

Bolstering Management, Improving Fiscal and Grantee Oversight

Funding the efficient and effective delivery of legal services through sound financial management is fundamental to LSC's mission. LSC's leadership is committed to prudent stewardship of federal funds.

In 2012, LSC aggressively pursued new strategies and tightened oversight to improve its performance, enhance fiscal responsibility, and leverage federal investment in legal services with private support.

- **Adopted a Strategic Plan (2012-2016).** The plan establishes three major goals and identifies specific implementation initiatives:
 1. Maximize the availability, quality, and effectiveness of the civil legal services that LSC grantees provide to eligible low-income individuals.
 2. Become a leading voice for access to justice and quality legal assistance in the United States.
 3. Achieve the highest standards of fiscal responsibility, for both LSC and its grantees.

To read the Strategic Plan: bit.ly/LSC-StrategicPlan

- **Began implementing the recommendations of a Fiscal Oversight Task Force.** The task force, composed of experienced professionals from the legal, business, accounting, inspectors general, and grantmaking communities, reviewed LSC's fiscal oversight of its grantees and made detailed recommendations for improvement, including creating a risk-based, integrated approach to financial oversight and consolidating management's three, separate oversight offices into one office called the Office of Grantee Assessment (OGA).

To read the Fiscal Task Force Report: bit.ly/LSC_FTReport

- **Hired new, business-oriented managers.** In 2012, President Sandman added two new members to his management team. LSC Vice President for Grants Management Lynn Jennings has first-hand grantmaking and fiscal management experience and is leading LSC's reorganization under the Fiscal Oversight Task Force recommendations. Chief Information Officer Peter Campbell is an



Lynn Jennings

experienced technical strategist and manager, with an impressive track record of



Peter Campbell

using technology to improve nonprofit performance.

- **Expanded the enforcement options available to LSC to deal with grantees who violate legal requirements and grant conditions.** LSC issued regulations giving the corporation additional options to suspend funding and to impose immediate special grant conditions.
- **Adopted a development plan to guide LSC's sustainable fundraising efforts.** The plan will help the board's Institutional Advancement Committee identify private donors and grant opportunities to leverage the federal investment in civil legal aid and increase public-private partnerships in the legal aid delivery system.
- **Participated in Interagency Roundtable meetings.** Beginning in July, LSC had the unprecedented opportunity to discuss legal aid with representatives of 17 federal agencies at meetings of a new Interagency Roundtable that was created to better integrate legal services into federal grant programs when doing so can help improve outcomes for vulnerable populations.

In his remarks at the 2013 White House Forum on Increasing Access to Justice, Attorney General Eric Holder said the roundtable was launched "to raise awareness about the profound impact civil legal aid services can have in promoting access to health and housing, education and employment, family stability and community well-being."

The Interagency Roundtable is staffed by the U.S. Department of Justice Access to Justice Initiative. LSC continues to support efforts by the Access to Justice Initiative to identify and promote opportunities for legal services programs to collaborate with other services providers when partnerships would advance federal objectives and improve outcomes.



LSC in Durham, N.C.: (L-R) LSC Fiscal Task Force Co-Chairs Victor Maddox (L) and Robert J. Grey Jr.

Measuring Results: Private Grant to Improve Data Collection and Analysis

In 2012, LSC received a \$276,000 grant from the Public Welfare Foundation (PWF) to conduct an 18-month project designed to improve LSC's data collection and reporting mechanisms and to educate LSC grantees about collection, analysis, and use of data. The project will develop new methodologies for evaluating grantee outcomes and provide a fuller picture of grantees' operations, accomplishments, and limitations. The data collection and analysis project has three major objectives:

- Develop and implement an improved system for collecting and analyzing data from grantees, so that LSC can obtain a fuller picture of grantees' operations, accomplishments, and limitations;
- Develop tools and resources that enhance grantees' ability to collect and use data to design, assess, and improve their delivery strategies and program operations, and to demonstrate the need for and effect of the services they provide clients throughout the country; and
- Provide training and technical assistance that fosters grantees' effective use of the tools and resources developed.

Ongoing Improvements to Grantee Oversight Operations

LSC has made significant progress in implementing the recommendations of the Government Accountability Office's (GAO) June 2010 report on LSC's Grant Awards and Grantee Program Effectiveness. To date, the GAO has closed or is in the process of closing 13 of its 17 recommendations. LSC continues to work on the remaining open recommendations, which primarily involve development of an internal personnel management system and are subject to ongoing collective bargaining with LSC's employee union.

The Office of Program Performance (OPP) has primary responsibility for implementing the competitive grants application and awards process. In 2012, OPP initiated a new tracking system as part of the grant competition evaluation process to gauge grantee implementation of prior program quality visit recommendations. This system allows LSC to better evaluate the fiscal and programmatic strength of grant applicants.

2012 Oversight Actions and Accomplishments

While LSC has always placed a premium on assessing the quality of services provided by its grantees, LSC increased its emphasis on fiscal oversight and compliance in 2012 under President Sandman's leadership. LSC's oversight staff conducted a total of 63 onsite visits in 35 states, the District of Columbia, and the Commonwealth of Puerto Rico.

The Office of Compliance and Enforcement (OCE) conducted 26 onsite visits of grantee operations—22 compliance oversight visits, three trainings, and one capability assessment—in California, District of Columbia, Florida, Illinois, Kentucky, Maine, Minnesota, Mississippi, Montana, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Utah, and Wyoming. OCE anticipates completing another 26 onsite visits in 2013.

OPP conducted 37 onsite visits—19 program quality visits, 17 program engagement visits, and one capability assessment—in Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Idaho, Indiana, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, Ohio, Puerto Rico, South Dakota, Texas, Utah, Vermont, Virginia, Wisconsin, and Wyoming. OPP anticipates completing 40 onsite visits in 2013.

LSC continues to take appropriate corrective actions against grantees that do not comply with the LSC Act and other laws and regulations. Questioned-cost proceedings were completed against two grantees in 2012 and LSC recovered nearly \$56,000 as a result of questioned-cost proceedings and/or investigations for disallowed costs from grantees. Also, LSC placed special grant conditions with rigorous reporting requirements on eight grantees for the 2013 grant awards.