Mission

- The OIG serves as an independent resource to prevent and detect fraud, waste, and abuse and improve the economy and efficiency of LSC’s and its grant recipients’ programs and operations.
  

- We follow the professional standards of the Council of Inspectors General on Integrity and Efficiency (CIGIE), Government Accountability Office, and professional organizations.

- OIG work increases Congressional and public confidence in the proper expenditure of scarce LSC funds.
OIG Planning – Performance System

- Guided by IG Act
- Four-year OIG Strategic Plan
  - Goals
  - Objectives
- Annual Work Plan sets out specific activities
  - Unit Plans and Priorities
- Report OIG Performance
  - Semi-Annual Reports to Congress
  - Annual OIG Activities Report to the Board.
OIG Work Plan

- Ensure flexible and dynamic operations to address:
  - Current issues, program initiatives, GAO reviews
  - Continual risk assessments and Hotline complaints
  - Stakeholder requests for reviews and consultation (Congress, Board, Management, Grantees).

- Set work priorities based on:
  - Ongoing work
  - High Risk areas
  - Available resources.
FY 2019 OIG Highlights

Audit Activities:

- Reviewed 144 grantee and sub-recipient financial statement audits - of all LSC and non-LSC funds - referred 48 significant findings to LSC Management for corrective action.
- OIG internal control audits reviewed controls over $10,000,000 in LSC grant funds, providing 82 recommendations for improvements in grantee operations.
- Completed 35 Grantee Audit Quality Control Reviews; debarred 4 IPAs to date.
- Performed computer network security vulnerabilities assessments of grantees’ networks; will issue summary report providing recommendations to help all grantees strengthen network security and protect their data.
- Issued special bulletin to LSC grantee executive directors and their IPAs on the GAO’s 2018 revisions to Government Auditing Standards (GAS) and provided resources for grantees and IPAs to obtain additional information.
**FY 2019 OIG Highlights**

**Investigative Activities:**

- Opened 41 and closed 60 investigations involving alleged contract fraud, prohibited political activity, payroll fraud, time and attendance fraud, fraudulent travel claims, computer hacking, program integrity violations, unauthorized outside practice of law, diversion of prospective grantee clients for personal gain.

- OIG investigations resulted in: over $20,000 in monetary recoveries; one indictment; a guilty plea; filing of two criminal charges; one sentencing action; one personnel action resulting in termination; and LSC management decision to recover $5,000 based on prior year OIG questioned cost referral.
FY 2019 OIG Highlights

**Fraud Prevention Activities:**

- Performed **9** Fraud Vulnerability Assessments; **9** Regulatory Vulnerability Assessments; **4** Fraud Awareness Briefings and **3** Fraud Awareness Webinars
- Since 2009, OIG has conducted 160 briefings for grantees and subgrantees in all 50 states, the District of Columbia, and the five LSC served territories
- Produced four grantee fraud advisories and online “Fraud Corner” articles to help prevent and minimize fraud, waste and abuse related to:
  - Insider threats
  - Checking account fraud
  - Payroll phishing
  - Local travel reimbursement fraud.
Goal 1: Promote LSC effectiveness by delivering high value OIG products as a trusted advisor that identifies areas for improvement and communicates those to stakeholders.

**Objectives:**
1.1 – Prevent and minimize fraud, waste, and abuse throughout the federally funded civil legal aid program
1.2 – Promote economy and efficiency within LSC and its grant recipients
1.3 – Deliver credible, relevant, and high quality products
1.4 – Foster open and effective communication and working relations.

Goal 2: Advance excellence in OIG performance by effectively managing and leveraging our human resources and information systems.

**Objectives:**
2.1 – Enhance OIG performance and management practices
2.2 – Promote professionalism and talent
2.3 – Strengthen information management and technology solutions.
Objective 1.1 – Prevent and minimize Fraud, Waste, and Abuse throughout the federally funded civil legal aid program

**Preventative Activities:**
- Perform a combined total of 10 new Fraud/Regulatory Vulnerability Assessments and proactive initiative visits
- Continue Fraud Awareness Briefings for newly hired grantee executive directors and fiscal officers
- Issue 3 fraud prevention reports, alerts, or notices to LSC Management and the field as appropriate
- Further develop prevention and detection initiatives:
  - Develop podcast for grantee executive directors and fiscal officers on the use of internal controls to prevent fraud
  - Update Fraud Prevention Guide.

**Investigative Activities:**
- Conduct investigations & refer evidence of crimes to prosecutors
- Increase visibility of national fraud, waste, and abuse hotline to grantee and sub-grantee staff.
Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients

Activities:

- Review and comment on the effectiveness of LSC related legislation, regulations, policies and procedures
- Review 132 grant recipients’ annual audits performed by IPAs; refer significant findings to LSC Management for resolution
- Perform a minimum of 6 OIG internal control audits of LSC Grantees covering operational/ fiscal accountability/ regulatory compliance and monitor corrective actions
- Issue 2 year Compendium Report of OIG audit findings regarding grantee internal controls
- Supervise 35 grantee IPA Audit Quality Control Reviews & follow-up; issue advisory to IPA’s and grantees summarizing results.
Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients (Continued)

Activities:

- Publish for public comment revised OIG audit manual used by grantee IPAs
- Complete a minimum of 4 reviews of Grantees’ IT security and issue summary report
- Review IT security reviews methodology, format and procure vendor services.
- Oversee the LSC corporate audit
- Conduct reviews of LSC’s operations
Objective 1.3 – Deliver credible, relevant, and high quality products

**Activities:**

- Ensure operational independence and budget flexibility
- Stay informed about LSC initiatives
- Identify major LSC challenges, perform risk assessments, and prioritize work in high risk areas
- Plan for future Disaster Grant reviews
- Meet or exceed professional OIG quality standards
- Leverage CIGIE work relationships to maintain IG Best Practices.
Objective 1.4 – Foster open and effective communication and working relations

Activities:

- Meet with LSC executives and managers regularly to continue coordination
- Enhance relationships with the Congress, Board, management, grantees, and outside parties
- Continue to leverage the OIG website
Objective 2.1 – Enhance OIG performance and management practices

Activities:
- Develop new Strategic Plan and ensure alignment between Strategic Plan and planned work
- Undergo Audit operations Peer Review by AMTRAK, apply any recommendations
- Stay active in CIGIE professional committees and apply Best Practices
- Facilitate internal OIG improvement recommendations
- Competitively procure product and services contracts following contract management Best Practices
- Create executive transition plan.
Objective 2.2 – Promote professionalism and talent

Activities:

- Recruit and retain a highly-skilled workforce
- Ensure OIG market competitiveness
- Ensure staff meet continuing professional education requirements
- Promote professional development.

Planned FY 2020 Activities
Objective 2.3 – Strengthen information management and technology solutions

Activities:

- Continue to improve IPA audit findings and resolution support system
- Pursue information technology modernization improvements including security
- Continue data analytics in support of OIG programs and risk management practices
- Improve and formalize sharing of LSC and grantee data.
Conclusion

- Board or Management requests
- Comments or Questions