



ADVISORY

TO: Executive Directors of LSC Programs
Boards of Directors of LSC Programs
Chief Fiscal Officers of LSC Programs

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DATE: February 12, 2025

SUBJECT: Key Opportunities for Grantees to Strengthen Internal Controls: Summary of Audit Findings and Recommendations from Fiscal Years 2022 and 2023

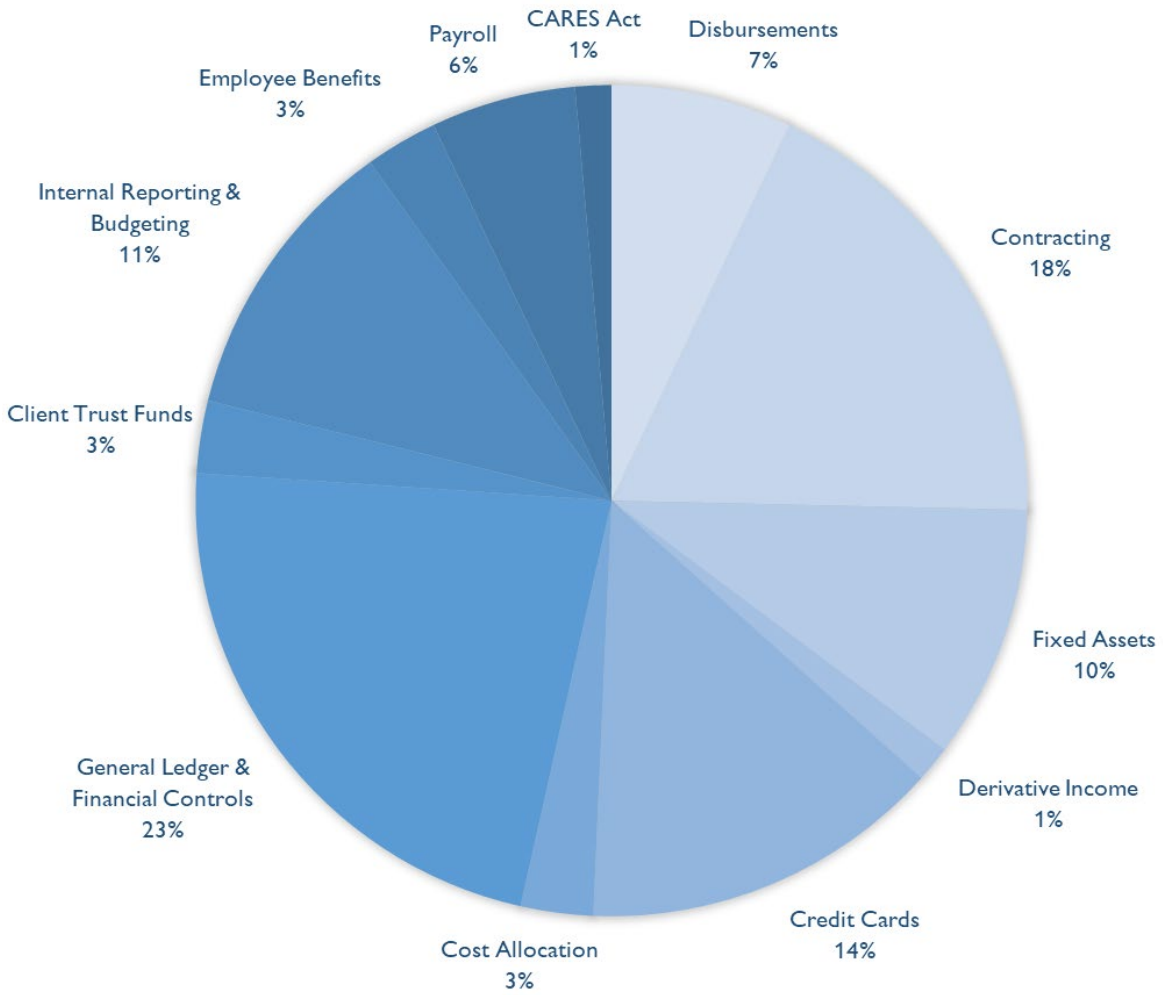
The purpose of this advisory is to summarize the findings and recommendations included in internal control audit reports issued October 1, 2021, to September 30, 2023, by the Legal Services Corporation (LSC) Office of Inspector General (OIG).

During this period, we issued three audit reports containing 71 recommendations to improve internal controls at LSC grantees. Of the 71 recommendations, which in this report are categorized into 12 topics, the majority address issues pertaining to general ledger and financial controls, contracting, credit cards, and internal reporting and budgeting. We also issued recommendations related to disbursements, fixed assets, derivative income, cost allocation, client trust funds, employee benefits, payroll, and Coronavirus Aid, Relief, and Economic Security (CARES) Act funds.

The topics discussed in this report serve as a guide that you may use to assess your organization's policies, practices, and internal control design. The specific recommendations may not be applicable to every LSC grantee; however, you will notice common areas for improvement and recurring themes. Attention to these areas will greatly aid in developing sound internal controls, complying with LSC regulations, and maximizing resources to fulfill the mission of LSC and its grantees.

We hope that the information contained in this compendium report will help sustain the mission of LSC and its grantees to increase access to justice for those in need.

Percentage of Recommendations by Category



Key Opportunities for Grantees to Strengthen Internal Controls: Summary of Audit Findings and Recommendations from Fiscal Years 2022 and 2023

Report No. AU 25-04

FEBRUARY 2025



OFFICE OF INSPECTOR GENERAL
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Executive Summary

The Legal Services Corporation (LSC) Office of Inspector General (OIG) is issuing this report to draw your attention to key opportunities for you to enhance internal controls over financial and contracting management over LSC and other donors’ funds. Our observations are based on OIG audits conducted during the period of October 1, 2021, through September 30, 2023.

Most commonly, we found the need for LSC grantees to improve segregation of duties and controls over bank reconciliations, credit cards, and contracting. In this report, we discuss 12 focus areas in which we issued recommendations to LSC grantees and provide specific examples of the deficiencies we found and the improvements we recommended.

An overview of these focus areas is shown below. This report provides a roadmap to help you *proactively* assess your internal control system and take *proactive* steps to address any gaps that might exist. We also provide links to LSC guidance and other materials that can be used to strengthen financial controls. These resources are found throughout the report and on page 29.

Category	Number of Recommendations	Percentage of Recommendations	Number of Grantees with Issues Found
General Ledger & Financial Controls	16	23%	3
Contracting	13	18%	3
Credit Cards	10	14%	2
Internal Reporting & Budgeting	8	11%	3
Fixed Assets	7	10%	2
Disbursements	5	7%	2
Payroll	4	6%	1
Cost Allocation	2	3%	1
Client Trust Funds	2	3%	1
Employee Benefits	2	3%	1
Derivative Income	1	1%	1
CARES Act	1	1%	1
Total	71	100%	

While some focus areas such as cost allocation and derivative income have a small number of findings, the impact of just one finding can be far-reaching and costly. An area with few findings should not be disregarded as insignificant.

We believe that the information contained in this compendium report, along with a diligent effort to enhance financial controls, will help you safeguard LSC and other donors’ resources, comply with LSC regulations and guidance, and prevent fraud, waste and abuse. In turn, strong internal controls will help you maximize the funds invested in your organization to provide civil legal assistance for those in need.

Introduction

The purpose of this compendium report is to highlight key findings and recommendations from internal control audit reports issued October 1, 2021, to September 30, 2023, by the Legal Services Corporation (LSC) Office of Inspector General (OIG). It also compares the findings and recommendations issued during the period to the last compendium report issued by the OIG in December 2022 (refer to Figures 22, 23, and 24).

Using This Report

The topics discussed in this report serve as a guide that you may use to assess your organization's policies, practices, and internal control design. The specific recommendations may not be applicable to every LSC grantee; however, you will notice common focus areas for improvement and recurring themes. Attention to these areas will greatly aid in developing or strengthening sound internal controls, complying with LSC regulations consistent with federal law, and maximizing resources to fulfill the mission of LSC and its grantees. Resources are linked throughout the report and compiled at the end.

Background

In accordance with LSC's [Financial Guide](#), Section 2.5.2: *Internal Controls*,

An LSC recipient, under the direction of its Board of Directors, is required to establish and maintain adequate accounting records and internal control procedures. Internal controls are the processes put in place, maintained, and overseen by the recipient's Board of Directors and management to provide reasonable assurance that the organization

- Safeguards assets against unauthorized use or disposition;
- Produces reliable financial information and reporting; and
- Complies with regulations and laws that have a direct and material effect on its programs.

The overall objective of our internal control audits is to assess the adequacy of select internal controls related to operations, oversight, program expenditures, and fiscal accountability, while ensuring that costs are adequately supported and in compliance with the LSC Act and LSC regulations.

Categories of Recommendations

From October 1, 2021, to September 30, 2023, we issued three audit reports containing 71 recommendations. The periods audited ranged from fiscal years 2019 through 2022. The recommendations are grouped into 12 categories, the most prevalent being

- general ledger and financial controls,
- contracting,
- credit cards, and
- internal reporting and budgeting.

Other areas discussed are cash disbursements, fixed assets, derivative income, cost allocation, client trust funds, employee benefits, payroll, and Coronavirus Aid, Relief, and Economic Security (CARES) Act¹ funds. Note that the prevalence of issues does not necessarily correlate with the significance or impact of weak internal controls in these areas (e.g., derivative income or cost allocation findings more frequently result in questioned costs than internal reporting and budgeting findings).

Summary of Recommendations

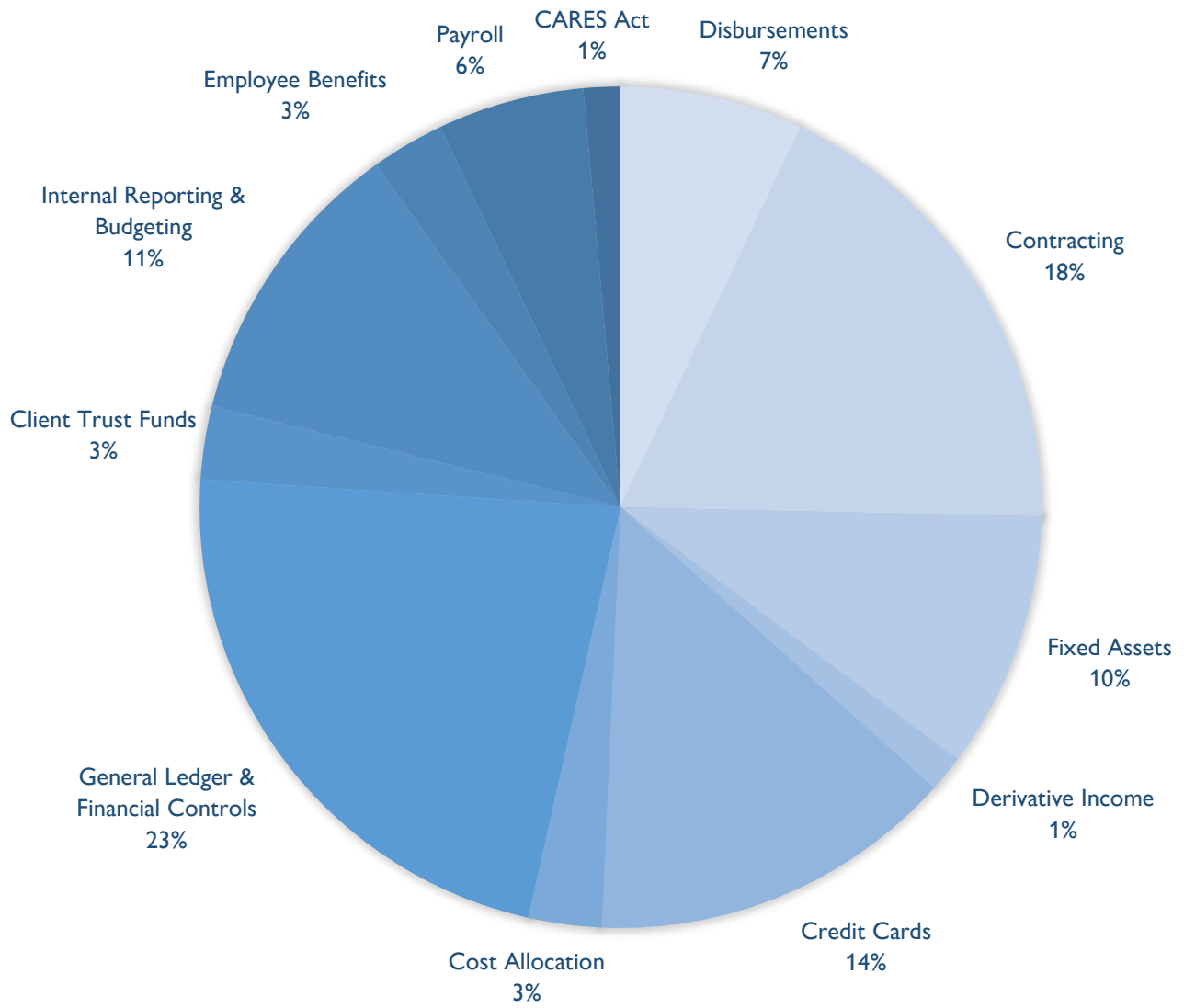
The following figures summarize the number of recommendations issued by the OIG from October 1, 2021, to September 30, 2023, by topic and the number of grantees at which the issues were found. Our complete audit reports are available at www.oig.lsc.gov.

¹ In the CARES Act, the United States Congress appropriated \$50 million to LSC to “prevent, prepare for, and respond to coronavirus....” LSC granted most of this funding to LSC recipients for civil legal services use resulting from the COVID-19 pandemic.

Figure 1: Summary of Recommendations by Category

Category	Number of Recommendations	Percentage of Recommendations	Number of Grantees with Issues Found
General Ledger & Financial Controls	16	23%	3
Contracting	13	18%	3
Credit Cards	10	14%	2
Internal Reporting & Budgeting	8	11%	3
Fixed Assets	7	10%	2
Disbursements	5	7%	2
Payroll	4	6%	1
Cost Allocation	2	3%	1
Client Trust Funds	2	3%	1
Employee Benefits	2	3%	1
Derivative Income	1	1%	1
CARES Act	1	1%	1
Total	71	100%	

Figure 2: Percentage of Recommendations by Category



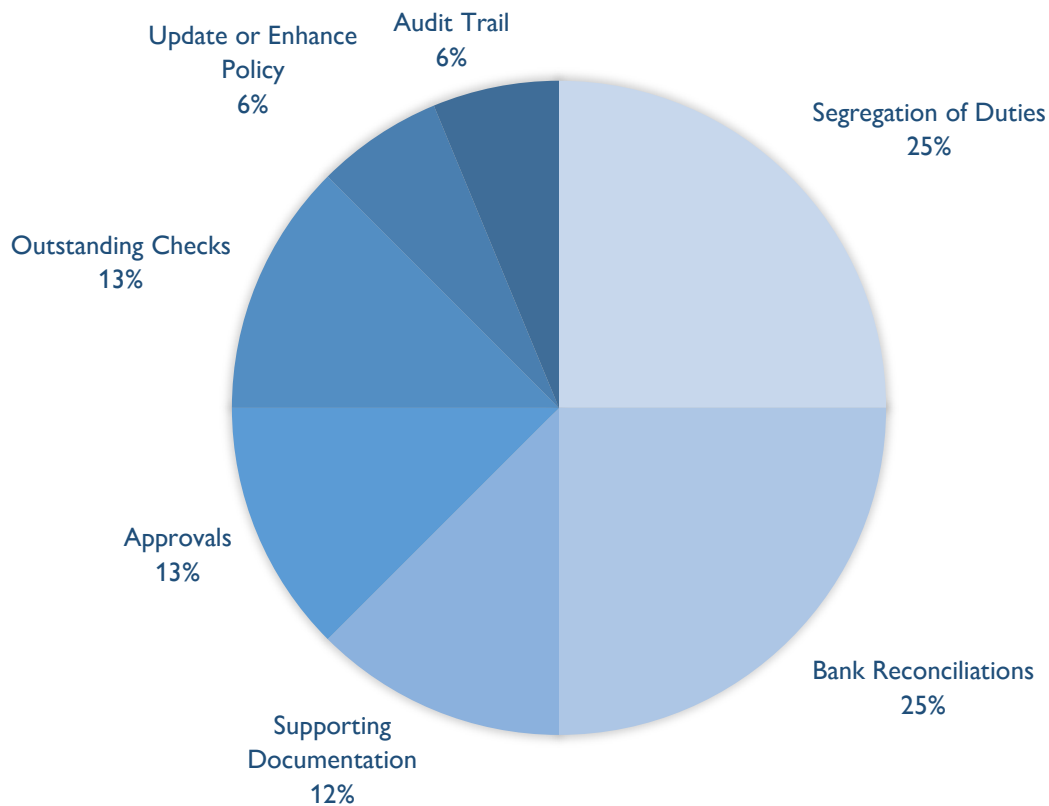
General Ledger & Financial Controls

From October 1, 2021, to September 30, 2023, we issued 16 recommendations to three grantees to enhance internal controls over general ledger and financial controls. The recommendations were related to the following areas:

Figure 3: Summary of General Ledger & Financial Controls Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Segregation of Duties	4	3
Bank Reconciliations	4	3
Supporting Documentation	2	2
Approvals	2	1
Outstanding Checks	2	2
Update or Enhance Outstanding Checks Policy	1	1
Audit Trail	1	1
Total	16	

Figure 4: Percentage of General Ledger & Financial Control Recommendations



Segregation of Duties

Our recommendations pertaining to segregation of duties stemmed from the need to ensure that accounting functions could not be initiated, carried out, and recorded by a single person. To illustrate, we found the following examples:

- A single individual was responsible for opening the mail, maintaining the cash receipts log, and depositing checks, which presents an opportunity for undetected theft.
- An individual performing bank reconciliations had access to cash and the cash receipts log and was responsible for preparing and entering journal entries. This also presents an opportunity for theft.
- User access rights within the accounting system were not assigned according to job function, with employees able to add, modify, review, and delete information not relevant to their duties.

Bank Reconciliations

The most prevalent issues related to bank reconciliations were failure to fully document and timely prepare and review reconciliations. We found some reconciliations that were performed late, as well as some that were dated prior to the end of the period being reconciled. We also found reconciliations that were not dated. Our recommendations were aimed at increasing the timeliness of reconciliation procedures and ensuring reviews were documented by signature and date. Untimely reconciliations may lead to management having outdated financial information and can increase the likelihood of errors going undetected.

Supporting Documentation and Approvals

Our recommendations in these areas addressed the need to adequately document financial procedures and ensure they are approved by an authorized individual. For example, we found the following:

- Entries in a cash receipts log that did not include documentation of the person who made the entry.
- A reconciliation that was dated a year prior to when the general ledger report was prepared, indicating that appropriate and relevant information was not used to prepare the reconciliation.
- Journal entries that were not adequately approved prior to being posted.
- Bank reconciliations that were not adequately approved with a signature and date.

Without adequate supporting documentation and approvals, there is an increased risk of inaccuracies that could affect financial planning and reporting.

Outstanding Checks

Outstanding checks must be monitored and resolved in a timely manner. In two of our reviews, we found checks that had been outstanding for extended periods. In one case, the outstanding amount was almost \$20,000. Failure to monitor and resolve issued checks can increase the risk of undetected errors or fraudulent activities, as well as noncompliance with unclaimed property laws. LSC requires that checks outstanding for six months or more be investigated and resolved, though some grantees prefer to follow a shorter requirement.

Update or Enhance Outstanding Checks Policy and Audit Trail

Recommendations in these areas were aimed at ensuring grantee policies addressed state unclaimed property laws when handling outstanding checks, and adequately documenting an audit trail in accordance with the established policies. In one case, we found that management had not documented their review of bank statements, which did not allow for auditors and other third parties to determine that the statements had been reviewed. Inadequate policies can lead to inefficient processes and noncompliance with state laws, and failure to document financial actions can decrease transparency in the accounting process. These situations can present opportunities for fraud, waste, and abuse of resources.

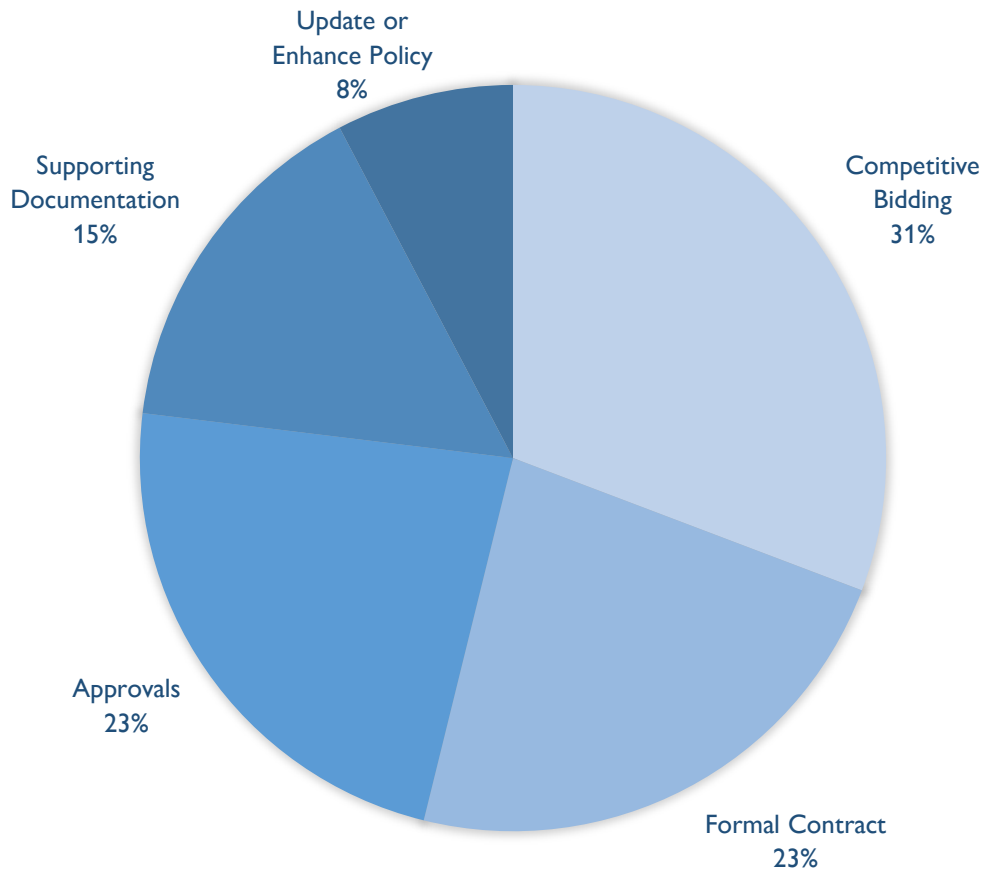
Contracting

We issued 13 recommendations to three grantees related to contracting, focused on the following topics:

Figure 5: Summary of Contracting Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Competitive Bidding	4	2
Formal Contract	3	3
Approvals	3	2
Supporting Documentation	2	2
Update or Enhance Procurement Policy	1	1
Total	13	

Figure 6: Percentage of Contracting Recommendations



Competitive Bidding

We made four recommendations to enhance internal controls over competitive bidding, mostly aimed at maintaining documentation of bids and sole-source justifications. Our recommendations addressed the following weaknesses:

- Contracts for which adequate price quotes and competition were not documented.
- Contracts that were sole-sourced (one vendor was deemed appropriate) without a contemporaneous record of the justification.
- Longstanding contracts that were not re-evaluated or re-competed every three to five years².

Maintaining documentation, obtaining adequate quotes, and re-evaluating longstanding contracts helps ensure that grantees receive the best value for their money when entering into contracts.

Formal Contract, Approvals, and Supporting Documentation

For each of the grantees audited during the compendium reporting period, we noted findings related to

- services performed without an established contract,
- contracts that were signed by unauthorized personnel or after the effective date, and
- services billed outside of established contract terms and pricing.

Our recommendations were aimed at ensuring contracts are established and signed by authorized personnel, and ensuring amendments are documented for any changes to contract terms. [Procurement Policy Drafting 101: Guidance for LSC Grantees](#) (LSC Program Letter 16-3) provides additional guidance for strengthening grantee contracting practices.

Update or Enhance Procurement Policy

We issued one recommendation to update written policies to reflect current LSC guidance and to specify which individuals may enter into contracts on behalf of the grantee. Outdated policies are a common finding in our internal control audits, and we encourage all grantees to update their policies as needed to reflect changing processes and updated requirements.

² [LSC's Procurement Policy Drafting 101](#) recommends re-competing recurring purchases and longstanding contracts every three to five years to ensure best value is obtained.

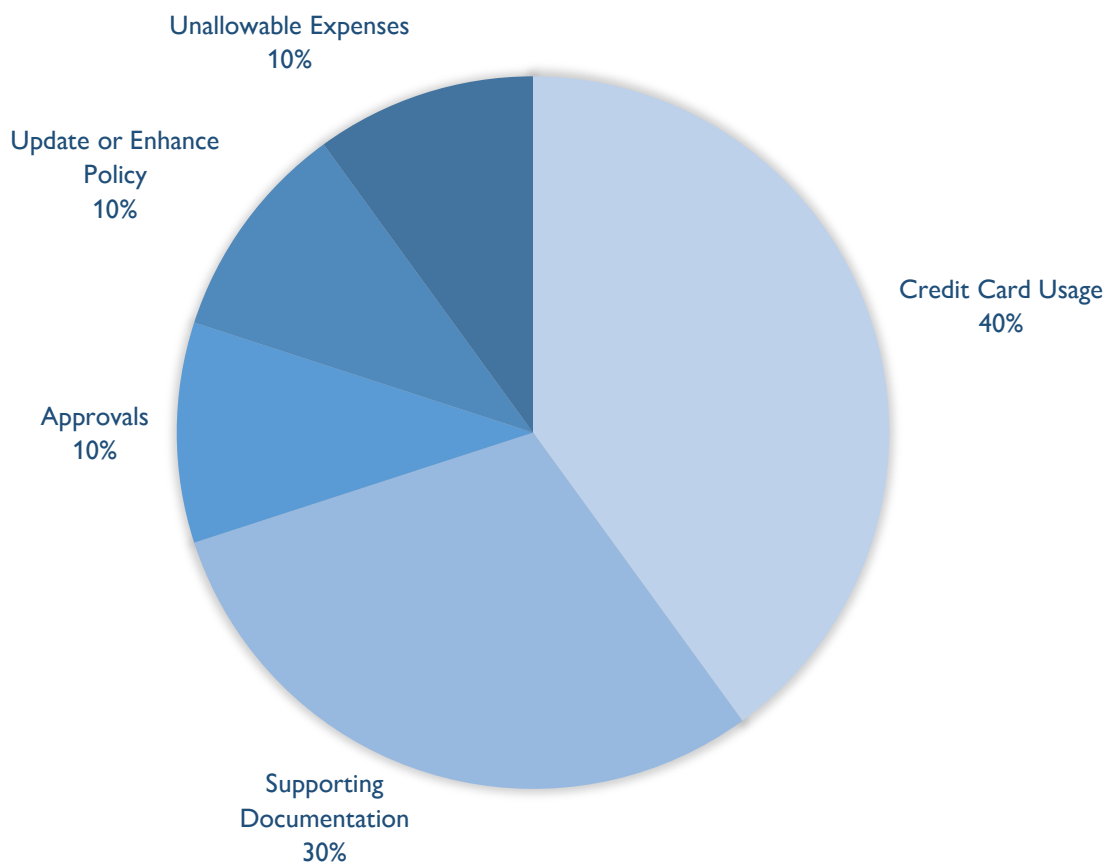
Credit Cards

We issued 10 recommendations regarding internal controls over credit cards to two grantees audited during this reporting period. These recommendations addressed the following topics:

Figure 7: Summary of Credit Card Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Credit Card Usage	4	2
Supporting Documentation	3	2
Approvals	1	1
Update or Enhance Policy	1	1
Unallowable Expenses	1	1
Grand Total	10	

Figure 8: Percentage of Credit Card Recommendations



Credit Card Usage

We issued four recommendations related to credit card usage, specifically addressing the following internal control weaknesses:

- Credit cards for which the users had not signed user agreement forms. A user agreement form documents that an authorized user has agreed to follow the grantee's policies and restrictions on credit card use. These forms can also describe how misuse of a card will be handled.
- Sharing of cards. In one case, we found that the authorized cardholder would lend the card to another individual who was not authorized and had not formally acknowledged usage restrictions.
- Lack of spending limits. Establishing spending limits can help a grantee minimize risk in the event a card is lost or stolen.

Supporting Documentation

Findings related to the lack of supporting documentation involved missing purchase orders, purchase orders approved after the transaction dates, and missing receipts. While issuing a credit card to an employee can serve as a blanket pre-approval for transactions, some grantees require purchase orders for charges over a set amount. We recommend that receipts be maintained and reconciled to credit card statements regardless of whether purchase orders are used.

Approvals

We found approvals related to credit card usage that were not documented or not dated. For example, some credit card statements were not approved to be paid, or the approval was not dated, making it impossible to determine whether payment was authorized prior to being made. Documenting complete approvals helps ensure that management is aware of expenses, minimizing the risk of improper or unauthorized charges. We recommend that appropriate staff document their approval with a signature and date prior to incurring charges and paying card statements.

Update or Enhance Policy

We issued one recommendation to update written policies and procedures to reflect LSC requirements regarding appropriate use of credit cards and align with the grantee's actual process to maintain supporting documentation.

Unallowable Expenses

We found unallowable charges for gifts placed on a credit card and charged to LSC funds, including items such as postcards and mugs. [LSC Program Letter 22-4](#) includes information on permissible charges. When in doubt, recipients should consult LSC about specific expenses.

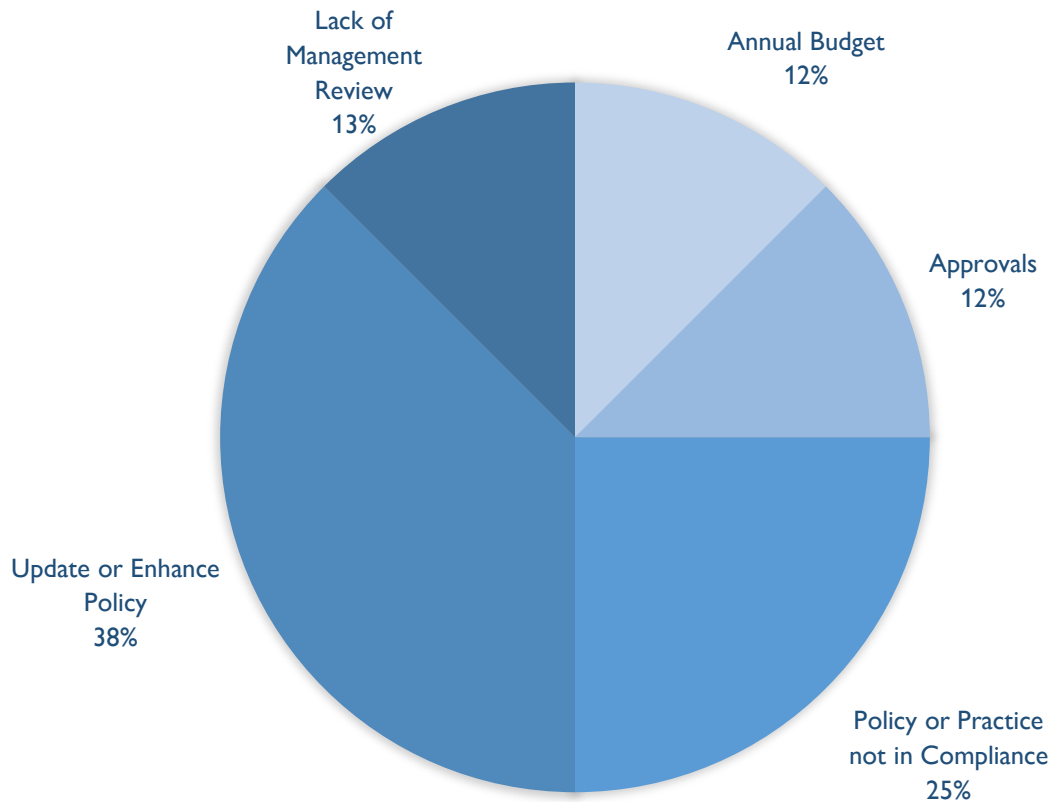
Internal Reporting & Budgeting

We made eight recommendations to enhance controls over all three grantees' internal reporting and budgeting processes, which included the need to update related policies or practices, address the absence of management review and approvals, and address issues concerning the annual budget.

Figure 9: Summary of Internal Reporting & Budgeting Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Update or Enhance Policy	3	2
Policy or Practice not in Compliance	2	2
Lack of Management Review	1	1
Approvals	1	1
Annual Budget	1	1
Grand Total	8	

Figure 10: Percentage of Internal Reporting and Budgeting Recommendations



Update or Enhance Policy or Practice Not in Compliance

At two grantees, we found that there were no written policies for the budgeting processes, and at one grantee, the practice was not compliant with LSC guidance. We also found that written policies did not describe the monthly internal reporting process in detail, such as the personnel involved and the timeline for preparing and reviewing reports. Other policies did not comply with LSC requirements. Without comprehensive and accurate written policies, grantees are more vulnerable to waste and abuse, especially in times of staff transition.

Lack of Management Review and Approvals

Our recommendations in these areas addressed the need to prepare monthly financial reports and ensure management's review of these reports is fully documented with a signature and date. Preparing reports each month helps ensure that management has accurate and current financial information and can detect errors in a timely manner.

Annual Budget

We found the following deficiencies in one grantee's annual budget:

- Estimates made to determine budgeted amounts were not documented.
- Variances from prior years were not documented.
- Projected expenditures were not included.
- Year-to-date actual expenditures were not included.

Section 2.4: *Budgeting*, in LSC's [Financial Guide](#) includes additional information and requirements related to the budgeting process.

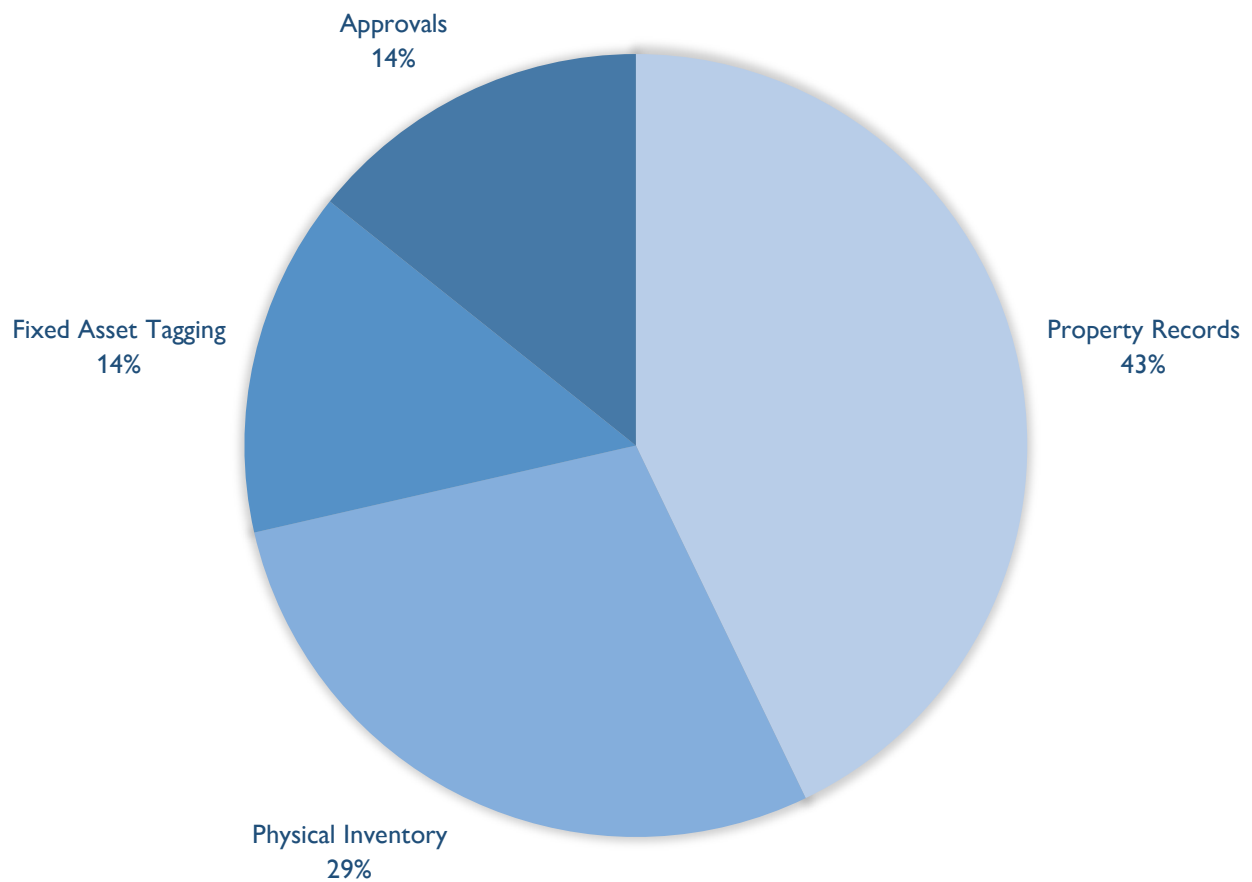
Fixed Assets

We made seven recommendations to two grantees to enhance internal controls over the recording and tracking of fixed assets. The recommendations addressed the following topics:

Figure 11: Summary of Fixed Asset Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Property Records	3	2
Physical Inventory	2	2
Fixed Asset Tagging	1	1
Approvals	1	1
Grand Total	7	

Figure 12: Percentage of Fixed Asset Recommendations



Property Records

We found that one grantee's property records did not include all assets that were required to be tracked under their policies, and another had disposed of items that were still in the asset records. In addition to tracking and depreciating capitalized assets valued over a set threshold, grantees should be mindful of items that may contain sensitive information, such as laptops with personal client details.

Physical Inventory

We made two recommendations to ensure that an inventory of assets is conducted at least once every two years, as required by LSC. An inventory allows a grantee to determine if they can account for all assets in the property records and can help identify lost or stolen items.

Fixed Asset Tagging

Accurately tagging assets is critical to conducting a physical inventory. At one grantee, we found a tag number that did not match the property records, and items that had not been tagged. This increases the likelihood of loss or theft going undetected.

Approvals

We made a recommendation to ensure management approval of asset purchases is fully documented with a signature and date. Approval should always be obtained prior to committing program resources.

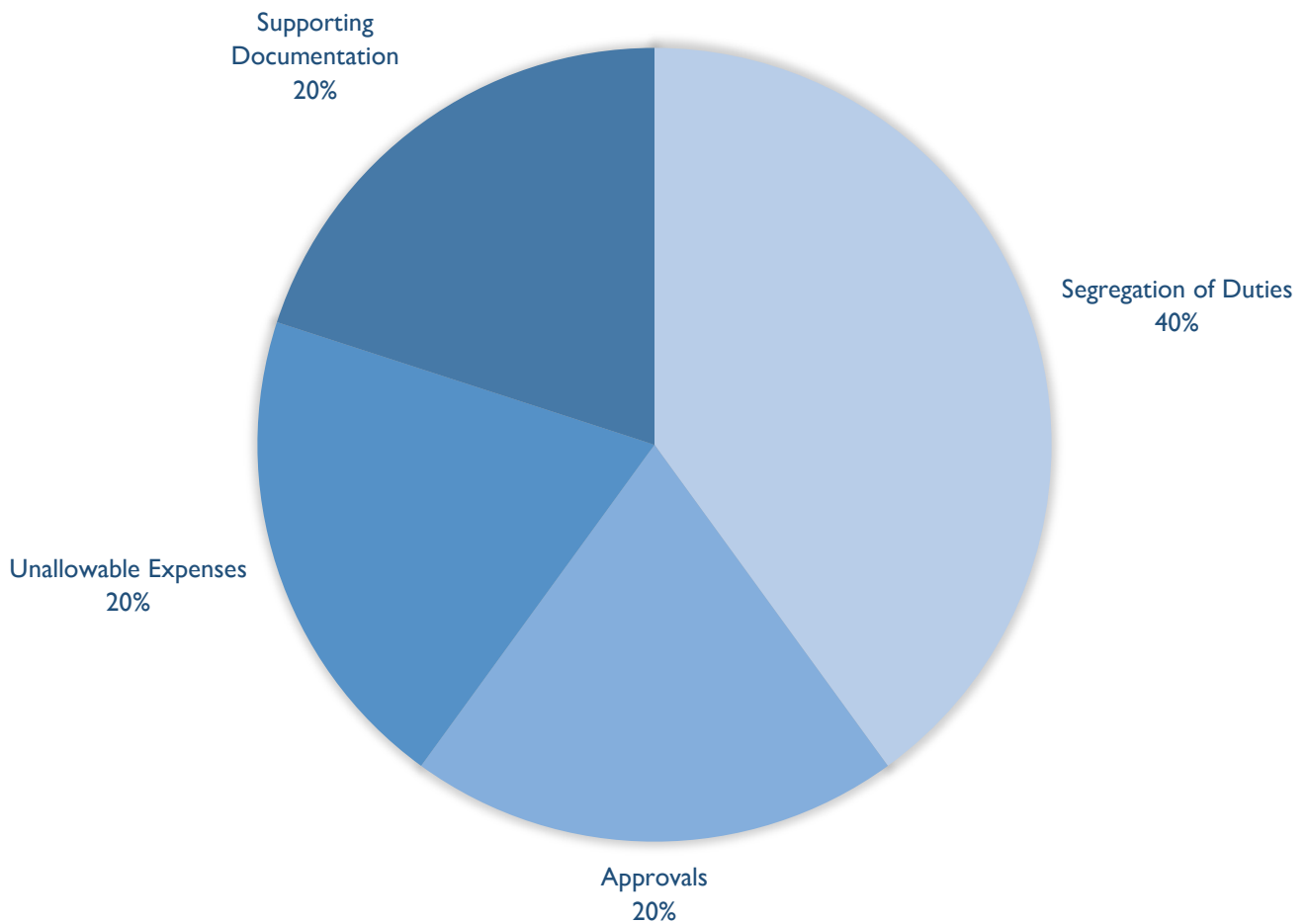
Disbursements

We made five recommendations to two grantees to strengthen controls over cash disbursements, categorized as follows:

Figure 13: Summary of Disbursement Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Segregation of Duties	2	1
Approvals	1	1
Unallowable Expenses	1	1
Supporting Documentation	1	1
Grand Total	5	

Figure 14: Percentage of Disbursement Recommendations



Segregation of Duties

We made recommendations to address the following deficiencies in segregation of duties:

- A single individual had access to blank checks and was able to print digital signatures on checks using the accounting system.
- A single individual was responsible for preparing and processing disbursements and had full access to the master vendor list, including the ability to add, edit, and delete vendors.

Both situations present an opportunity for fraud that may be difficult to detect. The LSC OIG website includes informational resources on preventing and detecting fraud at www.oig.lsc.gov.

Approvals

Requiring approval for cash disbursement prior to commitment of funds is a fundamental internal control. This reduces the opportunity for fraud and waste. We recommend that grantees ensure disbursements are approved by an authorized staff member prior to payment.

Unallowable Expenses

As discussed above with credit cards, we found purchases that were unallowable under LSC regulations. The portion of the costs charged to LSC funds was questioned and referred to LSC management for resolution. Preventing these charges eliminates the possibility that grantees will have to repay the amounts to LSC.

Supporting Documentation

We found a check that appeared out of sequence in the grantee's check register and for which no documentation was maintained. Discrepancies or gaps in the check sequence can increase the likelihood of fraudulent checks going undetected if not monitored and researched. A recent [Fraud Advisory](#) (24-00180-A-FA) issued by the LSC OIG discussed the benefits of using positive pay to help prevent check fraud.

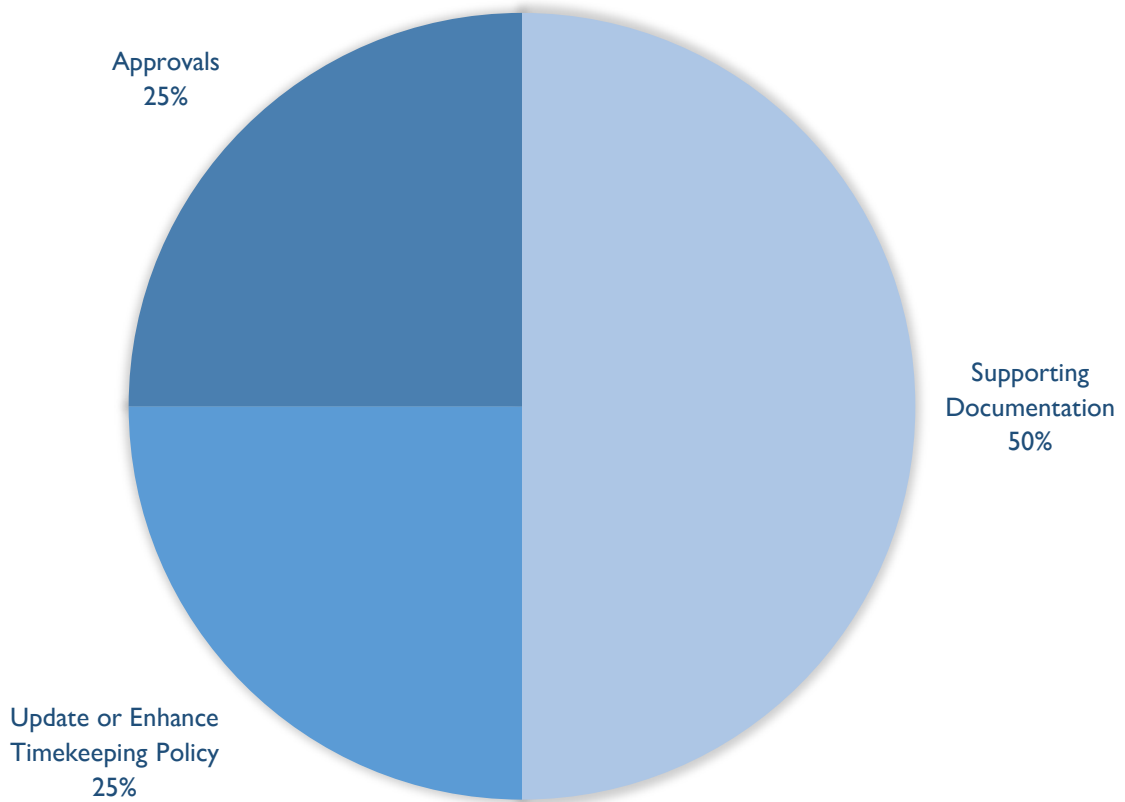
Payroll

We issued four recommendations to one grantee related to payroll, as follows:

Figure 15: Summary of Payroll Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Supporting Documentation	2	1
Approvals	1	1
Update or Enhance Timekeeping Policy	1	1
Grand Total	4	

Figure 16: Percentage of Payroll Recommendations



Supporting Documentation and Approvals

We found the following deficiencies in supporting documentation related to payroll:

- Salary agreements that were not signed by the employee or by management.
- Missing salary agreements.
- Timesheets that were not signed by the employee or supervisor.
- Missing timesheets.

Failure to maintain adequate salary information and time and attendance records could result in employees being compensated incorrectly.

Update or Enhance Timekeeping Policy

As with other findings discussed above, we noted an instance when the process a grantee used to approve payroll was not formally documented in their written policies, increasing the risk of errors.

Cost Allocation

We issued two recommendations to one grantee to strengthen internal controls over cost allocation, as follows:

Figure 17: Summary of Cost Allocation Findings

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Update or Enhance Policy	1	1
Training & Development	1	1
Grand Total	2	

Update or Enhance Policy

Our recommendation in this area was intended to bring the grantee’s cost allocation methodology in compliance with LSC requirements. Section 3.7: *Cost Principles*, in LSC’s [Financial Guide](#) contains guidance on cost allocation, and LSC [Program Letter 18-2](#) provides additional detail on indirect costs. We suggest that grantees review the requirements and, if necessary, consult with LSC to ensure the allocation methodologies are compliant.

Training & Development

We found that one grantee needed to ensure their staff received training on, and understood, the cost allocation methodology. Grantees should be aware of the need for training when new staff members are hired, positions change, or policies and procedures are revised.

Client Trust Funds

We issued two recommendations to one grantee to enhance their controls over reconciliations of client trust accounts:

Figure 18: Summary of Client Trust Fund Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Bank Reconciliations	2	1
Grand Total	2	

Bank Reconciliations

We found that one grantee reviewed some client trust account reconciliations late, and did not date the approval of others. With untimely or undocumented review of bank reconciliations, errors or abuse of client trust accounts may not be detected.

Employee Benefits

We made two recommendations to one grantee to improve controls over employee benefits in the following areas:

Figure 19: Summary of Employee Benefits Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Found
Supporting Documentation	1	1
Update or Enhance Policy	1	1
Grand Total	2	

Supporting Documentation

This recommendation was to ensure that all employees receiving loan repayment assistance submitted the required documentation to the grantee. A recent management advisory issued by the LSC OIG, titled, [Enhancing Monitoring of Student Loan Assistance Programs](#), discusses lessons learned during recent OIG engagements and some of the issues found. While the advisory is addressed to LSC management, grantees may find the information in the advisory useful and better understand some of the issues that LSC will be monitoring going forward as well as the documentation they may require from their grantees who use LSC funds on their assistance programs.

Update or Enhance Policy

We found one case where a grantee's employee handbook was not updated to reflect changes to the collective bargaining agreement. Grantees should be mindful of maintaining consistent policies to avoid confusion and ensure processes are carried out as intended.

Derivative Income

We issued one recommendation to ensure derivative income was properly coded:

Figure 20: Summary of Derivative Income Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Noted
Allocation of Derivative Income	1	1
Grand Total	1	

Allocation of Derivative Income

We found that one grantee had not allocated LSC income derived from activities funded by LSC. Section 3.1.4: *Derivative Income*, in LSC's [Financial Guide](#) discusses the proper handling of derivative income. Consistent with that section, income derived from LSC-supported activities should be recorded as additional annualized grant revenue, subject to the same requirement as LSC grant funds.

CARES Act

We issued one recommendation related to the late submission of a required CARES Act progress report:

Figure 21: Summary of Cares Act Recommendations

Recommendation Topic	Number of Recommendations	Number of Grantees with Issues Noted
Compliance with Grant Terms	1	1
Grand Total	1	

Compliance with Grant Terms

We found that one grantee had not submitted a quarterly progress report by the deadline stipulated in the grant terms and conditions.

While CARES Act funds are generally no longer a concern for LSC grantees, recipients of other specialized grants—such as disaster funding—should be mindful of and fully comply with any specific terms and conditions attached to those grants.

Conclusion

The importance of maintaining a robust internal control system cannot be understated, because an effective internal control system increases the likelihood that you will achieve your objectives related to addressing the civil justice gap. Consistent with prior reporting periods, general ledger and financial controls, credit cards, and contracting remained key areas of focus for LSC grantees to enhance internal controls. During this compendium period (October 1, 2021, through September 30, 2023), we did not report many issues related to cost allocation, internal reporting and budgeting, and payroll; however, it is still critical to remain vigilant in maintaining effective policies and processes in these areas.

We believe that diligent and proactive efforts to enhance controls over the focus areas identified in this report will help you improve internal control systems, safeguard resources, and comply with LSC regulations and guidance. Taking action to address these focus areas could also help you increase efficiencies and maximize the funds all public, private, and nonprofit donors have invested in your organization.

Internal Control Resources

[GAO Standards for Internal Control in the Federal Government](#)

[COSO Internal Control – Integrated Framework: Executive Summary](#)

[LSC Financial Guide](#)

[LSC OIG Website](#)

[LSC OIG Audit Reports](#)

[LSC OIG Overview of Laws, Regulations & Guidance](#)

[LSC OIG Investigative Results and Guidance](#)

[LSC Procurement Policy Drafting 101](#)

[LSC Program Letter 22-4](#)

[LSC Program Letter 18-2](#)

[Enhancing Monitoring of Student Loan Assistance Programs](#)

Figure 22: Comparison Summary of Total Recommendations by Topic³

Recommendation Topic	October 1, 2019 - September 30, 2021			October 1, 2021 - September 30, 2023		
	Number of Recommendations	Percentage of Recommendations	Number of Grantees with Issues Noted	Number of Recommendations	Percentage of Recommendations	Number of Grantees with Issues Noted
General Ledger & Financial Controls	30	15%	5	16	23%	3
Contracting	23	12%	6	13	18%	3
Credit Cards	30	15%	6	10	14%	2
Internal Reporting & Budgeting	8	4%	6	8	11%	3
Fixed Assets	17	9%	1	7	10%	2
Disbursements	24	12%	6	5	7%	2
Payroll	22	11%	4	4	6%	1
Cost Allocation	12	6%	5	2	3%	1
Employee Benefits	6	3%	1	2	3%	1
Client Trust Funds	1	1%	2	2	3%	1
Derivative Income	6	3%	4	1	1%	1
CARES Act	0	0%		1	1%	1
Written Policies & Procedures	8	4%	7	0	0%	0
Program Integrity & Related Party Transactions	8	4%	1	0	0%	0
Vehicles	2	1%	4	0	0%	0
Total	197	100%		71	100%	

³ During the period of October 1, 2021, through September 30, 2023, the OIG issued three audit reports. For the period October 1, 2019, to September 30, 2021, the OIG issued nine audit reports.

Figure 23: Percentage Comparison of Recommendation Topics by Compendium Period

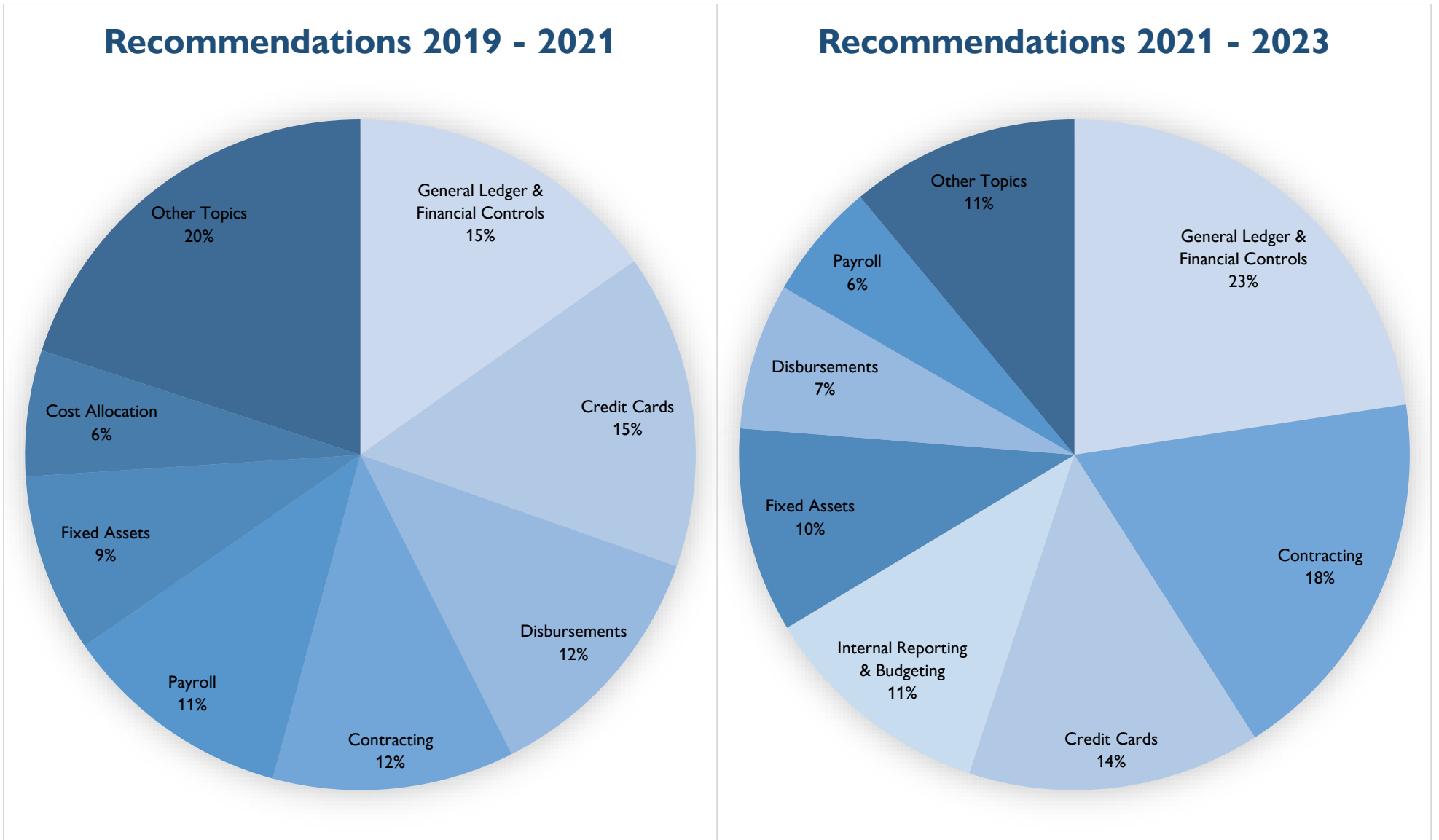
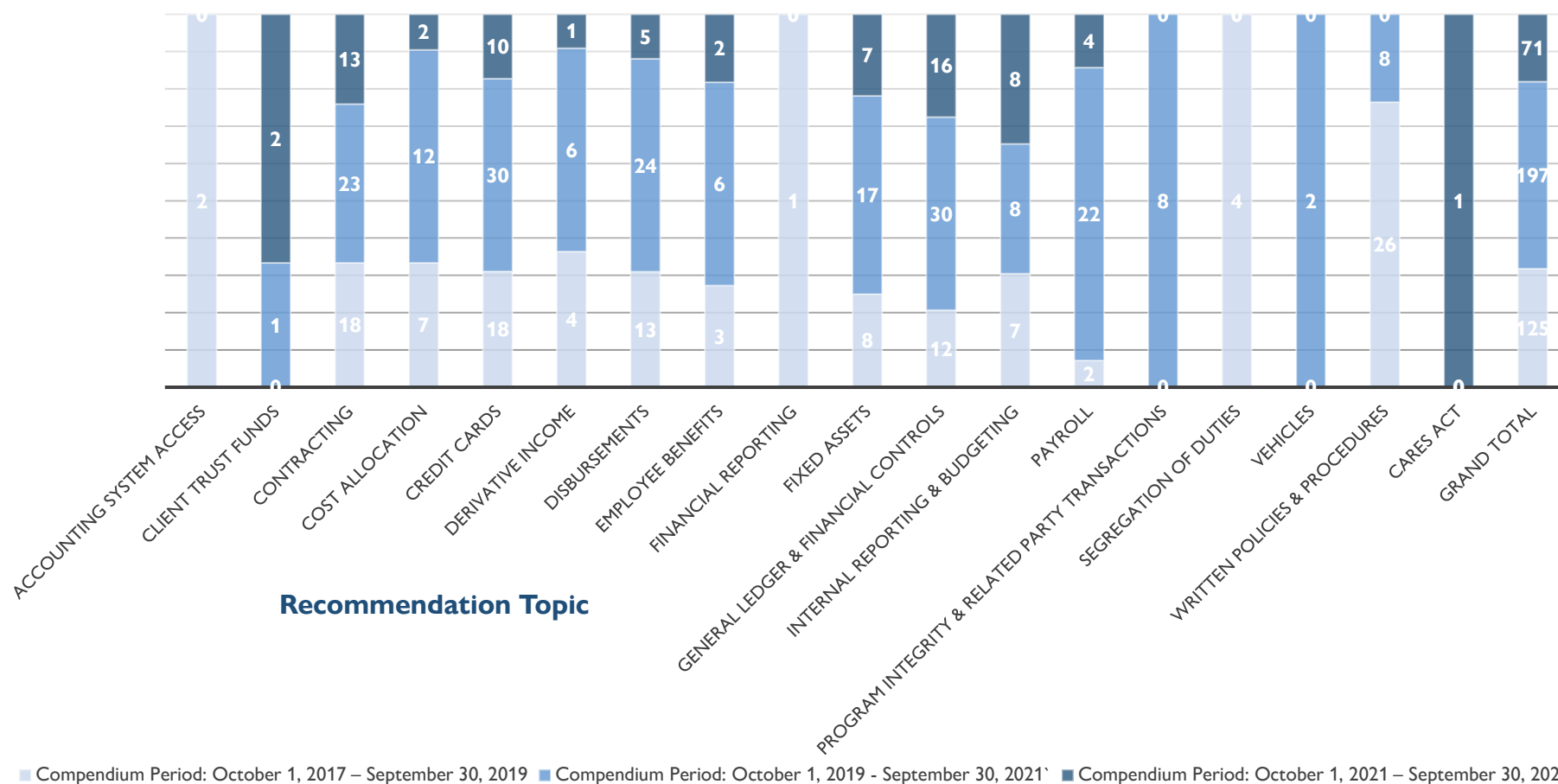


Figure 24: Comparison of Total Recommendations by Topic by Compendium Period⁴

Total Number of Recommendations By Topic By Compendium Period



⁴ Some areas were categorized differently in each period, which led to them not being consistently reflected in this chart. For example, in prior periods, Segregation of Duties was counted as its own topic; in this period, it was counted as a sub-topic in General Ledger & Financial Controls and Disbursements. Other areas such as Vehicles and CARES Act only appeared in one period.