrity-focused school meals application.

In the APEC-II Study, independent reviews of student applications approved for free, reduced-price, and denied applications were conducted to estimate the case error rate due to administrative error. In addition, in-person household interviews were conducted in households to determine estimates of household misreporting on the applications. Data on aggregation errors were collected in all schools selected for application reviews. Data on school-recorded daily meal totals across all points of sale, aggregated meal counts reported to the district, and total meals submitted to the State Agency for reimbursement were examined to determine aggregation errors.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

N/A for SBP

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

SBP is excluded from the payment recapture audit program because USDA has determined that it is not cost-effective to further develop its system to attempt to recover improper payments.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	1. Program Design or Structural Issue	1-Automation
NO	10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current improper payment rate for SBP is 10.50 percent (APEC II).

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current improper payment rate for SBP is 10.5 percent which is not considered a tolerable rate. Therefore, FNS continues to take steps to reduce the SBP improper payment rate targeting interventions based on research studies and information from administrative reviews. For example, in 2014 USDA adopted the independent review of applications to address administrative error. In 2016, USDA released an FNS developed, integrity focused school meals application. In 2019, USDA released an FNS developed and maintained data validation service to improve the quality of its FNS-742 data.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS has requested and received funding for its CN, Administrative Review and Training (ART) grants which are designed to identify, review, monitor, and train local education agencies that have demonstrated a high level of, or a high risk for, administrative error. Additionally, FNS has received funding for its CN, Technology Innovation Grants (TIG) which are awarded to States that propose innovative technology solutions that improve program accountability and efficiencies at both the State and local levels. FNS will continue to seek support through budget requests for these projects as an effective strategy for supporting internal controls, human capital, information systems, and other infrastructure and program needs.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
1. Program Design or Structural Issue	1-Automation	Other	
14. Other	Other (free text)	Other	
10. Administrative or Process Errors Made by: State or Local Agency	1-Automation	Other	
14. Other	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS

Worked this year with States that received 2019 ART grants to build statewide online school meal application systems,

Developed the FNS Data Validation Service (DVS); a set of edit checks for the School Food Authority Verification Collection Report (FNS-742) to improve the integrity of SFA-level verification data. The DVS is a cloud-based service that is available without charge to all States. To access the DVS, the State system makes a data call to the DVS application programming interface to send individual SFA records through the data checks, which identifies potential errors and returns error/warning messages back to the State system. States then have the option of working with SFAs to correct the data, or returning the messages directly back to the SFAs so that they can correct their data.

Analyzed and corrected FNS-742 and FNS 834 State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report to ensure accuracy of States' SY 2018-2019 SNAP-DC performance rate and identify opportunities associated with under-reported direct certifications.

Conducted annual on-site direct certification technical assistance site visits and reviews and approve State Agency Direct Certification Continuous Improvement Plans to improve the effectiveness of their direct certification processes.

Instituted a second review of school meal applications in SFAs that were found to have 10 percent certification error rate. States are also encouraged to set a second criterion that would also result in SFAs being required to second review process.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
1. Program Design or Structural Issue	1-Automation	Other (select date)	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS will continue to promote its online, integrity-focused school meals program to States, SFAs, and the vendors that States and SFAs contract with to provide those applications. Additionally, work is underway on the third, APEC study. When completed, that study will provide FNS with new data about improper payments. When the study is finalized, FNS will develop new, research-based projects to continue looking for new ways to address improper payments.

FNS is also continuing to reach out to States to promote its Data Validation Service. The school year 2019-2020 pilot test in two States proved to be very successful. FNS will use the results of the pilot test to “market” the DVS and conduct outreach at meetings and conferences.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Non-Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The U.S. Department of Agriculture’s Fiscal Year 2019 Compliance with Improper Payment Requirements reports that USDA has not reported improper payment rates under 10 percent for SBP, with a reported 10.50 percent improper payment rate. The Agency has communicated the fact that SBP has been above the 10 percent threshold for more than four years through a letter to Congress.

The third APEC study, which will be published in early FY 2021, will update the SBP improper payment rates and will provide a measure of the effectiveness of the measures USDA has implemented.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

SBP has been noncompliant for nine years. FNS continues doing research on potential ways to reduce error and implementing projects based on that research.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
1. Program Design or Structural Issue	Other (free text)
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

USDA instituted a range of activities to help address improper payments based on findings from the APEC II study and is also applying lessons learned during annual reviews and management evaluations of States and SFAs. USDA developed and provided code for its integrity-focused school meals application as open-source code that is freely available to system developers, whether they are State employees designing state systems or are working with a vendor to create an integrity-based applications. The APEC II household survey results suggest that the integrity features of that application may help to reduce household application error.

The Data Validation Service was tested in two States and pilot States reported that the DVS dramatically improved the initial quality of the data, resulting in improved data quality. FNS will continue to promote the DVS with an eye toward improving important, SFA-level data.

In lessons learned from the review processes, USDA instituted a second, school meals application review process for SFAs that have certification error rates greater than 10 percent (States may also identify a second criterion for the second review.) This second review of applications requires that the original certification decisions are reviewed for accuracy.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS worked with States that were awarded Administrative Review and Training (ART) grant funding to improve schools' operational and oversight efforts in SBP. Three States received ART grants to plan, develop, or adopt integrity-focused school meal applications consistent with the model application developed by USDA.

FNS continued management of a contracted research portfolio to measure and study the underlying causes of improper payments in the school meals programs. This includes the latest in the Access, Participation, Eligibility, and Certification Study (APEC) Series that is the basis for USDA's official improper payment estimates that FNS will publish in early FY 21.

Promoted State agency use of FNS Data Validation Service, a USDA created and maintained set of edit checks for the School Food Authority Verification Collection Report (FNS-742), in order to improve data integrity of the FNS-742 that annually provides FNS with school district-level certification verification results.

Conducted analysis and correction where needed of the School Year 2018-2019 FNS-742 School Food Authority (SFA) Verification Collection Report data & FNS 834 State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report to ensure accuracy of States' SY 2018-2019 SNAP-DC performance rate and identify opportunities associated with under-reported direct certifications.

Annually conduct on-site direct certification technical assistance site visits and reviews and approve State Agency direct certification Continuous Improvement Plans to improve the effectiveness of their direct certification processes.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Child nutrition programs are State-administered and States will never be placed into a Do Not Pay Category. Therefore, the Do Not Pay Initiative does not apply to CN programs.

RMA Federal Crop Insurance Corporation (FCIC) Program Fund

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- *Meeting applicable improper payments reduction targets;*

- Preventing improper payments from being made; and
- Promptly detecting and recovering improper payments that are made.

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
prevent improper payments from being made
promptly detect and recover improper payments that are made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In the past, the performance appraisals of RMA senior leaders have included references to reducing improper payments and identifying root causes of errors.

RMA will include performance appraisal criteria, targeted to address the bullets above, in the performance plans of the Agency Administrator and Deputy Administrator for Compliance starting with FY 2021.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	3-Training (how to complete contracts)	NA	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Risk Management Agency (RMA) provides annual training to Approved Insurance Providers (AIPs) which includes the introduction of new policies/procedures and changes/update to current

policies and insurance offerings. Additionally, RMA utilizes Informational Memorandums and Managers Bulletins to provide clarification of current FCIC policies and procedures. The results of RMA's improper payment reviews are analyzed thoroughly to identify trends, potential program vulnerabilities, and future training needs.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

RMA has an internal recovery program established in Fiscal Year 2016 which was signed by RMA's CFO and approved by the Office of the Chief Financial Officer of USDA. The types of reviews that RMA performs to identify and recover overpayments and collectively serve as a recovery auditing program are: Data Mining initiated reviews, limited scope reviews, National Financial Operations Reviews (NFOR), Approved Insurance Provider Performance Reviews (APR), Improper Payment reviews, Program reviews, special investigation reviews, special reviews, and Standard Reinsurance Agreement required reviews. RMA staff perform ongoing reviews that result in identifying and recapturing improperly made payments. RMA does not hire 3rd party contractors to perform this work.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

N/A

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA managers have assessed the effectiveness of operations based on the following management control reviews completed during FY 2020. Improper payment reviews were performed, and financial reviews were conducted on approved insurance providers. RMA also utilized data mining to identify and review data anomalies. Business processes and general computer controls related to financial reporting were evaluated through Office of Management and Budget (OMB) Circular A-123, Appendix A reviews. An annual assessment was conducted of Entity Level Controls based on each of the Green Book's Components and Principles of internal control. The assessment revealed deficiencies within certain principles, however, the overall system of internal control is designed, implemented and operating effectively in an integrated manner. As part of its efforts to ensure an effective control environment, managers are reminded annually that they are responsible for developing and maintaining effective internal

controls. Agency senior leadership also submits an annual certification identifying any internal control weaknesses or instances of non-compliance with laws and regulations.

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA will continue to take action and engage in efforts to reduce the improper payment rate while remaining cognizant of the cost benefit that these efforts provide. At this point, RMA will continue to look for opportunities to lower the rate that are not cost prohibitive.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
YES

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA will continue to take action and engage in efforts to reduce the improper payment rate while remaining cognizant of the cost benefit that these efforts provide. At this point, RMA will continue to look for opportunities to lower the rate that are not cost prohibitive.

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA is the issuer of each Approved Insurance Provider's (AIPs) Standard Reinsurance Agreement. These agreements, in part, require AIPs to establish internal controls that, in return, reduce improper payments. Additionally, RMA issues a large number of resources and provides annual training as a means of educating stakeholders on Federal Crop Insurance Corporation's (FCIC's) policies and procedures. Both these initiatives contribute to RMA maintaining a tolerable improper payment rate.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA has not reported any improper payments due to Program Design or Structural Issues.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

RMA was compliant in all six criteria categories.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

OIG determined RMA to be Compliant in all categories of their most recent compliance review.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A – All programs or activities were deemed compliant.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Risk Management Agency (RMA) currently has limited use with the Do Not Pay portal. Due to the nature of the Federal crop insurance program and the uniqueness of the insurance contracts being a private contract between producers and third party Approved Insurance Providers, RMA makes very few payments directly to producers. For those limited payments that RMA does make to producers, RMA checks the Do Not Pay portal for the individual before issuing payment. RMA has not had any hits in the portal historically when checking these producers before issuing refunds.

FNS National School Lunch Program (NSLP) Total Program

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS strives to continuously improve nutrition assistance program management, including measures to improve the accuracy of program payment accuracy processes in collaboration with our State partners, while meeting its goal of providing food and nutrition education to vulnerable populations in the United States. Actions to advance this goal include setting annual priority goals and initiatives, especially for those programs that are at high risk for improper payments.

FNS senior management (in our seven regional offices and National Office) is responsible for the development and execution of the agency's strategic priority plan. Annually, FNS aligns the performance appraisal criteria of each senior manager that supports a high risk program to the Agency's strategic priority plan to ensure steps are taken to assist State agencies to reduce improper payments. Agency management's annual performance appraisals contain elements focused on program integrity, e.g., analyzing administrative and research study datasets, researching and developing solutions to address improper payments, identifying integrity risk indicators, conducting oversight of State corrective action processes intended to prevent future improper payments, and developing performance review standards (e.g., State compliance reviews), guidance and training materials. That said, below are some examples of performance standards for our senior managers that are specific to reducing improper payments:

Although FNS is responsible for the oversight of State administration of FNS programs, including implementation of State corrective actions to strengthen program integrity, FNS does not have the authority to prescribe performance appraisal criteria at the State and local levels to evaluate their staff. State and local agencies establish and implement their own set of performance appraisal criteria that are in alignment with federal, state, and local regulations.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
1. Program Design or Structural Issue	1-Automation	FNS worked with States that were awarded Administrative Review and Training (ART) grant funding to improve schools' operational and oversight efforts in NSLP and SBP. Three States received ART grants to plan, develop, or adopt integrity-focused school meal applications consistent with the model application developed by USDA.	Other
1. Program Design or Structural Issue	Other (free text)	FNS continued management of a contracted research portfolio to measure and study the underlying causes of improper payments in the school meals programs. This includes the latest in the Access, Participation, Eligibility, and Certification Study (APEC) Series that is the basis for USDA's official improper payment	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		estimates that FNS will publish towards the end of FY 20.	
10. Administrative or Process Errors Made by: State or Local Agency	1-Automation	FNS worked with States that received 2019 ART grants to build statewide online NSLP/SBP application systems. FNS promoted State agency use of the FNS Data Validation Service, a USDA created and maintained set of edit checks for the School Food Authority Verification Collection Report (FNS-742), in order to improve data integrity of the FNS-742 that provides FNS with annual school district-level certification verification results.	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	FNS conducted analysis and correction where needed of the School Year 2018-2019 FNS-742 School Food Authority (SFA) Verification Collection Report data & FNS 834 State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report to ensure accuracy of States' SY 2018-2019 SNAP-DC performance rate and identify opportunities associated with under-reported direct certifications.	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Program Design or Structural Issue: Indicate mitigation strategy/corrective action(s) taken: Other (Measure and study)

Administrative or Process Errors Made by State or Local Agency: Indicate mitigation strategy/corrective action(s) taken: Other (Technical Assistance)

Select the actual completion date for action(s) taken: Other (Q4 FY2020)

FNS oversees a competitive Administrative Review and Training (ART) grant process that is designed to identify, review, monitor, and train local education agencies that have demonstrated a high level of, or a high risk for, administrative error. The most recent ART grants were awarded to States that were focused on developing an integrity-focused school meals application.

The APEC studies conducted by USDA use a sample to determine improper payments and the SFAs, schools, and households are selected with unequal probabilities. The APEC II study generates national estimates of improper reimbursements exclusive of CEP districts and schools and a separate sample used to estimate improper reimbursements in SFAs and schools participating in the CEP.

In the APEC-II Study, independent reviews of student applications approved for free, reduced-price, and denied applications were conducted to estimate the case error rate due to administrative error. In addition, in-person household interviews were conducted in households to determine estimates of household misreporting on the applications. Data on aggregation errors were collected in all schools selected for application reviews. Data on school-recorded daily meal totals across all points of sale, aggregated meal counts reported to the district, and total meals submitted to the State Agency for reimbursement were examined to determine aggregation errors.

The Data Validation Service is an FNS created and maintained set of edit checks for the School Food Authority Verification Collection Report [FNS-742]). The edit checks provide real time error messages to SFAs when they submit their verification data and is freely available to States.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

N/A for NSLP

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

NSLP is excluded from the payment recapture audit program because USDA has determined that it is not cost-effective to further develop its system to attempt to recover improper payments.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	1. Program Design or Structural Issue	1-Automation
NO	10. Administrative or Process Errors Made by: State or Local Agency	4-Change Process (instructions, checklist, policy)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current improper payment rate for NSLP is 9.14 percent.

USDA has implemented different strategies to reduce improper payments in NSLP. Following APEC II,

USDA updated its Administrative Review Guidance for school year 2019-2020.

FNS concluded its study, “The Assessment of the Administrative Review Process” in August 2020. The study examined the extent to which the Administrative Review process effectively identifies risk areas and noncompliance with program requirements by school food authorities operating the programs. USDA will use the results of this study to further consider updates to the process.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The current improper payment rate for NSLP is 9.14 percent which is not considered a tolerable rate. Therefore, FNS continues to take steps to reduce the NSLP improper payment rate targeting interventions based on research studies and information from administrative reviews. For example, in 2014 USDA adopted the independent review of applications to address administrative error. In 2016, USDA released an FNS developed, integrity focused school meals application. In 2019, USDA released an FNS developed and maintained data validation service to improve the quality of its FNS-742 data.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS has requested and received funding for its CN, Administrative Review and Training (ART) grants which are designed to identify, review, monitor, and train local education agencies that have demonstrated a high level of, or a high risk for, administrative error. Additionally, FNS has received funding for its CN, Technology Innovation Grants (TIG) which are awarded to States that propose innovative technology solutions that improve program accountability and efficiencies at both the State and local levels. FNS will continue to seek support through budget requests for these projects as an effective strategy for supporting internal controls, human capital, information systems, and other infrastructure and program needs.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
1. Program Design or Structural Issue	1-Automation	Other	
1. Program Design or Structural Issue	Other (free text)	Other	
10. Administrative or Process Errors Made by: State or Local Agency	1-Automation	Other	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS

1.Worked this year with States that received 2019 ART grants to build statewide online school meal application systems,

2.Developed the FNS Data Validation Service (DVS); a set of edit checks for the School Food Authority Verification Collection Report (FNS-742) to improve the integrity of SFA-level verification data. The DVS is a cloud-based service that is available without charge to all States. To access the DVS, the State system makes a data call to the DVS application programming interface to send individual SFA records through the data checks, which identifies potential errors and returns error/warning messages back to the State system. States then have the option of working with SFAs to correct the data or returning the messages directly back to the SFAs so that they can correct their data.

3.Analyzed and corrected FNS-742 and FNS 834 State Agency (NSLP/SNAP) Direct Certification Rate Data Element Report to ensure accuracy of States' SY 2018-2019 SNAP-DC performance rate and identify opportunities associated with under-reported direct certifications.

4.Conducted annual on-site direct certification technical assistance site visits and reviews and approve State Agency Direct Certification Continuous Improvement Plans to improve the effectiveness of their direct certification processes.

5.Instituted a second review of school meal applications in SFAs that were found to have 10 percent certification error rate. States are also encouraged to set a second criterion that would also result in SFAs being required to second review process.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
1. Program Design or Structural Issue	1-Automation	Other (select date)	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS will continue to promote its online, integrity-focused school meals program to States, SFAs, and the vendors that States and SFAs contract with to provide those applications. Additionally, work is underway on the third, APEC study. When completed, that study will provide FNS with new data about improper payments. When the study is finalized, FNS will develop new, research-based projects to continue looking for new ways to address improper payments.

FNS is also continuing to reach out to States to promote its Data Validation Service. The school year 2019-2020 pilot test in two States proved to be very successful. FNS will use the results of the pilot test to “market” the DVS and conduct outreach at meetings and conferences.

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Child nutrition programs are State-administered and States will never be placed into a Do Not Pay Category. Therefore, the Do Not Pay Initiative does not apply to CN programs.

FNS Supplemental Nutrition Assistance Program (SNAP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FNS strives to continuously improve nutrition assistance program management, including measures to improve the accuracy of program payment accuracy processes in collaboration with our State partners, while meeting its goal of providing food and nutrition education to vulnerable populations in the United States. Actions to advance this goal include setting annual priority goals and initiatives, especially for those programs that are at high risk for improper payments.

FNS senior management (in our seven regional offices and National Office) is responsible for the development and execution of the agency's strategic priority plan. Annually, FNS aligns the performance appraisal criteria of each senior manager that supports a high risk program to the Agency's strategic priority plan to ensure steps are taken to assist State agencies to reduce improper payments. Agency management's annual performance appraisals contain elements focused on program integrity, e.g., analyzing administrative and research study datasets, researching and developing solutions to address improper payments, identifying integrity risk

indicators, conducting oversight of State corrective action processes intended to prevent future improper payments, and developing performance review standards (e.g., State compliance reviews), guidance and training materials. That said, below are some examples of performance standards for our senior managers that are specific to reducing improper payments:

Although FNS is responsible for the oversight of State administration of FNS programs, including implementation of State corrective actions to strengthen program integrity, FNS does not have the authority to prescribe performance appraisal criteria at the State and local levels to evaluate their staff. State and local agencies establish and implement their own set of performance appraisal criteria that are in alignment with federal, state, and local regulations.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Supplemental Nutrition Assistance Program (SNAP) uses a legislatively mandated measurement system to detect and estimate improper payments per Section 16(c) of the Food and Nutrition Act of 2008, commonly referred to as SNAP's Quality Control (QC) system. Quality control is a two-tier system. In the first tier, State agencies pull random statistical samples of cases from all households participating in the program each month. State employees review the cases following standardized Federal guidelines to ensure households were correctly deemed eligible and received the correct amount of benefits. In the second tier, USDA's Food and Nutrition Service (FNS) pulls random statistical samples of state case results and reviews them independently in order to validate State findings. State and Federal case results are then aggregated annually, using a regulatory regression analysis formula, which extrapolates case result findings into statewide estimates based on all households participating in SNAP. FNS annually releases national and state level estimates. State agencies with consecutive years of poor performance are sanctioned and assessed financial liabilities, per statute. SNAP describes how the quality control measurement system works on our public webpage at https://fns-prod.azureedge.net/sites/default/files/media/file/USDA_SNAPQC_Infographic-1.pdf.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

The Food and Nutrition Act of 2008 establishes authority for the FNS to collect SNAP over issuances and provide restitution to households for under issuances. FNS promulgated regulations at 7 CFR 273.18 governing claims collection, which requires State agencies to establish a claims collection state plan and to collect over issuances. FNS also assists SNAP State agencies using the Treasury Offset Program (TOP) to collect unpaid claims.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Reducing the improper payment rate in SNAP beyond the current level would not be cost prohibitive. Payment errors in the SNAP program are made by State agencies administering the program and fall into OMB's category of administrative or process errors, where existing rules or policies were not properly followed by a State agency or a household failed to report a change in their circumstances. As a result, efforts by States, including commitment of State leadership, to improve verification, train eligibility workers and ensure consistent application of policy, and

to improve household reporting all may result in payment error reductions and are reasonable to implement.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

While it is likely impossible to eliminate payment error rates in State administered benefit programs, the current rate is not tolerable and may be further reduced by State agencies taking more aggressive action to verify applicant information, particularly income, and to implement robust corrective actions to address the root causes of payment errors.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
NO	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The President's Fiscal Year 2021 budget proposal requests funding for electronic income verification. Errors from the lack of timely and accurate wage reporting represent 40% of all errors in the program. The budget proposal addresses the largest single source of errors and reduces the burden on recipients to report. <https://www.fns.usda.gov/news-item/fns-000820>

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

SNAP improper payments are the result of administrative or process errors made by State or Local agencies, for which robust payment accuracy plans are established to reduce payment errors, and thus not the result of program design or structural issues.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

SNAP improper payments are the result of administrative or process errors made by State or Local agencies, for which robust payment accuracy plans are established to reduce payment errors, and thus not the result of program design or structural issues.

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In SNAP, we have had preliminary discussions with Treasury's Do Not Pay about the potential for demonstration pilots with State agencies. Federal regulations already require numerous data matches in SNAP. In addition, most SNAP State agencies use on average 6 national data sources and 13 state data sources to match SNAP data in order to prevent improper payments.

<https://www.fns.usda.gov/snap/assessment-states-use-computer-matching-protocols>

Conservation Reserve

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

**FNS Hurricane Sandy- Commodity Assistance Program
FS Hurricane Sandy- Capital Improvement and Maintenance (CIM)**

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service Management is made aware of improper payments identified and held accountable for the reduction and recovery of improper payments. Forest Service Manual 6500-2012-1, Chapter 6540 requires management to ensure that payments are accurate, legal, and for eligible goods and services received. The policy prescribes that internal financial control over all payments is established and adequate to safeguard against illegal or erroneous payments and that procedures are implemented to identify, review, and recover improper payments.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)		FY2020 Q3

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts internal reviews to identify improper payments, quarterly reporting of overpayment recoveries for all programs, high-dollar overpayment reporting for high-risk programs, and annual statistical sampling of high-risk programs. These analytics assist in identifying the number, dollar value, and root cause of improper payments that have been detected and recovered. Forest Service has a collection process to issue bills for collection to recover improper payments. Where appropriate corrective actions are implemented to prevent future occurrences. Results are provided to the Forest Service Chief Financial Officer and the U.S. Department of Agriculture (USDA) Office of the Chief Financial Officer – Fiscal Policy Division as required by the Payment Integrity Information Act (PIIA).

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

When improper payments are identified as part of the recovery audit, the vendor is contacted to inform them of the error. A bill for collection is issued and tracked until the collection is received from the vendor.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

No programs are excluded from the review.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government*

Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;

- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Establishing Strategies, Procedure and other steps *Fully operational above.

* A-123 internal controls are fully operational. Forest Service is implementing Enterprise Risk Management strategies to enhance the agency’s risk response.

The A-123 Appendix A, Assessment of Internal Control over Financial Reporting, annual risk assessment incorporates specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. The questions allow the respondent to rate the risk of the agency’s process as either highly susceptible, susceptible, or not susceptible to fraud. Scoped areas that were identified as vulnerable to fraud, waste, and abuse included: payroll, beneficiary payments, grants, large contracts, and purchase and travel cards, as applicable. Purchase card analytics were enhanced to focus on transactions vulnerable to potential fraud, waste, and abuse.

The Forest Service also completed an annual Entity Level Control (ELC) assessment. The ELC assessment complies with the most current GAO — Standards for Internal Control in the Federal Government (“Green Book”). The assessment includes GAO Principle 8, which assesses fraud risk. Attributes include: types of fraud, fraud risk factors, and responses to fraud risks. Objectives include: identifying fraud risks based on fraud risk factors, assessing identified fraud risks for significance, and adequately responding to identified fraud risks. The Forest Service reported overall compliance with the fraud risk principle.

The Forest Service is in the process of implementing and institutionalizing an agency-level Enterprise Risk Management (ERM) program. It will align with the USDA Departmental-Level

ERM program. ERM will effectively identify risks, assess, prioritize, and respond to those risks. The agency will formulate and document the risks in the agency risk profile. Forest Service is at the initial implementation phase for ERM. The implementation of ERM will help Forest Service to identify risk and vulnerabilities better and appropriately take action to reduce and prevent fraud.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Forest and Rangeland Research Disaster Supplemental	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts risk assessments of programs on a 3 year rotation using a standard methodology as directed by USDA. In FY2020 risk assessments were completed for the following programs: Forest and Rangeland Research Disaster Supplemental, Land Acquisition, and Hurricane Sandy – Emergency Forest Restoration Program.

All three programs were found to be low risk for the susceptibility to improper payments.

FS Wildland Fire Suppression Management

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service Management is made aware of improper payments identified and held accountable for the reduction and recovery of improper payments. Forest Service Manual 6500-2012-1, Chapter 6540 requires management to ensure that payments are accurate, legal, and for eligible goods and services received. The policy prescribes that internal financial control over all payments is established and adequate to safeguard against illegal or erroneous payments and that procedures are implemented to identify, review, and recover improper payments.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	6-Audit (improve IC)		FY2020 Q3

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts internal reviews to identify improper payments, quarterly reporting of overpayment recoveries for all programs, high-dollar overpayment reporting for high-risk programs, and annual statistical sampling of high-risk programs. These analytics assist in identifying the number, dollar value, and root cause of improper payments that have been detected and recovered. Forest Service has a collection process to issue bills for collection to recover improper payments. Where appropriate corrective actions are implemented to prevent future occurrences. Results are provided to the Forest Service Chief Financial Officer and the U.S. Department of Agriculture (USDA) Office of the Chief Financial Officer – Fiscal Policy Division as required by the Payment Integrity Information Act (PIIA).

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

When improper payments are identified as part of the recovery audit, the vendor is contacted to inform them of the error. A bill for collection is issued and tracked until the collection is received from the vendor.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

No programs are excluded from the review.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The A-123 Appendix A, Assessment of Internal Control over Financial Reporting, annual risk assessment incorporates specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. The questions allow the respondent to rate the risk of the agency’s process as either highly susceptible, susceptible, or not susceptible to fraud. Scoped areas that were identified as vulnerable to fraud, waste, and abuse included: payroll, beneficiary payments, grants, large contracts, and purchase and travel cards, as applicable. Purchase card analytics were enhanced to focus on transactions vulnerable to potential fraud, waste, and abuse.

The Forest Service also completed an annual Entity Level Control (ELC) assessment. The ELC assessment complies with the most current GAO — Standards for Internal Control in the Federal Government (“Green Book”). The assessment includes GAO Principle 8, which assesses fraud risk. Attributes include: types of fraud, fraud risk factors, and responses to fraud risks. Objectives include: identifying fraud risks based on fraud risk factors, assessing identified fraud risks for significance, and adequately responding to identified fraud risks. The Forest Service reported overall compliance with the fraud risk principle.

The Forest Service is in the process of implementing and institutionalizing an agency-level Enterprise Risk Management (ERM) program. It will align with the USDA Departmental-Level ERM program. ERM will effectively identify risks, assess, prioritize, and respond to those risks. The agency will formulate and document the risks in the agency risk profile. Forest Service is at the initial implementation phase for ERM. The implementation of ERM will help Forest Service to identify risk and vulnerabilities better and appropriately take action to reduce and prevent fraud.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts risk assessments of programs on a 3 year rotation using a standard methodology as directed by USDA. In FY2020 risk assessments were completed for the following programs: Forest and Rangeland Research Disaster Supplemental, Land Acquisition, and Hurricane Sandy – Emergency Forest Restoration Program.

All three programs were found to be low risk for the susceptibility to improper payments.

FS Hurricane Sandy- EFRP

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service Management is made aware of improper payments identified and held accountable for the reduction and recovery of improper payments. Forest Service Manual 6500-2012-1, Chapter 6540 requires management to ensure that payments are accurate, legal, and for eligible goods and services received. The policy prescribes that internal financial control over all payments is established and adequate to safeguard against illegal or erroneous payments and that procedures are implemented to identify, review, and recover improper payments.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Financial Officer and the U.S. Department of Agriculture (USDA) Office of the Chief Financial Officer – Fiscal Policy Division as required by the Payment Integrity Information Act (PIIA).

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

When improper payments are identified as part of the recovery audit, the vendor is contacted to inform them of the error. A bill for collection is issued and tracked until the collection is received from the vendor.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

No programs are excluded from the review.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	3 – Fully Operational	3 – Fully Operational	3 – Fully Operational

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The A-123 Appendix A, Assessment of Internal Control over Financial Reporting, annual risk assessment incorporates specific internal and external fraud risk questions in the “Inherent Risk Considerations” section. The questions allow the respondent to rate the risk of the agency’s process as either highly susceptible, susceptible, or not susceptible to fraud. Scoped areas that were identified as vulnerable to fraud, waste, and abuse included: payroll, beneficiary payments, grants, large contracts, and purchase and travel cards, as applicable. Purchase card analytics were enhanced to focus on transactions vulnerable to potential fraud, waste, and abuse.

The Forest Service also completed an annual Entity Level Control (ELC) assessment. The ELC assessment complies with the most current GAO — Standards for Internal Control in the Federal Government (“Green Book”). The assessment includes GAO Principle 8, which assesses fraud risk. Attributes include: types of fraud, fraud risk factors, and responses to fraud risks. Objectives include: identifying fraud risks based on fraud risk factors, assessing identified fraud risks for significance, and adequately responding to identified fraud risks. The Forest Service reported overall compliance with the fraud risk principle.

The Forest Service is in the process of implementing and institutionalizing an agency-level Enterprise Risk Management (ERM) program. It will align with the USDA Departmental-Level ERM program. ERM will effectively identify risks, assess, prioritize, and respond to those risks. The agency will formulate and document the risks in the agency risk profile. Forest Service is at the initial implementation phase for ERM. The implementation of ERM will help Forest Service to identify risk and vulnerabilities better and appropriately take action to reduce and prevent fraud.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Forest Service conducts risk assessments of programs on a 3 year rotation using a standard methodology as directed by USDA. In FY2020 risk assessments were completed for the following programs: Forest and Rangeland Research Disaster Supplemental, Land Acquisition, and Hurricane Sandy – Emergency Forest Restoration Program.

All three programs were found to be low risk for the susceptibility to improper payments.

FSA Direct and Counter - Cyclical Payments FSA Hurricane Sandy - Emergency Conservation Program (ECP)

Question 1: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Please describe the steps the program has taken and plans to take (including timeline) to ensure that agency managers (including the agency head), accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing IPs through annual performance appraisal criteria for each of the following:

- Meeting applicable improper payments reduction targets;*
- Preventing improper payments from being made; and*
- Promptly detecting and recovering improper payments that are made.*

Performance Appraisal Criteria
meeting applicable improper payments reduction targets
promptly detect and recover improper payments that are made
prevent improper payments from being made

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

FSA Hurricane Sandy - Emergency Forest Restoration Program (EFRP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

FSA Livestock Indemnity Program (LIP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as

accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

FSA Loan Deficiency Payments (LDP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

FSA Milk Income Loss Contract Program

FSA Supplemental Revenue Assistance Payments Program (SURE)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The following steps were unable to be fully implemented for the 2020 performance plans; however, FSA plans to complete these steps for 2021 performance plans and ongoing:

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees

will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A

NRCS Hurricane Sandy-Emergency Watershed Protection Program (EWPP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

State conservationists have elements in their performance plans regarding the detection and prevention of improper payments.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Based on a cost benefit analysis performed, NRCS does not have a separate recovery audit program. Based on the improper payment identification and recovery processes performed during the normal course of business, a separate recovery audit program is deemed unnecessary and a waiver was submitted to OMB. OMB approved this waiver.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

NRCS excluded the programs below.

Farm Security and Rural Investment Act (FSRIP) programs:

Agricultural Conservation Easements Program – Agricultural Land Easements (ACEP ALE)

Agricultural Conservation Easements Program – Wetland Reserve Easements (ACEP WRE)

Environmental Quality Incentives Program (EQIP)

Wildlife Habitat Incentives Program (WHIP)

Conservation Security Program (CSP)

Conservation Stewardship Program (Cstp)

Agricultural Management Assistance (AMA)

Agricultural Water Enhancement Program (AWEP)

Regional Conservation Partnership Program (RCPP)

Voluntary Public Access and Habitat Incentive Program (VPAP)

Other Programs:

Conservation Technical Assistance

Watershed Programs

Plant and Materials

Soil Surveys

Snow Survey and Water Supply Forecasting

They were excluded because the contract previously used by the Department was not cost effective and NRCS has a robust improper payment identification and recovery program as outlined in Question 3.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
3 – Fully Operational	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Portal was not specifically used by NRCS in 2020, however, NRCS does check various databases directly prior to award/payment. Prior to award, NRCS ensures contract and grant vendors maintain current registrations in the System for Award Management. Additionally, for Protracts contracts, NRCS ensures that payments are not made to deceased individuals by checking the Death Master File prior to obligation and payment. NRCS uses these systems directly, rather than through the DNP portal due to its extensive use of system interfaces in business processes.

RHS Rental Assistance Program (RAP)

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

For the Rental Assistance program, performance plans include appropriate performance elements regarding IPIA and recovery of unauthorized assistance for State Office Directors, Program Managers and National Office state. For Rural Development RUS, RHS (excluding Rental Assistance) and RUS, these programs are low risk with minimal or no improper payments identified. As such, the current performance standards does not include standards rating the accountable officials on detecting, reducing and recapturing improper payments.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

When an improper payment is identified, the Field Office, State Office, or NFAOC completes RD improper payment Form 3560-65 or program-specific documents and debt instruments or court documents are signed with the debtor. The form and/or debt instruments are then sent to the National Office for review and approval. Upon approval, the improper payment or unauthorized assistance documentation is sent to NFAOC or the Rural Housing Service (RHS) Customer Servicing Center (CSC) where servicing staff will enter the information into the CLSS or RHS LoanServ automated accounting systems.

If a RHS single family housing loan improper payment is identified, the agency collects through a lump sum payment or a re-amortization over the remaining term of the existing loan. In cases of false information, the improper payment must be repaid in a lump sum within 30 days of the determination of the amount received. If the lump sum payment is not received, the loan will be placed into foreclosure.

During FY2015, RD implemented significant system automation to the CLSS system to develop and deploy an automated accounting and servicing module specifically for tracking, reporting, and recovering improper payments. The automated system allows RD staff to enter improper payment debtor receivables for all RD programs. This establishes an improper payment receivable that will interface with the general ledger and program reports.

Recapture agreements and procedures are established with the debtor where electronic collection methods are required. As recoveries are received, the automated accounting system applies the funds to the debtor's account. If payments are not received timely, the CLSS system will generate a 60 day letter for any account that meets the 60 day delinquent requirement. If payments are still not received and the account becomes 120 days delinquent, the debtor is referred to the Treasury Offset Program (TOP). Subsequent recovery through TOP will be systematically processed through the accounting system. RD has been successful to collect delinquent improper payment recoveries through the improved automation effort.

Department to obtain figures from the quarterly recoveries report.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Rural Housing Services (RHS) Single Family Housing (SFH) Direct, RHS SFH Guaranteed, RHS Rental Assistance Program and RHS Voucher Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

Rural Business and Cooperative Services (RBCS) Agreements, RBCS Relending Programs, RBCS Payment Programs, RBCS Guaranteed Loan Programs, Community Program Grants, Rural Community Development Initiative Grants, Multi-Family Housing (MFH) Preservation & Revitalization Demo Program, Direct Community Facility Loans, Guaranteed Community Facility Loans, Guaranteed Multi-Family Housing Loans, Housing Loans and Grants, Farm Labor Housing Loans, Rural Rental Housing Loans, Electric Loan Programs. Rural Utilities Electric – High Energy Grant Program, Congressional Earmarked Funds, Electric Loan Programs, Water & Waste Guaranteed Loans, Rural Utilities Electric Program – Municipal Rate,

Water Technical Assistance, Community Connect Grants, Public Television Digital Transition Grants, Water & Waste Disposal Systems for Rural Communities -Loans, Rural Energy Savings Program, Rural Telecommunications, Broadband Telecomm Loans – Treasury Rate, Rural Telecommunications Loans – FFB Telecom Loans, Water & Waste Disposal Systems for Rural Communities Grants, Water & Waste Disposal Loans & Grants Section 306C, Rural Telecommunications Loans – Treasury Telecomm Loans, Rural Telecommunications Hardship Loans, and Rural Utilities Electric Program – Direct 5%.

A forty-nine-page waiver request was submitted and approved by OMB and OIG identifying RD's internal control systems in place to prevent, detect, recover improper payments.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures, and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the “Green Book”); and Office of Management and Budget Circular A–123, with respect to the leading practices for managing fraud risk;
- Identifying risk and vulnerabilities to fraud, and
- Establishing strategies, procedures, and other steps to curb fraud.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
YES	1. Program Design or Structural Issue	Other (free text)
YES	2. Inability to Authenticate Eligibility: Inability to Access Data	Other (free text)
YES	3. Inability to Authenticate Eligibility: Data Needed Does Not Exist	Other (free text)
YES	4. Failure to Verify: Death Data	Other (free text)
YES	5. Failure to Verify: Financial Data	Other (free text)
YES	6. Failure to Verify: Excluded Party Data	Other (free text)
YES	7. Failure to Verify: Prisoner Data	Other (free text)
YES	8. Failure to Verify: Other Eligibility Data (explain)	Other (free text)
YES	9. Administrative or Process Errors Made by: Federal Agency	Other (free text)
YES	10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)
YES	11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	Other (free text)
YES	12. Medical Necessity	Other (free text)
YES	13. Insufficient Documentation to Determine	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
YES

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
YES	1. Internal Controls
YES	2. Human Capital
YES	3. Information Systems
YES	4. Resources

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Program(s) does not use a “Do Not Pay” Initiative”

All RD programs uses the DNP portal.

* Delinquent debts for all Rural Development Loan Programs are submitted to the Do Not Pay Portal monthly.

** RD has investigated several inquiries since RD began reporting to the DNP portal and those inquiries came about due to timing differences. For example, the account was paid off in the prior month and the inquiry came in prior to the next monthly update.

*** RD has not documented an incident of incorrect information being corrected.

Marketing Assistance Loan

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

A requirement to improve improper payment rates will be included in the FY2021 State Executive Director's Performance Plans, Element 5, titled "Program Management." The Deputy Administrator for Field Operations will be responsible for holding State Executive Directors accountable for improving improper payment rates.

Within the time constraints required by the Department, National Office and State Office (STO) managers are held accountable for ensuring that program policies and procedures are provided to the STO and County Office (COF) employees accurately and on a timely basis. National Office managers are also held accountable, as reflected in the performance-based rating measures, for overall program administration at the National level.

County office level employees, including the County Executive Director, are responsible for making payments to producers and following all administrative steps in doing so. Employees will be evaluated on program delivery and their compliance with regulations, policies, and procedures through their performance plans.

The Deputy Administrator of Field Operations has facilitated meetings with the program areas to discuss any additional action necessary for senior management to address accountability as accountability issues arise. Such is the case with an ongoing OIG investigation resulting in fraudulent claims and employee involvement where fraud has been discovered.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Improper payments identified in recovery audits are pursued using the same methods as receivables resulting from other programs. Once the audit receivable is established, it is eligible for offset from any future payments. At 100 days delinquent, the receivable is referred to the Department of Treasury for collection as indicated in the Debt Collection Improvement Act of 1986.

FPAC efforts to recover improper payments resulting from audits are performed according to the policies and procedures outlined in FSA handbook 58-FI, Managing FSA and CCC Debts, Receivables, and Claims

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

There are no programs the agency has excluded from its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective.

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	1 – In Beginning Stages	1 – In Beginning Stages	1 – In Beginning Stages

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

N/A

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Does the program use the Do Not Pay Initiative (DNP)?: No

Has the DNP reduced/prevented improper payments?: N/A

How frequently are corrections made?: N/A

How frequently is incorrect information identified?: N/A