



U.S. Department of Education
Office of Inspector General

FY 2013 Annual Plan



Office of Inspector General
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Inspector General

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The Inspector General's FY 2013 Annual Plan is available on the ED OIG Web site at <http://www2.ed.gov/about/offices/list/oig>.



Message From the Inspector General

I am pleased to provide the U.S. Department of Education (Department) Office of Inspector General (OIG) Annual Plan for fiscal year (FY) 2013. This Annual Plan presents the major initiatives and priorities this office intends to undertake to assist the Department in fulfilling its responsibilities to America's taxpayers and students.

The FY 2013 Annual Plan includes our FY 2013 Work Plan, which details the assignment areas and resources we plan to devote to evaluating the efficiency, effectiveness, and integrity of Department programs and operations. Our Work Plan incorporates suggestions from Department leaders and members of Congress.

The Department continues to face a significant number of challenges in FY 2013 that impact its ability to effectively achieve its mission of promoting student achievement and preparing for global competitiveness by fostering educational excellence and ensuring equal access. These include long-standing areas identified as management challenges that include improper payments, information technology security, oversight and monitoring, and data quality and reporting. This Annual Plan aligns the OIG's work and resources to achieve our mission, to meet the goals of our Strategic Plan, and to focus attention across challenge areas to the Department. To these ends, our planned and ongoing work involves Department programs and operations at all levels—Federal, State, and local.

First, the OIG plans to dedicate a significant proportion of its resources in FY 2013 to addressing issues associated with the student financial assistance programs, including the investigation of allegations of fraud in these programs. The OIG plans audit work in areas that include not-for-profit student loan servicers, Federal Student Aid's implementation of a new Debt Management and Collection System, institutional loan entrance and exit counseling practices, and student loan debt and repayments.

Second, in the area of elementary, secondary, and special education, the OIG plans to dedicate resources to issues involving Race to the Top recipient performance, charter schools, compliance and outcomes within the vocational rehabilitation program, the Promise Neighborhood program, and duplication of effort in activities of entities receiving multiple awards under the Department's discretionary grant programs. A significant portion of our work will focus on addressing weaknesses and vulnerabilities already identified in these programs, as well as uncovering any potential new risks to fraud, waste, and abuse.

Third, we will continue to devote resources to reviews impacting the Department's business operations. This includes planned work to assess the value of performance data collected by the Department, the evaluation and dissemination of discretionary grant results, and resolution of complaints by the Department's Office of Civil Rights.

Finally, we will continue to identify emerging risks and vulnerabilities throughout the agency's operations and Federal education programs, recommending corrective actions to ensure that Federal education funds are used for the purposes intended.

Although this Annual Plan provides a framework for activities we intend to carry out in FY 2013, the OIG is often required to perform unanticipated work based on legislative mandates, congressional or Departmental inquiries, or government-wide reviews. We must be flexible enough to address these other priorities as they arise.

We look forward to continuing to work with the Department and the Congress in meeting our goals and fulfilling our mission.

Karen Stip

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U.S. Department of Education Office of Inspector General FY 2013 Annual Plan

Mission Statement

To promote the efficiency, effectiveness, and integrity of the Department's programs and operations, we conduct independent and objective audits, investigations, inspections, and other activities.

Introduction

The U.S. Department of Education (Department) Office of Inspector General (OIG) Strategic Plan for fiscal year (FY) 2011 through FY 2015 sets forth our mission, vision, and goals for 5 years. Our mission is rooted in our statutory responsibilities under the Inspector General Act of 1978, as amended (IG Act). The IG Act established OIGs as independent and objective organizations within the Federal departments and agencies. The IG Act authorizes each OIG to

- conduct and supervise audits and investigations relating to its agency's programs and operations;
- provide leadership, coordination, and recommend policies for activities designed to promote economy, effectiveness, and efficiency in the agency's programs and operations; and to prevent and detect fraud and abuse in the agency's programs and operations; and
- keep its agency head and Congress fully and currently informed of problems and deficiencies in the agency's programs and operations and on the status of corrective actions.

Strategic Plan

OIG's Strategic Plan for FY 2011–FY 2015¹ provides the roadmap by which we plan to accomplish our mission. To meet our mission, we have established the following goals:

Goal 1: Improve the Department's ability to effectively and efficiently implement its programs to promote educational excellence and opportunity for all students.

Goal 2: Strengthen the Department's efforts to improve the delivery of student financial assistance.

Goal 3: Protect the integrity of the Department's programs and operations by detecting and preventing vulnerabilities to fraud, waste, and abuse.

Goal 4: Contribute to improvements in Department business operations.

Goal 5: Strive for a diverse and skilled workforce that is provided with the means and assistance necessary to achieve OIG's mission with excellence, accountability, and integrity.

¹ The OIG Strategic Plan is available on our Web site at <http://www2.ed.gov/about/offices/list/oig/reports.html>.

The first four goals focus on our responsibilities under the IG Act to promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. The fifth goal focuses on the internal functions of the OIG and provides the foundation for our capacity to achieve the other four goals now and in the future. More details are available in the OIG Strategic Plan on the specific strategies developed for each goal and associated performance measures. The FY 2013 performance measures for the goals are presented in [Table 2](#).

FY 2013 Management Challenges

For FY 2013, OIG identified the following areas as significant management challenges² for the Department:

- Improper Payments,
- Information Technology Security,
- Oversight and Monitoring, and
- Data Quality and Reporting.

² The full management challenges report is available in a separate report on our Web site at <http://www2.ed.gov/about/offices/list/oig/managementchallenges.html>.

FY 2013 Work Plan

The FY 2013 Work Plan for audit, inspection, investigation, and other activities is presented under each of the first four goals in the sections that follow. [Table 1](#) correlates the FY 2013 Work Plan projects to the FY 2013 Management Challenges. In addition to the OIG goals and FY 2013 Management Challenges, we also assessed the work proposed in terms of the availability of the necessary resources to accomplish it.

Goal 1: Improve the Department’s ability to effectively and efficiently implement its programs to promote educational excellence and opportunity for all students.

Our audit work in the area of promoting educational excellence and opportunity for all students includes specific work pursuant to numerous Department programs impacting its mission to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. Our investigations focus on serious allegations of fraud and corruption involving these programs. While our work related to the student financial assistance (SFA) programs would also contribute to this goal, planned work in SFA programs is provided under Goal 2. New priority work and continuing work for Goal 1 in FY 2013 includes the following.

New Priority Work

- **Race to the Top (RTT) Recipient Performance**—Determine whether selected recipients are making substantial progress within the RTT educational reform areas in accordance with their approved applications, whether they accurately reported RTT related performance, and whether they appropriately administered RTT funds in accordance with program requirements and their approved application.
- **Impact of Elementary and Secondary Education Act (ESEA) Flexibility Waivers**—Determine whether approved State educational agencies (SEAs) are successfully implementing selected aspects of the plans contained in their applications for ESEA flexibility; and assess Department efforts to monitor performance in accordance with their approved plans, including the collection of information to determine whether the ESEA flexibility waivers improved student learning and increased the quality of instruction.
- **Compliance, Measurement, and Outcomes of the Vocational Rehabilitation State Grant Program**—Determine whether the Department’s Rehabilitation Services Administration has designed and implemented adequate and appropriate indicators for measuring employment outcomes and other performance benchmarks for the Vocational Rehabilitation State Grant Program; selected State Vocational Rehabilitation agencies administered the funds in accordance with program requirements; and

State grantees are accurately measuring the performance of their Vocational Rehabilitation programs and maintaining adequate support for reported results.

- **Individuals With Disabilities Education Act (IDEA) Maintenance of Effort (MOE)**—Inform the legislative process related to the pending reauthorization of IDEA by providing information to the Department and Congress relevant to MOE flexibility.
- **Audit of the Department’s Management of the Promise Neighborhoods Program**—Determine whether grantees met all eligibility requirements and whether planning grant awardees have been able to effectively move forward and receive implementation grants, and if not why. We will also evaluate the appropriateness of the Department’s methods of calculating contributions of services and property and review and assess the effectiveness of the Department’s process for monitoring grantees.
- **Duplication of Effort in the Activities of Entities Receiving Multiple Grants Under the Department’s Discretionary Grant Programs**—Determine whether the Department’s internal controls are appropriate to ensure that recipients of multiple discretionary grant awards are not obtaining funds from multiple sources for the same effort.
- **Unplanned Audits, Inspections, and Investigations of Selected Grantees**—Periodically, program offices will request that we review grantees where the possibility of fraud, waste, or abuse of Federal funds has been identified. We also receive hotline allegations or other information alleging fraud or misuse of Federal funds, or otherwise identify specific grantees that warrant review. Objectives will vary based on the nature of the referral or reasons for conducting the work. Generally, the objectives will relate to whether grantees are in compliance with applicable laws, regulations, and grant terms.

Continuing Work

- **Performance by Recipients of Investing in Innovation Funds**—Continue our ongoing work to determine whether Investing in Innovation recipients are achieving program goals and objectives, and evaluate the adequacy and effectiveness of the Department’s monitoring to ensure recipients are meeting goals and objectives.
- **Department Processes to Mitigate Risk in Teacher Incentive Fund Program Awards**—Continue our work to evaluate the adequacy of the Department’s processes to ensure that funded applications demonstrated the involvement and support of teachers, principals, other personnel, and unions necessary to carry out program activities; and the Department’s monitoring plans for funded applicants proposing a planning period to determine whether the Department’s monitoring efforts ensured applicants made progress towards developing the lacking core element(s) and mitigated related performance risk.
- **Local Educational Agency (LEA) MOE Flexibility Due to Recovery Act IDEA Part B Funds**—Continue our work to determine whether LEAs that

exercised MOE flexibility with Recovery Act IDEA Part B funds were eligible to do so, used and accounted for the “freed up” funds appropriately, and experienced adverse impacts as a result of reducing Special Education MOE.

- **Progress in Meeting RTT Goals and Uses of RTT Funds**—Determine how RTT recipients measure and report progress and the extent to which they have achieved program objectives and use RTT funds, including whether those uses are in accordance with their approved applications and relevant laws and regulations. In addition, we will evaluate the Department’s monitoring to ensure RTT program objectives are being met.
- **Lessons Learned from Recovery Act Implementation**—Continue our work to evaluate results of the reviews of Recovery Act education programs and make recommendations to help improve future program authorization, implementation, and oversight.
- **Control Over the Integrity of the Results of Students’ Performance on Statewide Assessments**—Continue our work to determine whether the Department and SEAs have systems of internal control that are sufficient to provide reasonable assurance of the integrity of the results of students’ performance on statewide assessments.
- **Department’s Competitive Award Process for ESEA Programs**—Continue our work to evaluate the effectiveness and efficiency of the competitive grant processes followed for ESEA programs in ensuring the highest rated grantees are selected and that necessary controls are in place to mitigate risk.
- **Discretionary Grant Results**—Continue our work to determine whether the information provided in grantee final reports meets requirements, is used to evaluate the success of individual projects and the grant program as a whole, informs decisions related to competitions in the program area or selection of the grantee for future projects in any programs, and is disseminated to allow potential grantees to replicate and/or build upon successful programs and to provide transparency to the general public on grant costs and results.
- **Payback Provisions of Selected Grant Programs**—Continue our work to determine whether select Department payback programs effectively meet program objectives by training recipients who subsequently perform work related to the program or obtain repayment of the assistance received for recipients that do not fulfill work agreements.

Goal 2: Strengthen the Department's efforts to improve the delivery of student financial assistance.

Our planned work in the SFA programs includes Departmental oversight of schools, lenders, guaranty agencies, and servicers. We will also continue to devote significant resources towards the investigation of allegations of fraud in SFA programs, with an ongoing focus on distance education programs (see also work described under Goal 3). New priority work and continuing work to be performed in FY 2013 under this goal will include the following.

New Priority Work

- **Not-for-Profit Student Loan Servicers**—Determine whether the Department's Office of Federal Student Aid (FSA) contracted with only eligible not-for-profit servicers, established competitive market rate pricing in the contracts with not-for-profit servicers, contracted with not-for-profit servicers in a manner that addressed prior OIG recommendations, and established and implemented effective internal controls to oversee not-for-profit servicers. We will also assess the cost impact and complexity added to FSA operations by adding not-for-profit servicers.
- **Debt Management and Collection System Implementation**—Assess FSA's acquisition and implementation of its new Debt Management and Collection System, identify issues caused by the implementation of the system, and assess FSA's identification of those issues and the effectiveness of FSA's response.
- **Student Loan Debt and Repayment Analysis**—Determine which borrowers are using the various repayment options and why along with whether the loan repayment plans have been presented and used effectively by the Department to limit student loan defaults. We will also analyze and report historical student loan debt level, repayment, and default information.
- **Department Oversight and Effectiveness of Institutional Loan Entrance and Exit Counseling Practices**—Determine whether the student loan disclosures and counseling provide borrowers with adequate information to make informed decisions relating to student loan debt. We will also determine whether the Department has effective processes to oversee institutional loan entrance and exit counseling and whether some methods of delivering counseling appear more effective in enhancing repayment and reducing default.
- **Proprietary School's Compliance With Incentive Compensation Regulations**—Determine whether selected institutions are in compliance with incentive compensation regulations and whether FSA's Program Compliance identified and made appropriate determinations of schools' compliance with incentive compensation regulations.
- **Department's Contingency Planning for Closures of Publicly Traded Institutions**—Determine the adequacy of FSA's contingency plans in the

event of the closure of a significant number of schools or locations by a publicly traded postsecondary institution.

- **Unplanned Audits, Inspections, and Investigations of Selected Program Participants**—Throughout the year, we may receive referrals from program offices requesting review of postsecondary institutions or other SFA program participants where the possibility of fraud, waste, or abuse of Federal funds has been identified. We also receive hotline allegations or other information alleging fraud or misuse of Federal funds, or may otherwise identify specific institutions that warrant review. Objectives will vary based on the nature of the concerns. Generally, objectives will relate to whether the institutions are in compliance with the Higher Education Act, as amended, regulations, and program guidelines, or to alert the Department to any emerging and systemic areas of abuse.

Continuing Work

- **Oversight of Schools Participating in the Direct Loan Program**—Continue our work to evaluate the effectiveness of FSA oversight of schools participating in the Direct Loan Program to ensure compliance with program requirements and the prompt disbursement of Direct Loan funds.
- **Title IV Additional Servicers**—Continue our work to evaluate the effectiveness of the Department’s management of the Title IV Additional Servicers contracts to ensure appropriate contractor performance and accountability.
- **Guaranty Agency Health**—Continue our work to evaluate the effectiveness of the Department’s activities to ensure effective performance of guaranty agencies during the phase-out of Federal Family Education Loan Program loans.
- **Sufficiency and Transparency of Proprietary Schools’ Financial Statement Data**—Continue our work to determine whether the audited financial statements submitted by proprietary schools included information about the schools’ use of Title IV funds to provide the transparency needed for FSA to make informed decisions about program effectiveness.
- **Institutions’ Use of Servicers for Title IV Payment Processing**—Determine whether schools and servicers comply with requirements for processing direct payments to students to ensure that students are not unfairly charged fees and have ready access to their balances.
- **Borrower Complaints Against Private Collection Agencies**—Determine whether FSA monitors borrower complaints against private collection agencies and ensures that corrective action is taken, whether private collection agencies are abiding by the applicable laws and the terms of their contracts related to complaints, and the impact of borrower complaints on FSA’s evaluation and compensation of private collection agencies.
- **Oversight of Private Collection Agencies’ Loan Rehabilitation Activities**—Determine whether FSA’s monitoring of private collection agency borrower

counseling is adequate and whether there are appropriate incentives in contracts for private collection agencies to offer loan rehabilitation to defaulted borrowers. We will also identify any barriers to the timely rehabilitation of borrowers' loans, what loan rehabilitation data FSA collects, and how FSA uses this data.

Goal 3: Protect the integrity of the Department's programs and operations by detecting and preventing vulnerabilities to fraud, waste, and abuse.

The continuing and planned work under Goals 1, 2, and 4 contributes to OIG's work under this goal. Through our audit and investigative work, proactive data analyses, and other reviews, we assess fraud risk, evaluate fraud indicators, and perform testing designed to detect fraud, waste, and abuse. Our investigations, audit, inspections, and computer forensics staff work together to help identify weaknesses in internal controls that could leave the Department's programs or operations vulnerable to these risks. The result of this interdisciplinary work can result in criminal and civil investigations of fraud in the Department's programs and operations. For FY 2013, the following priority projects in particular will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs.

New Priority Work

- **Effectiveness and Accountability of Online Charter Schools**—Determine whether scores on statewide assessments show an achievement gap between students in online charter schools and students in traditional or hybrid learning environments. We will also determine whether online charter schools are accurately tracking and reporting student counts for funding purposes and are complying with select provisions of Title I, Part A and IDEA, Part B.

Continuing Work

- **Final SEA and LEA Expenditures Under the Recovery Act**—Continue our work to determine whether select SEAs and LEAs spent final funding on appropriate Recovery Act activities and evaluate the Department's oversight of the Recovery Act funding closeout process and any returns of funds.
- **SEA and Department Oversight of Agreements Between Charter Schools and Charter Management Organizations (CMOs) or Educational Management Organizations (EMOs)**—Determine whether select charter schools and their governing boards are independent from the CMOs/EMOs that manage the schools and that other contract terms are appropriate. We also plan to evaluate Department and SEA controls to ensure independence of the charter schools and CMO/EMO, as well as the appropriateness of other contract terms.
- **Distance Education Program Requirements and Monitoring**—Continue our work to determine whether the Department adapted the Title IV, Higher Education Act program requirements and guidance to mitigate the unique

risks inherent in the distance education environment and whether the Department, accrediting agencies, and State agencies adequately monitored institutions of higher education to provide reasonable assurance of their compliance with requirements that are unique to the distance education environment.

- **21st Century Community Learning Centers Program**—Continue our work to evaluate whether 21st Century Community Learning Centers program grants are awarded and monitored effectively to ensure that funds are spent for the intended purposes and that program objectives are being met.
- **Data Mining and Research**—Continue to develop and use tools that can be used to identify adverse trends and possible fraud, waste, and abuse in Department programs or operations.
- **Hotline Operations**—OIG’s Hotline continues to provide a means for anyone suspecting fraud, waste, or abuse involving Department funds or programs to provide their concern to OIG. Complaints or concerns received through the Hotline are evaluated and may be referred for OIG investigation, audit or other review, or may be referred to other offices or agencies as appropriate. The Hotline can be contacted through OIG’s Web site, telephone, or regular U.S. mail delivery.

Goal 4: Contribute to improvements in Department business operations.

In addition to the Department’s administration of its programs, effective and efficient business operations are critical to ensure the Department has the tools and other resources to effectively manage its programs and protect its assets. Our audit and inspection work will look at improper payments, information technology security, financial management, and other areas; our investigations work will cover allegations of serious fraud or misconduct by Department officials and contractors, as well as technology-related crimes. Priority work planned in this area, as well as statutory reviews for FY 2013, include the following.

New Priority Work

- **Value of Performance Data Collected by the Department**—Determine whether the Department effectively uses the performance data that it collects from recipients and whether there are data that are no longer necessary or could be streamlined to reduce the associated burden on recipients.
- **Reviews of Improper Payments and Related Requirements**—Evaluate the Department’s compliance with the Improper Payments Elimination and Recovery Act (IPERA) and subsequent legislation and guidance by ongoing monitoring of the Department’s quarterly reports on high-dollar overpayments and evaluation of the actions taken in response to improper payments noted. Additional work planned includes the following.

- **Department’s Compliance With the IPERA and its Performance in Reducing and Recapturing Improper Payments**—Determine whether the Department was in compliance with the IPERA. We will also evaluate the Department’s reporting of improper payment data and its performance in reducing and recapturing improper payments.
- **Department Accountable Official Report on High-Error Programs—Pell Grant Program**—Determine whether the Department’s Accountable Official report for the Pell Grant program complied with applicable requirements, adequately addressed improper payment risk, and described an adequate level of oversight to reduce and recapture improper payments.
- **FY 2013 Federal Information Security Management Act (FISMA) Report**—Assess the agency’s overall compliance with the security provisions of FISMA and related information security standards identified within Office of Management and Budget (OMB) guidelines.
- **FY 2013 Department-wide Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to report as to whether the Department-wide basic financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether internal control provides reasonable assurance of achieving objectives, and whether the Department has complied with applicable laws and regulations.
- **FY 2013 FSA Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion as to whether the FSA financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether FSA’s internal control provides reasonable assurance of achieving objectives, and whether FSA has complied with applicable laws and regulations.
- **FY 2013 Special Purpose Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to report on whether the Department’s special purpose financial statements fairly present, in all material respects, in conformity with applicable accounting principles and requirements, the assets, liabilities, and net position as well as net costs and changes in net position.
- **Resolution of Discrimination Complaints by the Department’s Office of Civil Rights**—Determine whether the Office of Civil Rights resolves discrimination complaints in a timely and efficient manner and effectively applies applicable policies and procedures in resolution of discrimination complaints.
- **Department’s Purchase and Travel Card Programs**—Assess the Department’s purchase card program to identify risks of illegal, improper, or erroneous purchases and payments and develop a plan for using such risk assessments to determine the scope, frequency, and number of periodic audits of purchase card transactions.

- **Review of the Department’s Accounting for Drug Control Funds and Related Performance**—In accordance with statutory requirements, express a conclusion about the reliability of the Department’s management assertions related to the National Drug Control Program activities.
- **Oversight of Non-Federal Auditors**—Under the IG Act, OIG is responsible for oversight of non-Federal auditors. To this end, OIG develops and issues guidance and provides technical assistance to non-Federal auditors. OIG also conducts quality reviews of single audits and compliance audits conducted by non-Federal auditors to determine whether the audits were conducted in accordance with appropriate audit standards and applicable audit guidance.

Continuing Work

- **The Department’s Implementation of the Government Performance & Results Act Modernization Act of 2010**—Continue our work to determine whether the Department has identified and clearly articulated priority goals, milestones, and performance indicators; established a process for ensuring the validity and reliability of data; and conducted and reported on the results of quarterly performance reviews to provide information to the public on its performance and operations.
- **FY 2012 FISMA Report**—Continue our work to assess the agency’s overall compliance with the security provisions of FISMA and related information security standards identified within OMB guidelines.
- **FY 2012 Department-wide Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to report as to whether the Department-wide basic financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether internal control provides reasonable assurance of achieving objectives and whether the Department has complied with applicable laws and regulations.
- **FY 2012 FSA Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion as to whether the FSA financial statements are fairly presented in all material respects. With respect to the financial statements, report on whether FSA’s internal control provides reasonable assurance of achieving objectives, and whether FSA has complied with applicable laws and regulations.
- **FY 2012 Special Purpose Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to report on whether the Department’s special purpose financial statements fairly present, in all material respects, in conformity with applicable accounting principles and requirements, the assets, liabilities, and net position as well as net costs and changes in net position.

Other Activities

The IG Act also provides that OIG is responsible for reviewing existing and proposed legislation and regulations related to the programs and operations of the Department. OIG accomplishes this in several ways as follows.

- Review and comment on draft legislation, regulations, comments to the Department on its proposed policies, procedures, and guidance, observe negotiated rulemaking sessions, and participate in an advisory capacity on Departmental policy groups.
- Review and comment on pending legislation or regulations of other agencies that impact the Department, its recipients, and entities participating in Department programs.
- Provide recommendations to Congress for consideration during the reauthorization process for Department programs.
- Review and provide comments to OMB on proposed regulations, including participation on OMB workgroups to draft and revise regulations.

OIG also performs a number of other activities related to its obligation to keep Congress informed about any problems or deficiencies with the Department's administration of its programs and operations, including participation in cross-agency groups:

- Respond to Congressional requests for information or analysis.
- Participate as a member of the Council of Inspectors General for Integrity and Efficiency, including the committees for Audit, Investigation, and Information Technology. Also participate in interagency workgroups sponsored by the Council of Inspectors General for Integrity and Efficiency, including the Federal Audit Executive Council, the Assistant Inspectors General for Investigations Committee, and the Council of Counsels to the Inspectors General.
- Participate as a member of the Recovery Accountability and Transparency Board and its committees. Lead or participate in projects to evaluate Recovery Act programs across agencies.

Table 1. FY 2013 Work Plan and FY 2013 Management Challenges

This table includes both planned and ongoing projects presented in the FY 2013 Work Plan projects under the FY 2013 Management Challenges. Ongoing work is indicated with an asterisk.

Management Challenge	Related FY 2013 Work Plan Project
Improper Payments	<ul style="list-style-type: none"> • Reviews of Improper Payments and Related Requirements* • Department's Compliance With the IPERA and Performance in Reducing and Recapturing Improper Payments • Department Accountable Official Report on High-Error Programs—Pell Grant Program • Department's Purchase and Travel Card Programs
Information Technology Security	<ul style="list-style-type: none"> • FY 2013 FISMA Report • FY 2012 FISMA Report*
Oversight and Monitoring	<ul style="list-style-type: none"> • RTT Recipient Performance • Effectiveness and Accountability of Online Charter Schools • SEA and Department Oversight of Agreements Between Charter Schools and CMO/EMO • IDEA MOE • Department's Management of the Promise Neighborhoods Program • Duplication of Effort in the Activities of Entities Receiving Multiple Grants Under the Department's Discretionary Grant Programs • Impact of ESEA Waivers • Not-for-Profit Student Loan Servicers • Debt Management and Collection System Implementation • Department Oversight and Effectiveness of Institutional Loan Entrance and Exit Counseling Practices • Student Loan Debt and Repayment Analysis • Proprietary School's Compliance With Incentive Compensation Regulations • Department's Contingency Planning for Closures of Publicly Traded Institution • Resolution of Discrimination Complaints by the Department's Office of Civil Rights

Management Challenge	Related FY 2013 Work Plan Project
<p>Oversight and Monitoring (continued)</p>	<ul style="list-style-type: none"> • Final SEA and LEA Expenditures Under the Recovery Act* • Progress in Meeting RTT Goals and Uses of RTT Funds* • Performance by Recipients of Investing in Innovation Funds* • Department Processes to Mitigate Risk in Teacher Incentive Fund Program Awards* • LEA MOE Flexibility Due to Recovery Act, IDEA Funds* • Lessons Learned from Recovery Act Implementation* • Control Over the Integrity of the Results of Students' Performance on Statewide Assessments* • Department's Competitive Award Process for ESEA Programs* • Discretionary Grant Results* • Payback Provisions of Selected Grant Programs* • 21st Century Community Learning Centers Program* • Oversight of Schools Participating in the Direct Loan Program* • Guaranty Agency Health* • Sufficiency and Transparency of Proprietary Schools' Financial Statement Data* • Institutions' Use of Servicers for Title IV Payment Processing* • Distance Education Program Requirements and Monitoring* • Title IV Additional Servicers* • Borrower Complaints Against PCAs* • Oversight of Private Collection Agencies' Loan Rehabilitation Activities*
<p>Data Quality and Reporting</p>	<ul style="list-style-type: none"> • Compliance, Measurement and Outcomes of the Vocational Rehabilitation State Grant Program • Value of Performance Data Collected by the Department • LEA Use of Recovery Act and Education Jobs Funds* • Final SEA and LEA Expenditures Under the Recovery Act • The Department's Implementation of the Government Performance & Results Act Modernization Act of 2010*

Table 2. FY 2013 Performance Measures

Performance Measure	FY 2013 Target ³
1. Audits, inspections, and investigations initiated each year focused on areas of high risk or significant importance.	AS/ITACCI (Audit) 85% EIMS 75% IS/ITACCI (Inv) 80%
2. Recommendations accepted by the Department during the fiscal year.	90%
3. Audit initial results determined by the agreed-upon date.	80%
4. Audit field work completed and draft report submitted for review by the agreed-upon date.	75%
5. Draft and final audit reports issued by the agreed-upon date.	70%
6. Draft audit report issued within one year from entrance conference.	60%
7. Agreed-upon milestones for Inspections and information technology audits met.	75%
8. Case closing Reports of Investigation submitted within 150 days of last reportable investigative action.	70%
9. Complaints of fraud, waste, and abuse evaluated and closed with a final disposition within 90 days.	70%
10. Closed investigations resulting in a criminal, civil, or administrative action or monetary result.	IS 74% ITACCI 65%
11. Hotline controlled correspondence processed within the established deadlines.	95%
12. Requests for forensic or analytical assistance completed within 75 days.	70%
13. Development milestones met by agreed upon dates for proactive analytical projects developed to identify adverse trends and/or possible fraud, waste, and abuse in Department programs or operations.	85%
14. Computer-assisted assessment technology products delivered to the requestor within agreed-upon dates.	90%
15. OIG Data Analytics Systems operational during normal work hours.	95%

³ Measures have been separately established for Audit Services (AS), Investigation Services (IS), Evaluation, Inspection, and Management Services (EIMS), and Information Technology Audits and Computer Crime Investigations (ITACCI) as indicated.

Performance Measure (continued)	FY 2013 Target (continued)
16. Comments resulting in changes in legislation, regulations, or other policies.	60%
17. Counsel work products met required or agreed-upon deadlines.	85%
18. Freedom of Information Act responses met required deadlines.	95%
19. Quality assurance review and internal control review recommendations accepted by the OIG.	80%
20. Products related to budget and other administrative operations developed, executed, and delivered to OMB, Department, OIG leadership, and other applicable stakeholders within agreed upon timeframes.	80%
21. Report to appropriate stakeholders on Recovery Act activities and funding within established timeframes.	90%
22. Operational staff completed at least one work-related training.	70%

Table 3. FY 2012 Performance Results

Performance Measure	FY 2012 Target	FY 2012 Actual
1. Audits, inspections, and investigations initiated each year focused on areas of high risk or significant importance.	AS/ITACCI (Audit) 85% EIMS 70% IS/ITACCI (Inv) 75%	AS/ITACCI (Audit) 100% EIMS 100% IS/ITACCI (Inv) 85%
2. Recommendations accepted by the Department during the fiscal year.	AS/ITACCI (Audit) 90% EIMS/IS/ITACCI (Inv) 85%	AS/ITACCI (Audit) 92% EIMS/IS/ITACCI (Inv) 96%
3. Audit and inspection initial results determined by the agreed-upon date.	AS/EIMS 80% ITACCI 70%	AS/EIMS 100% ITACCI 100%
4. Audit and inspection field work completed and draft report submitted for review by the agreed-upon date.	AS 75% EIMS 80% ITACCI 70%	AS 95% EIMS 75% ITACCI 100%
5. Draft and final audit and inspection reports issued by the agreed-upon date.	AS/EIMS 70% ITACCI 65%	AS/EIMS 90% ITACCI 100%
6. Case closing Reports of Investigations submitted within 150 days of last reportable investigative action.	70%	70%
7. Complaints of fraud, waste, and abuse evaluated and closed with a final disposition within 90 days.	70%	82%
8. Closed investigations resulting in a criminal, civil, or administrative action or monetary result.	68%	84%
9. Development milestones met by agreed-upon dates for proactive analytical projects developed to identify adverse trends and/or possible fraud, waste, and abuse in Department programs or operations.	70%	97%
10. Comments resulting in changes in legislation, regulations, or other policies.	60%	90%

Performance Measure (continued)	FY 2012 Target (continued)	FY 2012 Actual (continued)
11. Counsel work products meeting required or agreed-upon deadlines.	80%	97%
12. Freedom of Information Act responses met required deadlines.	97%	99%
13. Requests for forensic or analytical assistance completed within 75 days.	65%	86%
14. Computer-assisted assessment technology products delivered to the requestor within agreed-upon dates.	90%	100%
15. Budget products developed and delivered to OMB, Department, OIG leadership, and other applicable stakeholders within agreed upon timeframes.	80%	87%
16. Report to appropriate stakeholders on Recovery Act activities and funding within established timeframes.	90%	92%
17. Quality Assurance Reviews and Internal Control Review recommendations accepted by the OIG.	70%	91%
18. OIG Data Analytics Systems operational during normal work hours.	90%	100%
19. Operational staff completed at least one work-related training.	70%	90%
20. Percent of staff that have at least one professional certification or advanced degree.	60%	68%

Appendix A. Abbreviations and Acronyms Used in This Report

AS	Audit Services
CMO	Charter Management Organization
Department	U.S. Department of Education
EIMS	Evaluation, Inspection, and Management Services
EMO	Educational Management Organization
ESEA	Elementary and Secondary Education Act
FISMA	Federal Information Security Management Act
FSA	Federal Student Aid
FY	Fiscal Year
IDEA	Individuals With Disabilities Education Act
IG Act	Inspector General Act of 1978, as Amended
IPERA	Improper Payments Elimination and Recovery Act
IS	Investigation Services
ITACCI	Information Technology Audits and Computer Crime Investigations
LEA	Local Educational Agency
MOE	Maintenance of Effort
OIG	Office of Inspector General
OMB	Office of Management and Budget
RTT	Race to the Top
SEA	State Educational Agency
SFA	Student Financial Assistance



Anyone knowing of fraud, waste, or abuse involving U.S. Department of Education funds or programs should contact the Office of Inspector General Hotline:

<http://www2.ed.gov/about/offices/list/oig/hotline.html>

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Office of Inspector General
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