

LSC OIG Overview

OFFICE OF INSPECTOR GENERAL OVERVIEW

The LSC Office of Inspector General operates under the Inspector General Act of 1978, 5 U.S.C. App. 3. In 1988, Congress amended the IG Act and required LSC and about 30 other, mostly smaller, federally funded entities to establish independent Offices of Inspector General.

The OIG has two principal missions: (1) to assist management in identifying ways to promote economy and efficiency in the activities and operations of LSC and its grantees; and (2) to prevent and detect fraud and abuse. Thus, the OIG assists management in fostering effective operations, in identifying and overcoming obstacles to good program management, and in preventing future problems. The OIG also identifies and reports on current problems.

The OIG's primary tool for achieving these missions is objective and independent fact-finding, performed through financial and other types of audits, evaluations and reviews, and through investigations into allegations of wrongdoing. Its fact-finding activities enable the OIG to develop recommendations to LSC, Congress, and grantee management for actions or changes that will correct problems, better safeguard the integrity of funds, improve procedures, and otherwise increase the economy, efficiency and effectiveness of LSC programs.

The OIG is also tasked with ensuring the quality of audits of LSC and its grantees, conducted by independent public accountants, and with reviewing proposed and existing regulations and legislation affecting the operations and activities of LSC and the programs it funds.

In addition, since 1996 LSC's annual appropriations have directed that grantee compliance with legal requirements be monitored through the annual grantee audits conducted by independent public accountants, under guidance developed by the OIG. Congress has also specified that the OIG has authority to conduct its own reviews of grantees.

The OIG is headed by the Inspector General, who reports to and is under the general supervision of the LSC Board of Directors. The IG has broad authority to manage the OIG, including setting OIG priorities and activities, and to hire OIG personnel and contractors.

To ensure objectivity, the IG Act grants the LSC IG independent authority to determine what audits, investigations, and other reviews are performed, and empowers the IG to: gain access to all documents needed for OIG reviews; publish findings and recommendations based on OIG reviews; and report OIG findings and recommendations to the LSC Board of Directors and to Congress.

The IG Act also prohibits LSC from assigning to its IG any of LSC's own "program operating responsibilities." This means that the OIG does not perform functions assigned to LSC by the Legal Services Corporation Act, 42 U.S.C. §§2996 *et seq.*, other than those transferred to the OIG under the IG Act and those otherwise assigned by Congress, for example in LSC's annual appropriations acts.

The IG reports serious problems to the LSC Board of Directors and must also report to appropriate law enforcement authorities when, through audit, investigation, or otherwise, the IG has found that there are reasonable grounds to believe that a crime has occurred. The OIG is not an "arm" of the Congress, as is the Comptroller General, but is required by law to keep the Congress informed through semiannual reports and other means. The IG also provides periodic reports to the Board and management of LSC and, when appropriate, to the boards of directors and management of LSC grantees. Some of these reports will be specific (*e.g.*, an audit of a particular grantee or an investigation of a theft or embezzlement), while others will be of broader application or of more general interest to management.

To be effective, the OIG works cooperatively with the Board and management, seeks their input prior to choosing topics for OIG review, and keeps them informed of OIG activities. Within their different statutory roles, the OIG and LSC management share a common commitment to improving the federal legal services program and increasing the availability of legal services to the poor.

OFFICE OF
INSPECTOR GENERAL



AN OVERVIEW

Our Statutory Mission

- Inspector General Act of 1978
 - (1) Fraud, Waste and Abuse
 - ❖ Prevention
 - ❖ Detection
 - (2) Efficiency and Effectiveness
- LSC Appropriations Acts Clarify OIG Authority
 - (1) Oversee IPA Audits of Grantees
 - (2) Review Grantees Directly
 - ❖ Financial
 - ❖ Compliance

What We Do

- Fact-Finding
 - ❖ Audits
 - ❖ Investigations
- Evaluations and Other Reviews
- Cultivate Relationships Between LSC and Outside Entities
- Comment on Proposed and Existing Legislation, Regulations, and Policies

What We Do (cont.)

- Reporting
 - ❖ Keep Board and Congress Fully Informed
 - ❖ Make Recommendations to LSC and/or Grantee Management
 - ❖ Report Violations of Law to U.S. Attorney General or Other Law Enforcement

Results of Our Findings and Recommendations

- Greater Knowledge About How LSC Programs Are Working
- An Opportunity to Correct Problems
- Improved Efficiency & Effectiveness in Carrying Out LSC's Mission
- Better Safeguards for the Integrity of Funds

Access to Information

- Receive Complaints from Any Source
- Access to LSC Information
 - ❖ All Records
 - ❖ All Employees
- Access to Grantee Information
 - ❖ Records
 - ❖ Employees
- Protect Whistleblowers
- Subpoena Authority

OIG Independence

- An Independent Unit within LSC
 - General Supervision by the Board of Directors
 - 30 Day Notice to Congress Prior to Removal or Transfer of the IG
 - Independent Budget Authority
 - Insulated from Programmatic Activities
 - Separate OIG Counsel
- Established as a Self-Directed Office
 - Independently Determines What Work to Undertake
 - Independently Determines How to Accomplish That Work
- Council of Inspectors General on Integrity and Efficiency Investigates Allegations of Wrongdoing Against IGs and Senior OIG Employees

OIG Role

- Professional constructive critic \ agent of positive change
- Provide objective information to promote good management, decision-making, and accountability
- Contribute to LSC's success in fulfilling the LSC mission - Common Interest!
- **OIG Focus:**
 - Eliminating waste, fraud and abuse
 - Promoting efficiency and effectiveness in the national program
- Corrective actions by LSC leadership

OIG Goals

- GOAL 1: Provide products that are useful, mission-oriented and effectively communicated to stakeholders.
 - -- strive to provide relevant, impartial, balanced, accurate, cost-effective products and services that our clients rely upon to make informed decisions
- GOAL 2: Ensure professional quality, credibility and independence, and operate in a manner that will provide greater effectiveness, efficiency and accountability
- GOAL 3: Develop human capital, including motivation, knowledge and multiple competencies, in a healthy work environment to support our mission

OIG Stakeholders

- Work toward being a valued resource to:
 - the LSC Board of Directors, management and staff
 - grant recipients
 - the Congress
 - low-income clients and communities
 - American taxpayer
- Any stakeholder may request our assistance at any time

LSC's Environment

- Accountability, Governance & Oversight
 - Congress/GAO
- Performance Expectations
- Arms length Grant-making & Oversight
- Interested Third Parties
 - ABA, NLADA, CLASP

Major LSC Challenges

- Responsibility/Stewardship
- Program Accountability/ Compliance
- Transparency
- Human Capital
- Information Technology (IT)