

# Elevating Your Audit

FROM THE LSC OIG



## How to Improve Your Review of “Matters”

**This bulletin offers practical steps to help grantees and Independent Public Accountants (IPAs) ensure an accurate, rigorous review of “matters” that aligns with LSC expectations.**

- During independent audits, a thorough review of “matters” is essential to evaluating whether grantees comply with LSC regulations. Weak or incomplete reviews of “matters” can undermine the integrity of the engagement.
- The Office of Inspector General has observed recurring issues in how “matters” are reviewed during engagements with Independent Public Accountants (IPAs).

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### What constitutes a “matter?”

- Broadly speaking, LSC grantees engage in “case” and “non-case” activities. Non-case activities (or “matters”) are critical components of LSC-funded services, including community education, and outreach.
  - “Matters” are defined in Parts 1620 (Priorities in Use of Resources) and 1635 (Timekeeping Requirement) of the LSC OIG Compliance Supplement as actions which support the overall delivery of program services but do not involve direct legal advice or legal representation for specific clients.
  - Further information can be found in the Federal LSC regulations at 45 C.F.R. §§ 1620.2 (b); 1635.2(c). A firm understanding of this definition is essential for proper evaluation.
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## How to improve your review of “matters”

- **Ask the Executive Director or senior staff how they track and monitor “matters.”** Grantees are required to use timekeeping systems that capture non-case activities, including “matters.” These systems must record the amount of time spent, the type of activity performed, and include sufficient detail to associate each activity with a specific award or indirect cost.
  - **Review the “Report of Other Services.”** Grantees typically submit a Report of Other Services to LSC. This report can offer a helpful overview of non-case activities and how they align with the grantee’s strategic goals.
  - **Assess Prioritization and Processes.** Look for evidence of a systematic process to track and prioritize “matters.” Determine if these activities align with the grantee’s service priorities and that they are properly documented.
  - **Avoid using a review of case-files as testwork for “matters.”** Because “matters” do not involve direct legal representation, a review of case-files would not provide adequate coverage.
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## Additional Strategies

- **Review** Board minutes, which can illuminate how priorities are set.
  - **Compare** stated priorities with timekeeping systems, which reveal actual practices.
  - **Gather** evidence of priorities through informal means, such as posters, conversations, interviews, which can offer valuable insight into how well “matters” align with the grantee’s mission.
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If you have questions on these or other audit related areas, please reach out to the LSC OIG at [audits@oig.lsc.gov](mailto:audits@oig.lsc.gov).

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