



Office of Inspector General
Legal Services Corporation

Inspector General
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Executive Directors of LSC Recipients

Independent Public Accountants for LSC Programs

The attached Audit Bulletin 2012-01 provides new audit guidance that has been posted to our website at www.oig.lsc.gov. This bulletin clarifies guidance contained in the LSC OIG's Compliance Supplement regarding IPAs' access to attorney-client privileged information.

This bulletin is effective immediately.

Sincerely,


Jeffrey E. Schanz
Inspector General

Attachment

cc: Jim Sandman, President
Legal Services Corporation

Issued: June 25, 2012

Legal Services Corporation, Office of Inspector General
Audit Bulletin No. 2012-01

INTRODUCTION: The Legal Services Corporation (LSC) Office of Inspector General (OIG) is issuing this audit bulletin to notify Independent Public Accountants conducting annual audits of LSC grant recipients of a revision to the OIG's guidance as set forth in the OIG's Compliance Supplement.

AUTHORITIES: Inspector General Act of 1978, as amended, 5 USC app. §4(a)(l); Pub. L. 104-134, 110 Stat. 1321, §509 (1996).

EFFECTIVE DATE: This bulletin is effective immediately.

CURRENT OIG GUIDANCE: Part C of the OIG's 1998 Compliance Supplement, entitled "Compliance Requirements," contains a section on "Access to Records" in which the following guidance appears:

"ACCESS TO RECORDS

The IPA is within the attorney client privilege and has access to any records that, in the IPA's judgment, are necessary to complete the audit. If the recipient asserts attorney client privilege, or in any other manner attempts, to deny the IPA access to necessary documents or relevant portions thereof, the IPA is to contact the OIG immediately."

Because the unqualified statement that IPAs are "within" the attorney-client privilege may not be supportable in all jurisdictions, the OIG is removing the statement's first sentence from its guidance. IPAs must continue to notify the OIG immediately by calling (202) 295-1671, or e-mailing audits@oig.lsc.gov, whenever a grantee has asserted the privilege (or any other rationale) to prevent IPA access to needed documents or information.