



Office of Inspector General FY 2016 Work Plan

Provided to the
Legal Services Corporation
Board of Directors
January 30, 2016



OIG Mission

The OIG serves as an independent resource to prevent and detect fraud, waste and abuse and improve the economy and efficiency of LSC's and its grant recipients' programs and operations.

Established under: Inspector General Act of 1978, as amended 5 U.S.C. app. 3.



OIG Contributes to LSC's Success

By providing objective and useful reports identifying opportunities for improvements in:

- Integrity
- Accountability
- Performance

thereby increasing Congressional and public confidence in the expenditure of scarce LSC funds.



FY 2015 Highlights

- Issued **11** OIG grantee audit reports which reviewed controls over \$44.9 million in LSC grant funds, provided **115** recommendations for grantee program improvements
- OIG audit questioned costs of more than **\$288,000** were sustained by LSC Management
- Reviewed all Grantee IPA audit reports
- Completed 4th year of Grantee Audit Quality Control Reviews; conducted **31** reviews; provided annual summary report; debarred a second IPA for faulty audit work
- Closed **35** investigations
- Made **2** criminal referrals to prosecutorial authorities; LSC Management sustained questioned costs from prior investigative referrals (**\$139,000**); recovery restitution (**\$54,000**); and new investigative questioned cost referrals (**\$72,000**)



FY 2015 Highlights

- Issued *Subgrant Review Capstone Report* identifying deficiencies in subgrantee compliance with LSC regulations
- Produced Grantee advisories on *Conflict of Interest Policies* and *Prompt Reporting of Potential Fraud Indicators to the OIG*
- Performed **19** Fraud Awareness Briefings, **8** Fraud Vulnerability Assessments and **3** Regulatory Vulnerability Assessments
- Provided comments and recommended revisions to:
 - LSC Regulations including: Recipient Fund Balances; Application of Federal Law to LSC Recipients; Use of Non-LSC Funds, Transfers of LSC Funds, Program Integrity; Subgrants and Membership Fees
 - Policies and Procedures on Grant Assurances; Access to Records; LSC Acquisition; Data Breaches; and Records Management
- Produced OIG Strategic Plan for FY 2015 – 2019
- Launched new user-friendly OIG website to better serve stakeholders
- Received 2015 CIGIE Award for Excellence for the OIG's Fraud Prevention Program, producing Fraud Prevention Guide and educating grantee employees at all LSC grantee programs.



OIG Planning

- Guided by our Strategic Plan FY 2015 – 2019 Goals, Objectives and Strategies
- Set work priorities based:
 - High risk LSC areas: performance management and accountability, grants management and procurement, governance and control systems, human capital management, information technology management and security.
- Stay dynamic to address:
 - Current issues, program initiatives, GAO reviews
 - Continual risk assessments and Hotline complaints
 - Stakeholder requests for reviews and consultation (Congress, Board, Management, Grantees)
- Be mindful of resource availability.



Goals and Objectives

Goal 1: Promote LSC effectiveness by delivering high value OIG products as a trusted advisor that identifies areas for improvement and communicates those to stakeholders.

Objectives:

- 1.1 – Prevent and minimize fraud, waste and abuse throughout the federally funded civil legal aid program
- 1.2 – Promote economy and efficiency within LSC and its grant recipients
- 1.3 – Deliver credible, relevant and high quality products
- 1.4 – Foster open and effective communication and working relations.

Goal 2: Advance excellence in OIG performance by effectively managing and leveraging our human resources and information systems.

Objectives:

- 2.1 – Enhance OIG performance and management practices
- 2.2 – Promote professionalism and talent
- 2.3 – Strengthen information management and technology solutions.



Planned FY 2016 Activities

Objective 1.1 – Prevent and minimize Fraud, Waste and Abuse (FWA) throughout the federally funded civil legal aid program

Activities:

- Continue Fraud Awareness Briefings and expand to subgrantees
- Perform a combined total of 12 Fraud/Regulatory Vulnerability Assessments
- Continue subgrantee regulatory reviews
- Issue fraud prevention alerts and notices to LSC Management as appropriate
- Conduct investigations & refer evidence of crimes to prosecutors
- Increase visibility of national fraud, waste and abuse hotline to grantee and sub-grantee staff
- Further develop prevention and detection initiatives and associated data analytics.



Planned FY 2016 Activities

Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients

Activities:

- Perform combined total of 10 OIG internal control/ fiscal/ regulatory compliance audits of LSC grantees & monitor corrective actions
- Issue Compendium Report summarizing the results of OIG internal control audits
- Review and comment on the effectiveness of LSC related legislation, regulations, policies and procedures
- Conduct reviews of LSC's:
 - Compliance with new funder grant requirements
 - TIG Program
 - Credit card usage.



Planned FY 2016 Activities

Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients (Continued)

Activities:

- Conduct reviews of grantees:
 - Contracting
 - IT Security
- Issue revised *Compliance Supplement for Audits of LSC Recipients*
- Review all grant recipients' annual audits performed by IPAs
- Supervise 35 IPA Quality Control Reviews & follow-up
- Oversee the LSC corporate audit.



Planned FY 2016 Activities

Objective 1.3 – Deliver credible, relevant and high quality products

Activities:

- Maintain operational independence and budget flexibility
- Stay informed about LSC initiatives
- Identify major LSC challenges, perform risk assessments and prioritize work in high risk areas
- Meet or exceed professional quality standards
- Leverage CIGIE work relationships, including the CIGIE Audit Committee membership, to ensure OIG is following IG Best Practices.



Planned FY 2016 Activities

Objective 1.4 – Foster open and effective communication and working relations

Activities:

- Improve potential FWA reporting to the OIG
- Meet with LSC managers regularly to increase coordination
- Enhance relationships with the Board and Congress
- Continue improvement of new OIG website.



Planned FY 2016 Activities

Objective 2.1 – Enhance OIG performance and management practices

Activities:

- Ensure alignment between Strategic Plan and work
- Improve OIG measures to support the Strategic Plan
- Competitively procure significant support services
- Facilitate internal improvement recommendations
- Generate transition plan.



Planned FY 2016 Activities

Objective 2.2 – Promote professionalism and talent

Activities:

- Recruit and retain a highly-skilled workforce
 - Conduct OIG compensation review to ensure marketability and competitiveness and implement recommendations
- Promote professional development
- Ensure staff meet continuing professional education requirements.



Planned FY 2016 Activities

Objective 2.3 – Strengthen information management and technology solutions

Activities:

- Continue data analytics in support of OIG programs
- Initiate new investigation case and IPA audit findings management support systems
- Improve and formalize sharing of LSC and grantee data.



Comments or Questions