

Roles and Responsibilities of LSC Offices Responsible for Grantee Oversight

The Legal Services Corporation (LSC or the Corporation) is responsible for funding civil legal assistance programs throughout the United States and for ensuring that programs receiving LSC grants provide high quality legal services and comply with governing laws, rules, and regulations. In performing these duties, LSC is responsible for awarding grants to qualified organizations on a competitive basis; providing guidance to the recipient organizations through regulations and other policy documents; providing advice and technical assistance on compliance and program quality issues; reviewing programs' operations to assure compliance with governing laws and regulations; and requiring and reviewing financial audits to assure the reliability of financial statements and the existence of internal controls. LSC relies upon four offices to perform these duties: the Office of Program Performance (OPP); the Office of Compliance and Enforcement (OCE); the Office of Legal Affairs (OLA); and the Office of Inspector General (OIG), an independent unit with distinct statutory responsibilities.

OPP

The Office of Program Performance (OPP) has the primary responsibility for implementing the competitive application and awards process for LSC grants and for assisting grantees to achieve a high level of quality in the delivery of legal services. To this end, OPP promotes LSC's Performance Criteria; recommends special grant conditions and grant assurances with respect to program quality and reviews grantee compliance with them; identifies the need for communicating policy through program letters and reviews grantee compliance with such policy; visits grantees for assessment of program quality; maintains and promotes best practices summaries for legal services providers; promotes the innovative uses of technology by grantees; and as part of the application and grants oversight process collects data from programs on their performance.

OCE

The Office of Compliance and Enforcement (OCE) has the primary responsibility in LSC Management for reviewing grantee compliance with the LSC Act, with congressional restrictions on LSC funds, and with LSC regulations and instructions. It is also responsible for referrals to the OIG as appropriate; investigations of complaints referred to them; responses to OIG referrals to OCE; approval of grantee subgrant agreements and expenditures above \$10,000; review and approval of grantee waivers related to PAI requirements and fund balance

requirements; and review and assessment of grantee policies with respect to equal opportunity, sexual harassment, and accessibility of services.

In carrying out its responsibilities, OCE prepares and LSC issues the LSC Accounting Guide; conducts case service report and case management system (CSR/CMS) reviews; conducts reviews of compliance with the LSC accounting manual and fiscal-related regulations; recommends special grant conditions and grant assurances with respect to program compliance and reviews grantee compliance with them; provides technical assistance and training; reviews audited financial statements; issues corrective action notices and follows up on corrective action plans; and initiates questioned cost proceedings.

OLA

The Office of Legal Affairs (OLA) provides interpretations of statutory and regulatory authorities applicable to LSC grantees. The various operating components (e.g., OCE and OPP) of LSC seek legal counsel and information from OLA regarding application of relevant laws and regulations, as well as legal issues arising from oversight and enforcement activities, and LSC grantees may directly contact OLA for advisory opinions or for legal information regarding the application of LSC laws and regulatory authorities. OLA also assists LSC's Board and management draft and revise LSC regulations, advises LSC management on enforcement actions/proceedings and may prosecute some such proceedings or defend those actions before assorted tribunals.

OIG

The Office of Inspector General (OIG) was established as an independent unit within LSC by the 1988 amendments to the Inspector General Act of 1978, and is charged by statute with a number of distinct roles and responsibilities:

1. To provide policy direction for and to conduct and supervise audits and investigations of LSC and its grantees;
2. To promote economy, efficiency, and effectiveness in the programs and operations of LSC and its grantees;
3. To prevent and detect fraud and abuse in the programs and operations of LSC and its grantees;
4. To review and make recommendations regarding legislation and regulations relating to the programs and operations of LSC and its grantees; and
5. To keep the Board and Congress fully informed about problems, abuses, and deficiencies in the programs and operations of LSC and its grantees, to recommend corrective actions, and to report on the progress thereof.

In carrying out these responsibilities, the OIG determines in its discretion which matters it will investigate or audit. Reports resulting from such investigations and audits are intended to provide independent analysis to assist Congress, the LSC Board of Directors, and LSC Management in fulfilling their oversight and management responsibilities.

Grantee Audit Process

Pursuant to legislation governing LSC and its programs, each LSC grantee is required to have an annual audit. Such audits are conducted by independent public accountants (IPAs), in accordance with generally accepted government auditing standards and guidance established by the OIG, and report whether: the grantee's financial statements fairly present its financial position and results of financial operations; its internal control systems provide reasonable assurance that it is managing its funds in compliance with Federal laws and regulations; and whether it has complied with Federal laws and regulations applicable to funds received.

The OIG prepares and issues an audit guide, including a compliance supplement, providing guidance to IPAs and grantees with respect to the required audits.

The OIG reviews each audit to determine if it meets OIG audit requirements. If a grantee fails to have an acceptable audit in accordance with the guidance promulgated by the OIG, the OIG has authority to recommend that specified sanctions be taken by LSC.

The OIG refers significant reportable conditions and findings from the audits to LSC management. The OIG follows up on referrals to LSC management to ensure progress of corrective actions.

The OIG provides oversight of IPAs through both in-house and on-site reviews of their reports and underlying work. The OIG has authority to remove, suspend, or bar an IPA, in accordance with established procedures, from performing audit services required by LSC legislation.

As deemed appropriate by the Inspector General, the OIG also uses its statutory authority to conduct on-site monitoring, audits, inspections of grantees.

Adopted by LSC Board of Directors
April 26, 2008