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Sent: Tuesday, September 27, 2011 6:16 PM  
To: Rebecca Weir  
Cc: mhiggins203@comcast.net  
Subject: Comments on the Report of the Fiscal Oversight Task Force Report to the LSC Board of Directors dated July 28,2011

Rebecca D. Weir  
Assistant general Counsel  
Legal Services Corporation  
3333 K Street, NW  
Washington, DC 20007

Re: Comments on the Report of the Fiscal Oversight Task Force Report to the LSC Board of Directors dated July 28,2011

Dear Madam:

By way of introduction, I headed up the Office of Field Services in the late 1980s and participated in on-site monitoring of grantees while at the Corporation.

I reviewed the report with a great deal of interest and applaud the intent to ensure that the Corporation's funds are properly spent. However, I do have some concerns that the proposed plan for reorganization that is part of this Fiscal Task Force Report does not strengthen fiscal oversight and weakens overall compliance. I view effective fiscal oversight to include onsite monitoring. The monitoring teams of which I was a member (before the OIG was established at LSC) included accountants who briefed us attorneys on what they were looking for so we could keep our eyes open for potential fiscal irregularities. I recollect several instances when the monitoring teams found LSC funds that had been misused or embezzled.

With the establishment of the OIG at LSC, overall compliance functions were split up. The Fiscal Task Force Report touched on the large portion of these functions, including the review of Annual Audits by CPA's, delegated to OIG, but did not have the authority to establish the level of integration that would most strengthen overall compliance. Furthermore, an office charged with fiscal oversight can only function with a clear description of functions that are complementary to those of the Office of Inspector General (OIG). The OIG would have to clearly spell out the scope of its reviews and what actions would be its responsibility.

While the Task Force could not fully resolve the coordination of OIG and LSC Management efforts on fiscal oversight, the proposals for coordination between OIG and LSC Management are a step in the right direction.

However, the reorganization portion of the report does not strengthen compliance and is something of a diversion from dealing with the real problem. Melting the current OCE and OPP and OIM into one office is likely to dilute the strong focus on compliance in the current OCE. The grants administration and program support functions require decisions the results of which OCE fiscal and legal compliance effectively review. This has been tried before with the Office of Program Operations (OPO) which had

the same set of functions that the proposed Office of Grantee Assessment (OGA) would have. After several years, that Office was broken up into the current structure because it did not accomplish its various functions well, and, in particular, did not carry out compliance functions effectively.

The proposal to train all LSC personnel who are involved in any area of grantee oversight in basic fiscal issues is a good one. and all such personnel should be expected to be alert to fiscal issues at the grantees they deal with. But a reorganization placing all of them in one Office is neither necessary nor desirable in achieving that end. Changes in training, in the qualifications for all relevant positions to emphasize some fiscal oversight qualifications, even outside of OCE, and in the duties of these positions would be useful. Setting up coordination and task force structures to ensure that fiscal competence and controls are considered in review of proposed grants competition will accomplish the goals of this report, without the downside of eliminating an Office, OCE, tasked specifically to take an independent and critical look at fiscal and legal/regulatory compliance of all grantees.

Finally, the collection and analysis of grantee information should be separated from the operational units, so the information collected is not colored by either compliance issues or grant decisions.

Respectfully,

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