

Grantee: Southern New Mexico Legal Services
Recipient No. 732026 - Las Cruces Branch
Report No. OIG 00-008

FINAL REPORT

June 8, 2000

VIA E-mail
Mr. Arturo G. Bastidos
Executive Director
Southern New Mexico Legal Services
300 North Downtown Mall
Las Cruces, New Mexico 88001

Recipient No. 732026

Dear Mr. Bastidos:

The on-site inspection of the *Las Cruces* branch office was conducted on May 3-4, 2000. The inspection determined that the office was in general compliance with the LSC Accounting Guide. The inspection identified the following areas where internal controls should be improved:

1. The branch office did not always have the Requisition for Trust Account Check form approved by an attorney or case handler as required by the grantee Financial Manual. Sometimes the office secretary prepared and signed the requests. In addition, a separate request was not prepared for each disbursement. We suggest staff attorneys are reminded that an approving official is required to approve and sign all disbursement requests and that a separate request be prepared for each disbursement.
2. The branch office did not always issue separate receipts for all money received from clients as required by the Accounting Guide and grantee policy. The branch office used a prenumbered four-part receipt and maintained the fourth copy as the client ledger card. When the grantee received multiple payments from a client, the original receipt/client ledger card was updated and a copy was given to the client but a new receipt was not issued. We recommend the branch office issue a separate receipt every time money is received and document the new receipt number on the original client ledger card.
3. The branch office did not send the main office sufficient backup documentation in order for the main office to review transactions for accuracy and adherence to policies and procedures. We recommend the branch office obtain guidance from the main office with respect to what documentation should be submitted on a monthly basis.

Please provide a copy of this report to each member of the board of directors of Southern New Mexico Legal Services.

Sincerely,

(Signed)

E.R. Quatrevaux
Inspector General