

From: crittendenc@lsc.gov [mailto:crittendenc@lsc.gov]  
Sent: Friday, September 30, 2011 4:59 PM  
To: Rebecca Weir  
Subject: FOTFR Comments

From: Charles Crittenden (crittendenc@lsc.gov)

Phone: 2022951522

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Message: In response to the request for comments to Fiscal Oversight Task Force Report to the LSC Board of Directors (Report), as an LSC staff member who has performed fiscal oversight for LSC since 1985, I am compelled to comment. I have experienced the changes of this responsibility from LSC management to the Office of the Inspector General to the recommended joint responsibility of LSC management and Office of Inspector General.

In my opinion, the report did not fully analyze fiscal oversight at LSC in that there is no mention of the process before the advent of the OIG. Prior to the OIG, LSC fiscal oversight included most if not all of the key concepts outlined in the report's grant management and fiscal oversight section. LSC management prior to OIG had policies and procedures, called the Fundamental Criteria Review, that reviewed, assessed and evaluated grantees' financial management of LSC grant funds along with internal controls. Due to reorganizations and changes in management in addition to the OIG and OMB Circular A-133 audit requirements, LSC management's focus on fiscal oversight changed from monitoring grantee financial management and activities to assessing fiscal compliance with the regulations.

The report also does not mention Office of Compliance and Enforcement's desk review of grantees' audited financial statements which assess grantees' financial reporting compliance with LSC regulations and the Accounting Guide. Over the years, numerous findings have been uncovered through OCE's desk reviews of grantees' audited financial statements and the disclosures therein resulting in letters of inquiry and requests for corrective actions.

The report is correct with its recommendations for improvement in LSC fiscal oversight, however, in my opinion, presents an inaccurate picture of LSC fiscal oversight in that the consultants interviewed LSC staff members with the least experience and institutional knowledge of LSC fiscal oversight process and the others who were not directly involved in the process or has never performed fiscal oversight as described in the report on how it should be done. I was not interviewed for this report.