



# *Office of Inspector General FY 2021 Work Plan*

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Provided to the  
Legal Services Corporation  
Board of Directors  
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## 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.  
*Established under: Inspector General Act of 1978, as amended, 5 U.S.C. app. 3.*
- 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.



## *Planning – Performance System*

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



## *OIG Work Plan*

- Ensure flexible and dynamic operations to address:
  - COVID-19 impacts on LSC and OIG work
  - 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 2020 OIG Highlights*

## **Audit Activities:**

- Reviewed **117** grantee and sub-recipient financial statement audits - reviewing all LSC and non-LSC funds - referred **81** significant findings to LSC Management for corrective action
- LSC management sustained **\$107,314** in audit questioned or unsupported costs as a result of OIG referrals
- Issued **5** internal control audits covering **\$13,853,000** in LSC grant funds and containing **107** audit recommendations to LSC grant recipients; closed **100** audit recommendations from this or previous periods; resulted in new questioned or unsupported costs of **\$137,040**
- Completed **33** Grantee Audit Quality Control Reviews
- Issued **3** reports assessing the vulnerability of LSC grantees' IT networks and a special report summarizing and analyzing the findings and recommendations from the OIG's 2018-19 security vulnerability assessments
- Issued a special compendium report summarizing and analyzing the findings and recommendations contained in the last two years' internal audit reports, and comparing that to the prior two-year period
- OIG Audit was peer reviewed and received the highest score possible.



## ***FY 2020 OIG Highlights***

### **Investigative Activities:**

- Opened **33** and closed **32** investigations involving allegations of grant fraud; theft; contract fraud; diversion of clients for personal gain; outside practice of law; cyber fraud; time and attendance fraud; and other violations of LSC statutes and regulations
- OIG investigations resulted in over **\$459,946** in monetary results including: **\$326,400** in cancelled grant expenditures; **\$103,687** in suspended grant payments; **\$17,602** in questioned cost recoveries; **\$12,257** in restitution orders and other fees
- OIG investigative efforts resulted in the acceptance of **four** criminal referrals; **three** indictments, informations, or criminal complaints; **one** guilty plea; **one** sentencing action; **one** debarment; and **one** pretrial diversion agreement.



# ***FY 2020 OIG Highlights***

## **Fraud Prevention Activities:**

- Created six “Fraud Corner” articles discussing
  - The hazards and benefits of using automated clearinghouse (ACH) transactions during the pandemic
  - Covid-19 purchasing scams
  - Covid-19 fraud scams generally
  - Frauds targeting teleworking employees
  - Fraud risks associated with third-party payment services
  - The negative effects of nepotism on grantee programs
- Performed 6 Fraud Vulnerability Assessments; 5 Regulatory Vulnerability Assessments; 3 Fraud Awareness Briefings for grantees
- Produced a comprehensive online presentation on preventing payroll and accounting fraud; time and attendance and travel fraud; revenue and credit card fraud; outside practice, outside employment, and client diversion schemes; and regulatory violations and conflicts of interest
- Issued a Fraud Alert on payroll fraud schemes committed through fraudulent timekeeping and other improper manipulations of payroll systems.



# *Strategic Goals & Objectives*

**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.



## *Planned FY 2021 Activities*

**Objective 1.1 – Prevent and minimize Fraud, Waste, and Abuse (FWA) throughout the federally funded civil legal aid program**

**Preventative Activities:**

- Perform outreach and education programs to promote fraud awareness and prevention measures on significant & timely fiscal or operational issues
  - Issue **5** fraud prevention reports, alerts, or fraud corner articles on topics like: cyberthreats and fraud schemes
  - Provide **3** advisory/summary reports identifying and summarizing risks and prevention measures; topics: CARES Act, audit quality reviews, grantee IT network vulnerabilities
  - Continue fraud awareness training for current and newly hired grantee officers.



# *Planned FY 2021 Activities*

## **Objective 1.1 – Prevent and minimize Fraud, Waste, and Abuse (FWA) throughout the federally funded civil legal aid program**

### **Preventative Activities: (continued)**

- Provide proactive vulnerability assessments to evaluate and enhance the integrity of operations and controls
  - Stay abreast of LSC management’s risk assessment and operational environment to identify and address emerging vulnerabilities and risks
  - Shift priorities as necessary to concentrate on high-risk areas
  - Produce **12** new fraud/regulatory vulnerability assessments and proactive reviews of grantee and subgrantees
  - Perform **4** grantee IT networks vulnerability assessments
- Conduct prevention initiatives:
  - Revise OIG Fraud Prevention Guide
  - Provide continual updates to OIG website on COVID-19 scams and other financial issues.



# *Planned FY 2021 Activities*

**Objective 1.1 – Prevent and minimize Fraud, Waste, and Abuse (FWA) throughout the federally funded civil legal aid program**

**Detection Activities:**

- Operate detection programs including investigations, national hotline, and annual audits:
  - Conduct criminal, civil, and administrative and/or regulatory investigations
  - Pursue criminal, civil, administrative, and professional disciplinary remedies
  - Continue investigative oversight outreach & restart field visits ASAP consistent with safety protocols
  - Maintain national fraud, waste, and abuse hotline
  - Ensure protections for whistleblowers
  - Use LSC and grantee audits and data to identify areas for corrective action.



# *Planned FY 2021 Activities*

## **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, governance, and implementation
- Conduct audit, investigations, assessments & reviews of LSC's operations focusing on high-risk operations, programs, and events
- Issue a minimum of **6** reports covering operational/ fiscal accountability/ regulatory compliance/ internal controls of LSC and its grantees
- Monitor corrective actions.



# *Planned FY 2021 Activities*

## **Objective 1.2 – Promote economy and efficiency within LSC and its grant recipients (continued)**

### **Activities:**

- Conduct the LSC audit program including the LSC and grant recipients' annual financial statement audits and coordination with LSC oversight offices and auditors of LSC grantees
  - Oversee LSC Annual financial statements audit
  - Review **132** grant recipients' annual audits performed by IPAs; refer significant findings to LSC Management for resolution
  - Revise and publish for comment Audit Guide for Recipients and Auditors
  - Supervise **35** grantee IPA Audit Quality Control Reviews & follow-up.



# *Planned FY 2021 Activities*

## **Objective 1.3 – Deliver credible, relevant, and high-quality products**

### **Activities:**

- Maintain independence and operational flexibility
- Stay informed about LSC initiatives and solicit input from stakeholders
- Identify major LSC challenges, perform risk assessments of the environment, and prioritize work in high-risk areas
- Meet or exceed professional OIG quality standards and best practices.



# *Planned FY 2021 Activities*

## **Objective 1.4 – Foster open & effective communication & working relations (3-C's)**

### **Activities:**

- Maintain effective working relationships with the Congress, Board, LSC, grantees, and outside parties
- Regularly and proactively communicate with LSC executives and managers to continue coordination
- Provide an OIG orientation to all current/onboarding LSC staff and enhance understanding and open communications at all levels
- Continue to build relationships with CIGIE, Pandemic Response Accountability Committee (PRAC), & IG community members regarding best practices, fraud trends in grant programs, and to coordinate information and leverage resources; e.g., via participation in the CIGIE Audit Committee and Grant Fraud Working Group
- Leverage the communications potential of the OIG website (continue 508 compliance) and mass email distribution
- Perform peer review of NASA OIG.



# *Planned FY 2021 Activities*

## **Objective 2.1 – Enhance OIG performance and management practices**

### **Activities:**

- Complete new Strategic Plan to correspond with LSC's Strategic Plan, and ensure alignment between Strategic Plan and planned work
- Formalize executive transition plan
- Competitively procure subject area review and support experts as needed
- Identify and emulate best practices of similar leading organizations: Government Accountability Office, CIGIE, & PRAC.



# *Planned FY 2021 Activities*

## **Objective 2.1 – Enhance OIG performance and management practices (continued)**

### **Activities:**

- Strengthen the management of data collection and analysis
  - Leverage data analytics in OIG planning and operations
  - Improve and streamline risk assessments
  - Improve and formalize sharing of LSC and grantee data and foster open communication at all levels of staff
    - Continue to work with LSC management to ensure access to documents and records is timely and complete
  - Optimize use of internal and external information resources
  - Augment operational efficiencies
    - Facilitate internal OIG improvement recommendations
  - Continue to review and update OIG policies.



# *Planned FY 2021 Activities*

## **Objective 2.2 – Promote professionalism and talent**

### **Activities:**

- Recruit and retain a highly-skilled workforce
  - Conduct review of compensation to ensure OIG market competitiveness
- Support an inclusive, engaged, results oriented work culture and uphold core values
- Promote professional growth through training and ongoing professional development
  - Meet continuing professional education requirements
  - Promote professional development through training including CIGIE & inter-agency training opportunities
  - Provide management development courses for future leadership
- Continue to provide a flexible work environment including increased opportunity for remote work by staff.



## *Planned FY 2021 Activities*

### **Objective 2.3 – Strengthen information management and technology solutions**

#### **Activities:**

- Continue development of the grantee financial statement review and referral system
- Formalize Information Technology (IT) practices
  - Ensure appropriate IT Security via information assurance program
  - Formalized Continuity of Operations Plan
- Ensure OIG technology and skills keep pace with operating environment.



## *Conclusion*

- Board or Management requests
- Comments or Questions?