



7050-01-P

LEGAL SERVICES CORPORATION

45 CFR Parts 1604, 1609, 1611, 1614, 1626, and 1635

Outside Practice of Law; Fee-Generating Cases; Financial Eligibility; Private Attorney Involvement; Restrictions on Legal Assistance to Aliens; Timekeeping Requirement

AGENCY: Legal Services Corporation.

ACTION: Notice of proposed changes and request for comments.

SUMMARY: The Legal Services Corporation (“LSC”) Office of Inspector General (“OIG”) intends to revise the Compliance Supplement for Audits of LSC Recipients for the fiscal year ending December 31, 2015, and thereafter and is soliciting public comment on the proposed changes. The proposed revisions primarily affect certain regulatory requirements to be audited pursuant to LSC regulations. In addition, the LSC OIG is proposing to include for audit certain regulatory requirements which impact recipient staff’s involvement in the outside practice of law. Finally, suggested audit procedures for several regulations have been updated and revised for clarification and simplification purposes.

DATES: All comments and recommendations must be received by [INSERT DATE 30 DAYS AFTER PUBLICATION.]

ADDRESSES: The proposed LSC OIG Compliance Supplement for Audits of LSC Recipients is available at https://www.oig.lsc.gov/images/pdfs/ipa_resources/DRAFT_2015_Compliance_Supplement_for_Audits_of_LSC_Recipients.pdf.

You may submit comments by any of the following methods:

- *Email:* aramirez@oig.lsc.gov
- *Fax:* (202) 337-6616.
- *Mail:* Legal Services Corporation Office of Inspector General, 3333 K Street NW, Washington, DC 20007.

Instructions: All comments should be addressed to Anthony M. Ramirez, Office of the Inspector General, Legal Services Corporation. Include “2015 Compliance Supplement” as the heading or subject line for all comments submitted.

FOR FURTHER INFORMATION CONTACT: Anthony M. Ramirez,
aramirez@oig.lsc.gov, (202) 295-1668.

SUPPLEMENTARY INFORMATION: The purpose of the Compliance Supplement for Audits of LSC Recipients is to set forth the LSC regulatory requirements to be audited by the Independent Public Accountants (“IPA”) as part of the recipients’ annual financial statement audit and to provide suggested guidance to the IPAs in accomplishing this task. Pursuant to 45 CFR part 1641, IPAs are subject to suspension, removal, and/or debarment for not following OIG audit guidance as set out in the Compliance Supplement for Audits of LSC Recipients. Since the last revision of the LSC OIG’s Compliance Supplement for Audits of LSC Recipients, LSC has significantly revised and updated several regulations. These revisions and updates, including the corresponding changes to suggested audit guidance provided to the IPAs, must be reflected accurately in the Compliance Supplement for Audits of LSC Recipients. A summary of the proposed changes follows.

The LSC OIG has included regulatory requirements under 45 CFR part 1604 in the Compliance Supplement for Audits of LSC Recipients. The proposed inclusion sets

forth the requirements dealing with the permissibility of recipient staff engaged in the outside practice of law. We have proposed suggested audit guidance for use by the IPAs.

The LSC OIG made major revisions to several regulatory summaries to reflect LSC's revisions to its regulations. Revised summaries include those for 45 CFR parts 1609 (fee generating cases); 1611 (eligibility); 1614 (private attorney involvement); 1626 (restrictions on legal assistance to aliens); and to a lesser extent, 1635 (timekeeping requirement). Other summaries contain relatively minor revisions. The proposed summaries follow the existing law and LSC regulations. The proposed suggested audit procedures for each of these sections have been revised and updated to incorporate and take into consideration the regulatory changes.

The LSC OIG proposes to revise the case sampling methodology by reducing criteria utilized in the case selection process. The proposed changes are intended to clarify and simplify the process.

The LSC OIG proposes to update and revise suggested audit procedures for the regulations. The proposed updates and revisions are intended for clarification and simplification purposes and to provide added emphasis on internal controls.

Dated: December 1, 2015.

Stefanie K. Davis,

Assistant General Counsel.

[FR Doc. 2015-30643 Filed: 12/3/2015 8:45 am; Publication Date: 12/4/2015]