

# Office of Inspector General Making a Difference

The Inspector General Act established independent Offices of Inspector General within federal agencies and certain federally-funded corporations, charged with the dual mission of preventing and detecting fraud and abuse, and improving the economy, efficiency, and effectiveness of their respective agencies' and corporations' programs. At LSC, we believe these objectives are especially important as every dollar lost to fraud, waste, or abuse costs LSC-funded programs critically needed resources and can deprive clients of services they need to protect their rights in areas vital to their personal, legal, and economic security.

**A**t LSC's Office of Inspector General (OIG), we devote much of our oversight work to conducting professional audits, investigations, and program analyses. Our work helps protect LSC's grant recipients from fraud and abuse, and also serves to enhance accountability, responsibility, and transparency in LSC and grantee operations. While maintaining the independence of the OIG, our staff works in close coordination with LSC's board of directors, management, and staff to further the Corporation's primary strategic goal of maximizing the availability, quality, and effectiveness of the civil legal services that its grantees provide to eligible low-income individuals.

As I enter my sixth year of serving as LSC's Inspector General, I am pleased to report that our office continues to make substantial contributions to protecting and improving LSC's programs.

Throughout FY 2012, we focused our audit efforts on reviewing internal controls at LSC grantees, particularly as they related to financial operations, and initiated a series of audits related to grantee expenditures and accomplishments under LSC's Technology Initiative Grant program. Audits completed during the period identified a total of more than \$1.5 million in questioned costs.

The OIG is also responsible for overseeing the annual financial statement audit process for LSC's 134 grantees. All grantees are required to have an annual audit, conducted by an independent public accountant. We conduct desk reviews of all the grantee audit reports as well as a comprehensive program of audit Quality Control Reviews (QCRs). In FY 2012, working with a CPA firm operating under contract to our office, the OIG issued 39 QCR reports. This program plays a key role in helping to ensure that the accounting firms performing grantee audits are following applicable standards and requirements. Under the program every firm performing a grantee audit is now subject to a QCR at least once every four years.



webinars, and assessments for grant recipients across the country. In FY 2012, the OIG added a new component to our preventative portfolio by initiating a regulatory vulnerability assessment program, in which we work on-site with

grantees to identify internal control or compliance weaknesses, seeking to prevent small issues from becoming big problems. We also continue to operate an active nationwide hotline for reporting suspected irregularities to further help protect LSC and its grantees.

During FY 2012, the OIG continued to upgrade its information systems to increase interoperability, the sharing of critical information related to OIG audits and investigations, and to improve risk-based planning. We have also endeavored to make meaningful contributions to LSC's strategic planning process and to its various task force activities.

By continuing to press forward with these and similar activities, the OIG is helping to both identify and deter fraud, waste, and abuse in LSC programs and operations and to improve the efficiency and effectiveness of the federally-funded legal services program.

I am gratified at the contributions that we have made and I am committed to doing all that we can to help improve and protect LSC's programs. On behalf of all the OIG's staff members, I am pleased to be able to work with LSC's board of directors, its president, and the LSC staff in pursuing our common commitment to helping LSC achieve its goal of providing equal access to justice for low-income Americans.

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