

Payment Integrity Scorecard

Program or Activity
RMA Federal Crop Insurance Corporation (FCIC)

Reporting Period
Q3 2022

Change from Previous FY (\$M)

\$1M

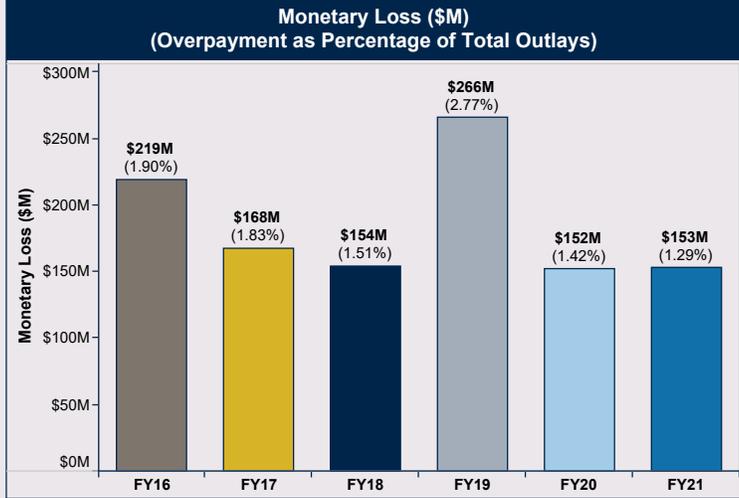


USDA
RMA Federal Crop Insurance Corporation (FCIC)

Brief Program Description:

RMA administers the Federal Crop Insurance Program to provide crop insurance to farmers and ranchers. Approved Insurance Providers (AIPs) sell and service the policies through a partnership with RMA, and share in the risk associated with losses.

Key Milestones	Status	ECD
1 Develop mitigation strategies to get the payment right the first time	Completed	Jun-20
2 Evaluate the ROI of the mitigation strategy	Completed	Jun-20
3 Determine which strategies have the best ROI to prevent cash loss	Completed	Jun-21
4 Implement new mitigation strategies to prevent cash loss	Completed	May-21
5 Analyze results of implementing new strategies	Completed	Jun-21
6 Achieved compliance with PIIA	On-Track	Jun-23
7 Identified any data needs for mitigation	Completed	Jun-22



Goals towards Reducing Monetary Loss	Status	ECD
1 Q3 2022 RMA Compliance continues to work with Product Management to finalize changes to current FCIC policy and procedure regarding record requirements for vertically integrated or direct-marketing producers.	On-Track	Jun-23
2 Q3 2022 RMA is developing questions to present to the AIPs as part of the AIP Performance reviews. These questions will focus on new, or updated, quality control processes the AIPs developed to address changes in their day to day operations (i.e. telework).	On-Track	Aug-23

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Recovery Audit	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System(CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.
2 Recovery Activity	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System(CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.	AIPs are notified of any overpayments through RMA's Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA's accounting system.

Accomplishments in Reducing Monetary Loss	Date
1 RMA's six Regional Compliance Offices completed reviews for 372 case policies in the FY2022 IPERIA sample.	Apr-22
2 RMA met with OMB and OCFO to discuss best practices for improving quality control processes amongst agencies.	May-22
3 RMA participated in OIG's audit of USDA's Compliance with Improper Payment Requirements for Fiscal Year (202150024-0002-24) Exit Conference.	Jun-22

Amt(\$)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$110M	Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed.	A majority of improper payments under this root cause were the result of policyholders submitted unacceptable records to support their production certification.	Change Process – altering or updating a process or policy to prevent or correct error.	In an effort to reduce record requirement errors RMA is updating current Federal Crop Insurance Corporation (FCIC) policies and procedures pertaining to vertically integrated or direct-marketing perennial producers.
\$43M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	COVID required Approved Insurance Providers to modify how day to day operations were conducted. These unforeseen modifications presented an opportunity for less effective quality control processes resulting in payments being issued improperly.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	As part of it's AIP Performance Review, RMA will assess the quality control processes AIPs have established to address changes to their daily operations as a result of COVID.

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.