



U.S. Department of Education
Office of Inspector General

FY 2017 Annual Plan

November 2016



Office of Inspector General
Kathleen S. Tighe
Inspector General

November 2016

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Please Note:

The Inspector General's FY 2017 Annual Plan is available on the ED OIG Web site at <http://www2.ed.gov/about/offices/list/oig/workplan.html>.

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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) 2017. 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.

This Annual Plan aligns the OIG's work and resources to achieve our mission, meet the goals of our Strategic Plan, and 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.

The FY 2017 Annual Plan includes our FY 2017 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, the Office of Management and Budget, and members of Congress.

The Department continues to face significant challenges in FY 2017 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. In response to these challenges, the focus of new work within the FY 2017 Annual Plan includes projects to assess high-priority areas such as oversight and monitoring of Federal student financial assistance programs, elementary and secondary education programs, and grantees; information technology security; data quality and reporting; the effectiveness of Department internal operations; and emerging areas among the Department's programs.

First, in the area of Federal student financial assistance programs, effective oversight and monitoring of program participants are necessary to ensure funds are disbursed for only eligible students and to effectively manage the performance of the Federal student loan portfolio. Within this area, our planned audit work includes the Department's controls over the Free Application for Federal Student Aid verification process, the Department's recognition and oversight of

accrediting agencies, and selected school's compliance with requirements in the Higher Education Act of 1965, as amended, for disclosures to students.

Second, in the area of elementary, secondary, and special education, effective monitoring and oversight of grantees are essential for ensuring they establish requirements and achieve program goals and objectives. In response, we plan to dedicate audit resources to issues involving the Department's monitoring of State special education programs, the Department's and State educational agencies' controls and monitoring of Federal education funds for property and assets, and the Department's oversight of the TRIO and GEAR-UP programs.

Third, in the area of business operations, the Department faces a changing environment in which it must efficiently provide services to growing numbers of program participants, while managing additional administrative requirements with declining staffing levels. Within this area, we plan work relating to the Department's hiring process and the Department's controls over Clery Act reporting.

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 2017, we are often required to perform unanticipated work based on legislative mandates, congressional or Departmental inquiries, or Federal 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.



Kathleen S. Tighe
Inspector General

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U.S. Department of Education Office of Inspector General FY 2017 Annual Plan

Mission Statement

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations. To achieve this mission, we conduct audits and investigations and provide other assistance to help ensure integrity in the Department's programs and operations and identify opportunities for improvement.

Introduction

The U.S. Department of Education (Department), Office of Inspector General (OIG) Strategic Plan for fiscal year (FY) 2014 through FY 2018 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 do the following:

- Conduct and supervise audits and investigations relating to its agency's programs and operations.
- Provide leadership, coordinate, and recommend policies for activities designed to promote economy, effectiveness, and efficiency in the agency's programs and operations; and to prevent and detect waste, fraud, and abuse in the agency's programs and operations.
- 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 Goals

The OIG's Strategic Plan for FY 2014–FY 2018¹ 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.

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.

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 the OIG's mission.

¹ The OIG Strategic Plan is available on our Web site at 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 2017 performance measures for the goals are presented in Table 2 at the end of this plan.

FY 2017 Management Challenges

For FY 2017, the OIG identified the following areas as significant management challenges² for the Department:

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

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

FY 2017 Work Plan

Audits, investigations, and other activities in the OIG's FY 2017 Work Plan are presented under each of their respective OIG Strategic Plan goals in the sections that follow. Some OIG projects address more than one goal, but each is presented under its primary related goal. Table 1 correlates the FY 2017 Work Plan projects to the FY 2017 Management Challenges. In addition to considering the OIG goals and FY 2017 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. Our work related to the Department's oversight of student financial assistance programs also contributes to this goal, with planned and ongoing work primarily identified under Goal 2. New priority work and continuing work for Goal 1 in FY 2017 includes the following.

New Priority Work

- **The Department's Monitoring of State Special Education Programs—** Evaluate the effectiveness of the Department's oversight of the Individuals with Disabilities Education Act program to ensure recipients' compliance with program requirements and achievement of established goals.
- **The Department's Oversight of the TRIO and GEAR-UP Programs—** Evaluate the effectiveness of the Department's oversight of the TRIO and GEAR-UP programs to ensure that funds are used appropriately and anticipated results are achieved.
- **Federal Student Aid's Evaluation and Oversight of School's Participation in the Experimental Sites Initiative—** Determine whether Federal Student Aid (FSA) established a system of internal control to ensure (1) FSA properly monitors schools participating in the Experimental Sites Initiative, (2) schools participating in the initiative are adhering to reporting requirements, and (3) FSA designed and implemented the initiative to support decision-making by providing appropriate data and results with respect to meaningful and measurable criteria

- **Audits, Inspections, and Investigations of Select 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 audit work. Generally, the objectives will relate to whether grantees are complying with applicable laws, regulations, and grant terms.

Continuing Work

- **State Educational Agencies' Verification of Single Audit Finding Resolution**—Continue our work to determine whether selected States have provided effective oversight to ensure that local educational agencies (LEA) take timely and appropriate action to correct their single audit findings. Our work includes projects at three State educational agencies (SEA) to determine whether they provided effective oversight to ensure that LEAs corrected single audit findings timely and appropriately. We issued reports on the Massachusetts Department of Elementary and Secondary Education (A09P0001) in January 2016 and the North Carolina Department of Public Instruction (A09P0005) in August 2016. We are continuing our work at the Illinois State Board of Education.
- **Oversight of Closed Charter Schools**—Continue our work to determine whether the Department has effective oversight of the programs provided to charter schools and sufficiently monitors SEAs to ensure (1) procedures and internal controls are in place to identify the causes for charter school closures and for mitigating the risks of future charter school closures, (2) close-out procedures for Federal funds received by a charter school are performed in accordance with Federal regulations and law, (3) closed charter schools dispose of any Federal funds they acquired in accordance with Federal regulations and law, (4) transfer of students from a charter school that closes is performed in accordance with Federal regulations and law, and (5) student information and records from closed charter schools are protected and maintained in accordance with Federal regulations and law.
- **Compliance, Measurements, and Outcomes of the Vocational Rehabilitation State Grant Program**—Continue our work to determine whether the Department has adequate internal controls to provide reasonable assurance that the Rehabilitation Services Administration Case Service Report data that State vocational rehabilitation agencies reported are accurate and complete. In addition to the work to assess the Department's oversight, this project includes work at three States to determine whether they had adequate internal controls to provide reasonable assurance that their Rehabilitation Services Administration Case Service Report data were accurate and complete.

We issued reports on the Opportunities for Ohioans with Disabilities (A03P0001) and the Pennsylvania Department of Labor and Industry's Office of Vocational Rehabilitation (A03P0002) in March 2016. We also

issued a report on the California Department of Rehabilitation (A09O0008) in December 2015. We are continuing our work at the Department.

- **Department Oversight of the Indian Education Formula Grants to Local Educational Agencies Program**—Continue our work to determine whether the Department has an adequate process to ensure grantees are using funds appropriately and meeting performance goals, and assess the effectiveness of the Department’s coordination efforts with other Federal agencies involved in Indian education.
- **SEA and LEA Implementation of New McKinney Vento Education of Homeless Children and Youth Assistance Requirements Established Under the Every Student Succeeds Act of 2015**—Continue our work to determine the extent to which (1) selected SEAs are providing effective oversight of and coordination with LEAs and other entities to prepare for the implementation of selected Every Student Succeeds Act requirements related to identifying, educating, and reporting on homeless children and youths and (2) selected LEAs are effectively coordinating with the SEAs and other entities and preparing for the implementation of selected Every Student Succeeds Act requirements related to identifying, educating, and reporting on homeless children and youths. We are continuing our work at the New York State Department of Education.



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

Our planned and continuing work in the student financial assistance programs includes Department oversight of schools, guaranty agencies, and servicers. We will also continue to devote significant resources towards the investigation of allegations of fraud in student financial assistance programs, with an ongoing focus on distance education programs (see also work described under Goals 1 and 3). New priority work and continuing work to be performed in FY 2017 under Goal 2 will include the following.

New Priority Work

- **FSA’s Controls Over the Free Application for Federal Student Aid Verification Process**—Determine whether FSA’s control activities ensure that schools perform verification.
- **The Department’s Recognition of Accrediting Agencies and its Oversight During the Period of Recognition**—Evaluate the effectiveness of the Department’s processes to ensure that accrediting agencies meet criteria for the recognition established by the Secretary.
- **Selected Schools’ Compliance With Requirements for Disclosures to Students**—Determine whether selected schools (1) complied with specific requirements of the Higher Education Act of 1965, as amended, governing disclosures to current and prospective students and (2) used and disclosed the methodology to calculate rates subject to disclosure.

- **Schools' Implementation of Career Pathway Programs**—Determine whether (1) selected schools developed and implemented career pathway programs that meet eligibility requirements of the Higher Education Act of 1965, as amended; (2) students enrolled in selected schools' career pathway programs meet ability to benefit requirements; and (3) schools correctly calculated career pathway program students' cost of attendance and Pell Grant awards and correctly determined students' enrollment statuses.
- **FSA Oversight of Schools Submitting Untimely Disbursement Records**—Determine whether FSA has effective controls and processes to ensure that schools are timely and effectively performing reconciliations. Specifically, determine whether FSA has controls to (1) ensure that schools timely book Direct Loans; (2) identify schools that make significant adjustments to Direct Loans and Pell Grants after the end of an award year, and (3) take appropriate action when it identifies patterns of significant adjustments at a school.
- **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 student financial assistance 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 complying with regulations, program guidelines, and the Higher Education Act of 1965, as amended, or to alert the Department to any emerging and systemic areas of abuse.

Continuing Work

- **Western Governors University's Administration of the Title IV Programs**—Continue our work to determine whether Western Governors University complied with the Higher Education Act of 1965, as amended, and selected regulations governing institutional eligibility, program eligibility, disbursements, and return of Title IV aid.
- **Department's Disclosures Regarding the Cost of the Federal Student Loan Programs' Repayment Options and Loan Forgiveness Programs**—Continue our work to determine whether the Department's disclosures related to costs of the Federal loan programs' income-driven repayment plans and loan forgiveness programs are informative to decision-makers and the public.
- **FSA's Process to Select Free Application for Federal Student Aid Data Elements and Students for Verification**—Determine whether FSA's processes to select Free Application for Federal Student Aid data elements and students for verification ensure that Federal student financial aid is disbursed based on accurate information reported on students' aid applications.

- **Federal Student Aid’s Oversight of At-Risk Title IV Schools**—Continue our work to assess FSA’s processes to identify Title IV schools at risk for unplanned closure and mitigate the potential harm to students and taxpayers.
- **Federal Student Aid’s Oversight of Student Loan Servicers**—Continue our work to determine whether FSA’s oversight of student loan servicers ensures that Department held loans are serviced in accordance with Federal requirements.
- **FSA’s Oversight and Monitoring of Nelnet’s Total and Permanent Disability Loan Discharge Process**—Continue our work to determine whether FSA’s oversight and monitoring of Nelnet’s Total and Permanent Disability discharge process ensures disability loan discharges are performed in accordance with Federal program requirements and whether FSA properly oversees and monitors information entered into Nelnet’s system to ensure that student disability loan discharges are accurately reported.
- **FSA’s Use of Heightened Cash Monitoring**—Continue our work to determine whether FSA consistently administered its heightened cash monitoring payment methods.



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 the OIG’s work under this goal. Through our audit and investigative work, proactive data analytics, and other reviews, we assess fraud risk, evaluate fraud indicators, and perform testing designed to detect fraud, waste, and abuse. Our investigations, audit, computer analysis, 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. This interdisciplinary work can result in criminal and civil investigations of fraud in the Department’s programs and operations. For FY 2017, the following priority projects in particular will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs.

New Priority Work

- **Statewide School Districts’ Administration of Federal Education Programs**—Determine whether selected statewide turnaround school districts appropriately administer Federal education programs.
- **Controls and Monitoring over the Use of Federal Education Funds for Property and Assets**—Determine whether (1) selected recipients have developed and implemented controls that provide reasonable

assurance for accountability of assets and property purchased with Federal education funds and (2) SEA and Department oversight ensures that subrecipients effectively account for and safeguard program-related assets.

- **Review of Selected Department Principal Offices' Contract Monitoring**—Determine whether selected principal offices have adequate policies and procedures over non-FSA contracts to ensure the timeliness and adequacy of contract deliverables before payment is made; and that invoiced costs were reasonable, allowable, and allocable prior to vendor payment.

Continuing Work

- **Calculating and Reporting Graduation Rates**—Continue our work to determine whether selected SEAs have implemented systems of internal control over calculating and reporting graduation rates that are sufficient to ensure that reported graduation rates are accurate and reliable. We are continuing our work at the Alabama State Department of Education and the California State Department of Education.
- **The Administration of Vocational Rehabilitation Grants in Puerto Rico**—Continue our work to determine whether Puerto Rico's Vocational Rehabilitation Administration has adequate controls to ensure that services are being provided to eligible individuals and funds are being used for allocable and allowable activities.
- **Puerto Rico Department of Education's Use of Adult Education State Grant Program Funds and the Reliability of the Program's Performance Data**—Continue our work to determine whether the Puerto Rico Department of Education ensured that it used Adult Education program funds in accordance with applicable Federal and State laws and regulations; awarded subgrants competitively to eligible local service providers in accordance with applicable Federal and State laws and regulations; and submitted accurate, complete, and reliable performance data to the Department.
- **Idaho State Department of Education's Oversight Over Online Charter Schools**—Continue our work to determine whether Idaho and the two online charter schools we selected for review had adequate oversight to ensure that students received intended services in accordance with Title I, Part A of the Elementary and Secondary Education Act of 1965, as amended; students received services in accordance with Part B of Individuals with Disabilities Act, as amended; and schools hired highly qualified teachers in accordance with applicable program requirements.
- **Protection of Student Data in State Longitudinal Data Systems**—Continue our work to assess the adequacy of the Department's grants requirements and monitoring of States to ensure the Department has internal controls to prevent, detect, and report unauthorized access and disclosure of student data in the State Longitudinal Data Systems.

In addition to the work to assess the Department's oversight, this project includes work at three States to determine whether they have internal controls to prevent, detect, report, and respond to unauthorized access and disclosure of student data in their Longitudinal Data Systems. We issued reports, "Protection of Personally Identifiable Information in the Commonwealth of Virginia's Longitudinal Data System," (A02P0006) in July 2016 and "Protection of Personally Identifiable Information in Oregon's Statewide Longitudinal Data System," (A02P0007) in September 2016. Our work in Indiana is ongoing.

- **Followup on Previous Title I Audits**—Continue our work to determine whether selected school districts completed corrective actions to remediate prior audit findings and where applicable identify the reasons why corrective actions were not completed and the remaining associated risks. Our work continues at Harvey School District 152 (Illinois), Wyandanch Union Free School District (New York), Detroit Public Schools, and Orleans Parrish.
- **Data Analytic Processes**—Continue to further develop intuitive and interactive data analytic and risk model systems to identify adverse trends and possible fraud, waste, and abuse in Department programs or operations. For example, we have established data analytic processes to detect electronic fraud activities such as student aid fraud rings and identity theft within the Federal student aid arena. We have also developed a tool that assesses overall risk for local school districts based on weighted scores.
- **Technology Crimes Investigations and Investigative Technical Support**—Continue protecting the Department's programs and network infrastructure by investigating technology crimes, conducting proactive data analytics, analyzing financial records, and providing digital forensic services. We continue initiating investigations into the unauthorized access of any information technology system used in the administration, processing, disbursement, or management of Federal funds originating from the Department. This support also includes conducting digital forensic analysis in support of all OIG investigations and conducting proactive data analytics to identify criminal activity and refer viable leads for investigation or audit.
- **Hotline Operations**—The OIG's Hotline continues to provide a means for anyone suspecting fraud, waste, or abuse involving Department funds or programs to provide their concerns to the OIG. We evaluate complaints or concerns received through the Hotline and may refer them for OIG investigation, audit, or other review, or refer them to other offices or agencies as appropriate. The Hotline can be contacted through the OIG Web site, telephone, or regular U.S. mail delivery.
- **Fraud Awareness Presentations**—Continue to conduct awareness presentations to entities or people who award, disburse, or receive Federal education dollars, including Department employees, contractors, grant recipients, and school officials. The presentations highlight common fraud schemes and indicators, serving to educate people on specific vulnerabilities within the programs, contracts, and grants they

oversee. The awareness presentations also enhance the OIG's ability to generate referrals, as well as the Department's overall ability to prevent and detect fraud.

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 2017, include the following.



New Priority Work

- **The Department's Controls Over Clery Act Reporting**—Determine whether the Department's processes ensure that institutions' reporting of campus crime statistics under the Clery Act are reliable and timely.
- **The Department's Hiring Practices**—Assess Department practices related to competitive hiring and use of special hiring authorities.
- **The FSA Ombudsman Group's Processes to Handle Borrower Complaints**—Determine whether the FSA Ombudsman Group resolves borrower contacts appropriately and timely. We will also determine whether the FSA ombudsman has an effective process to collect and analyze complaint types to identify systemic issues or trends that may warrant regulatory or other actions to reduce the incidence of such issues.
- **Review of the Family Policy Compliance Office's Administration of the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment**—Determine whether the Family Policy Compliance Office is appropriately (1) processing and resolving complaints alleging violations of the Family Educational Rights and Privacy Act; (2) processing and resolving complaints alleging violations of the Protection of Pupil Rights Amendment; and (3) ensuring compliance with the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment through reviews, technical assistance, and regulatory guidance.
- **Unplanned Audits, Inspections, or Investigations of Department Operations and Programs, and/or Responses to Congressional Inquiries or Requests**—Throughout the year, we may receive requests from various sources, including Congress to review specified Department operations, programs, or officials where the possibility of fraud, waste, or abuse of Federal funds has been identified or suspected. We also receive Hotline allegations or other information alleging fraud or misuse of Federal funds, or may otherwise identify specific Department operations,

programs, or officials that warrant review. Objectives will vary based on the nature of the concerns.

Annual Work Required by Statute

- **Annual Compliance Review of the Department's Compliance With Improper Payment Reporting Requirements**—To (1) determine whether the Department complied with the Improper Payments Elimination and Recovery Act of 2010; (2) evaluate the accuracy and completeness of the Department's improper payments reporting; (3) evaluate the Department's performance in reducing and recapturing improper payments; and (4) for the high-priority programs, (a) evaluate the Department's assessment of the level of risk associated with the program and (b) review the oversight or financial controls described by the Department to identify and prevent improper payments.
- **FY 2017 Federal Information Security Modernization Act of 2014 Audit**—Determine whether the Department's and FSA's overall information technology security programs and practices are generally effective as they relate to Federal information security requirements.
- **FY 2017 Department-wide Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion on whether the Department-wide financial statements are fairly presented in all material respects in accordance with accounting principles generally accepted in the United States. The independent public accounting firm will also report material weaknesses and significant deficiencies in the Department's internal control over financial reporting and whether the Department has complied with applicable provisions of Federal laws, regulations, contracts, and grant agreements which could have a material effect on the basic financial statements.
- **FY 2017 FSA Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion on whether FSA's financial statements are fairly presented in all material respects in accordance with accounting principles generally accepted in the United States. The independent public accounting firm will also report material weaknesses and significant deficiencies in FSA's internal control over financial reporting and whether FSA has complied with applicable provisions of Federal laws, regulations, contracts, and grant agreements that could have a direct and material effect on the basic financial statements.
- **FY 2017 Closing Package Financial Statement Audit**—Provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion on whether the closing package financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States.
- **Department's Purchase Card Program**—Perform the required risk assessment of the Department's purchase card program and, if deemed necessary, perform an audit of Department purchase card transactions

in accordance with the requirements in the Government Charge Card Abuse Prevention Act of 2012.

- **Department's Accounting for Drug Control Funds and Related Performance**—Express a conclusion about the reliability of Department management's assertions related to the National Drug Control Program activities, as stated in the current Office of National Drug Control Policy Circular.
- **Digital Accountability and Transparency Act of 2014**—Determine the completeness, timeliness, quality, and accuracy of the reported data and the use of the data standards by the Department.
- **Audit Guidance for Non-Federal Auditors**—Under the IG Act, the OIG is responsible for oversight of non-Federal auditors. To this end, the OIG develops and issues guidance and provides technical assistance to non-Federal auditors. Update audit guidance for single audits performed under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- **Quality Control Reviews of Single and Compliance Audits**—Determine whether (1) the non-Federal audits were conducted in accordance with appropriate audit standards, and applicable audit guidance (Office of Management and Budget (OMB) Circular A-133; OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; related compliance supplements; or the applicable audit guide) and (2) the Department can reasonably rely on the audit report package as submitted.
- **Technical Assistance and Cognizant-Agency for Audit Functions**—Provide technical audit assistance and training to non-Federal auditors, the Department, and private entities as required by the Single Audit Act and CFR Part 200. Perform duties required under the Department's Post-Audit Resolution Handbook and OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Continuing Work

- **FY 2016 Federal Information Security Management Act Report**—Continue our work to determine whether the Department's and FSA's overall information technology security programs and practices were generally effective as they relate to Federal information security requirements.
- **FY 2016 Department-wide Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to report on whether the Department-wide basic financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles. Report material weaknesses and significant deficiencies in the Department's internal controls over financial reporting. Report on whether the Department complied with applicable provisions of Federal laws, regulations, contracts, and grant

agreements that could have a direct and material effect on the basic financial statements.

- **FY 2016 FSA Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to provide an opinion on whether the FSA financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles. Report material weaknesses and significant deficiencies in FSA's internal control over financial reporting. Report on whether FSA complied with applicable provisions of Federal laws, regulations, contracts, and grant agreements that could have a direct and material effect on the basic financial statements.
- **FY 2016 Closing Package Financial Statement Audit**—Continue to provide oversight and monitoring of the independent public accounting firm contracted to report on whether the closing package financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles.
- **Review of the Department's Contractor Personnel Security Clearance Process**—Continue our work to determine whether the Department has effectively implemented the requirements for contractor personnel security screenings.
- **Evaluation of FSA's Policies and Procedures for Oversight and Monitoring in the Contracting Process**—Continue our work to determine whether FSA management effectively addressed weaknesses identified in internal and external reviews of its acquisition function.
- **Digital Accountability and Transparency Act of 2014**—Continue our work to gain an understanding of the processes, systems and controls that the Department has implemented or plans to implement to report financial and payment data in accordance with the requirements of the Digital Accountability and Transparency Act.
- **The Effectiveness of FSA's Enterprise Risk Management Program**—Evaluate the effectiveness of FSA's Enterprise Risk Management Program.



Other Activities

The IG Act also states that the OIG is responsible for reviewing existing and proposed legislation and regulations related to the programs and operations of the Department. The 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 affect the Department, its recipients, or 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.

The 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, as follows.

- Respond to congressional requests for information or analysis.
- Participate as a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), including the committees for Audit, Investigation, and Information Technology. Also participate in interagency workgroups sponsored by the council, including the Federal Audit Executive Council, the Assistant Inspectors General for Investigations Committee, and the Council of Counsels to the Inspectors General. The Council of the Inspectors General on Integrity and Efficiency may coordinate a Federal Information Technology Acquisition Reform Act project in which selected OIGs would be invited to participate. ED OIG intends to volunteer for participation if the Council institutes this project.
- Participate as a member of the Government Accountability Office's Domestic Working Group. This brings together leaders in Federal, State, and local government audit communities to discuss current and emerging issues critical to improving the government and to promote collaborative efforts to approach these issues.

Table 1. FY 2017 Work Plan and FY 2017 Management Challenges

This table includes both planned and ongoing projects presented in the FY 2017 Work Plan projects under the FY 2017 Management Challenges. Ongoing work is indicated with an asterisk.

Management Challenge	Related FY 2017 Work Plan Projects
Improper Payments	<ul style="list-style-type: none"> • Annual Compliance Review of the Department’s Compliance with Improper Payment Reporting Requirements* • Department’s Purchase Card Program
Information Technology Security	<ul style="list-style-type: none"> • FY 2017 Federal Information Security Management Act Report • FY 2016 Federal Information Security Management Act Report* • Protection of Student Data in State Longitudinal Data Systems* <ul style="list-style-type: none"> • Protection of Student Data in the Indiana Longitudinal Data System*
Oversight and Monitoring	<ul style="list-style-type: none"> • The Department’s Monitoring of State Special Education Programs • The Department’s Oversight of the TRIO and GEAR-UP Programs • Statewide School Districts’ Administration of Federal Education Programs • Controls and Monitoring over the Use of Federal Education Funds for Property and Assets • The Administration of Vocational Rehabilitation Grants in Puerto Rico • FSA’s Controls Over the Free Application for Federal Student Aid Verification Process • Schools’ Implementation of Career Pathway Programs • The Department’s Recognition of Accrediting Agencies and its Oversight During the Period of Recognition • Selected Schools’ Compliance With Higher Education Act Requirements for Disclosures to Students • FSA’s Use of Heightened Cash Monitoring* • Followup on Previous Title I Audits <ul style="list-style-type: none"> • Harvey School District 152 (Illinois)* • Wyandanch Union Free School District (New York)* • Detroit Public Schools* • Orleans Parrish*

Management Challenge	Related FY 2017 Work Plan Projects
Oversight and Monitoring (Continued)	<ul style="list-style-type: none"> • Department Oversight of the Indian Education Formula Grants to LEAs Program* • SEA and LEA Implementation of New McKinney Vento Education of Homeless Children and Youth Assistance Requirements Established Under the Every Student Succeeds Act of 2015* • Review of Selected Department Principal Offices' Contract Monitoring • FSA's Oversight of Schools Submitting Untimely Disbursement Records • Federal Student Aid's Oversight of Student Loan Servicers* • FSA's Process to Select Free Application for Federal Student Aid Data Elements and Students for Verification* • FSA's Evaluation and Oversight of School's Participation in the Experimental Sites Initiative • Federal Student Aid's Oversight of At-Risk Title IV Schools* • FSA's Process to Select Free Application for Federal Student Aid Data Elements and Students for Verification* • FSA's Oversight and Monitoring of Nelnet's Total and Permanent Disability Loan Discharge Process* • The FSA Ombudsman Group's Process to Handle Borrower Complaints* • Review of the Family Policy Compliance Office's Administration of the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment • The Effectiveness of FSA's Enterprise Risk Management Program* • Oversight of Non-Federal Auditors* • Quality Control Reviews of Single and Compliance Audits* • SEA Verification of Single Audit Finding Resolution* <ul style="list-style-type: none"> • Illinois State Board of Education's Oversight of LEA Single Audit Resolution* • Western Governors University's Administration of the Title IV Programs* • Evaluation of FSA's Policies and Procedures for Oversight and Monitoring in the Contracting Process* • Review of the Department's Contractor Personnel Security Clearance Process*

Management Challenge	Related FY 2017 Work Plan Projects
Oversight and Monitoring (Continued)	<ul style="list-style-type: none"> • Puerto Rico Department of Education’s Use of Adult Education State Grant Program Funds and the Reliability of the Program’s Performance Data* • Oversight of Closed Charter Schools* • Compliance, Measurements, and Outcomes of the Vocational Rehabilitation State Grant Program* • Idaho State Department of Education’s Oversight Over Online Charter Schools*
Data Quality and Reporting	<ul style="list-style-type: none"> • The Department’s Controls Over Clery Act Reporting • Department’s Accounting for Drug Control Funds and Related Performance • Department’s Disclosures Regarding the Cost of the Federal Student Loan Programs’ Repayment Options and Loan Forgiveness Programs* • Digital Accountability and Transparency Act of 2014* • FY 2017 Department-Wide Financial Statement Audit • FY 2017 FSA Financial Statement Audit • FY 2017 Closing Package Financial Statement Audit • Calculating and Reporting Graduation Rates in Alabama* • Calculating and Reporting Graduation Rates in California* • FY 2016 Department-wide Financial Statement Audit* • FY 2016 FSA Financial Statement Audit* • FY 2016 Special Purpose Financial Statement Audit*

Table 2. FY 2017 Performance Measures

Performance Measure	FY 2017 Target
1. Audits and investigations were initiated in accordance with policy and focused on areas of high risk or significant importance.	AS/ITACCI (Audit) 85% IS/ITACCI (Inv) 80%
2. Recommendations in reports issued during the fiscal year were accepted by the Department.	90%
3. Initial audit results were evaluated and determined to be sufficient by OIG management by the agreed-on date.	80%
4. Audits met the agreed-on dates for audit field work completed and draft report submitted for review in accordance with policy.	75%
5. Draft and final audit reports were issued in accordance with policy, including applicable standards, and by the agreed-on date.	70%
6. Draft audit reports were accepted by OIG management and issued within one year from entrance conference.	60%
7. Agreed-on milestones for inspections and information technology audits were met and accepted by OIG management.	75%
8. Case closing Reports of Investigation were submitted in accordance with policy, including applicable standards, and accepted by OIG management within 150 days of last reportable investigative action.	70%
9. Complaints of fraud, waste, and abuse were processed for case initiation (investigation) or complaint closed with a final disposition within 120 days.	75%
10. Closed investigations that resulted in a criminal, civil, or administrative action, or monetary result.	IS 74% ITACCI 50%
11. Hotline controlled correspondence was processed in accordance with policy and within the established deadlines.	95%
12. Requests for forensic or analytical assistance were completed in accordance with policy, including applicable quality standards, and within established timeframes.	75%
13. Proactive analytical projects were developed in accordance with policy and within projected timeframes as measured from start to completion.	85%
14. Computer-assisted assessment technology products were delivered to and accepted by the requestor within agreed-on dates.	90%

Performance Measure	FY 2017 Target
15. OIG Data Analytics System Open Plan of Actions and Milestones were closed and accepted by OIG management and the Department within 30 days of the original estimated closure date.	90%
16. Substantive comments provided by OIG resulted in changes in legislation, regulations, or other policies.	70%
17. Counsel work products are completed with minimal corrections by the supervisor and delivered to stakeholders within required or agreed-on deadlines.	85%
18. Freedom of Information Act responses are processed in accordance with statutory requirements and delivered to requestors within required deadlines.	90%
19. Quality assurance and internal control review recommendations accepted by OIG components.	85%
20. Products related to budget and other administrative operations developed, executed, and delivered to OMB, the Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%
21. Operational staff completed at least one work-related training.	80%

Table 3. FY 2016 Performance Results

Performance Measure	FY 2016 Target	FY 2016 Actual
1. Audits and investigations initiated each year focused on areas of high risk or significant importance.	AS/ITACCI (Audit) 85% IS/ITACCI (Inv) 80%	100% 90%
2. Recommendations accepted by the Department during the fiscal year.	90%	99%
3. Audit initial results determined by the agreed-on date.	80%	95%
4. Audit field work completed and draft report submitted for review by the agreed-on date.	75%	100%
5. Draft and final audit reports issued by the agreed-on date.	70%	95%
6. Draft audit report issued within one year from entrance conference.	60%	88%
7. Agreed-on milestones for inspections and information technology audits met.	75%	100%
8. Case closing Reports of Investigation submitted within 150 days of last reportable investigative action.	70%	90%
9. Complaints of fraud, waste, and abuse evaluated and closed to a final disposition within 120 days.	75%	79%
10. Closed investigations that resulted in a criminal, civil, or administrative action, or monetary result.	IS 74% ITACCI 65%	82% 75%
11. Hotline controlled correspondence processed within the established deadlines.	95%	100%
12. Requests for forensic or analytical assistance completed within established timeframes.	75%	80%
13. Develop proactive analytical projects within projected timeframes as measured from start to completion dates.	85%	90%
14. Computer-assisted assessment technology products delivered to the requestor within agreed-on dates.	90%	100%
15. OIG Data Analytics Systems are operational during normal work hours.	90%	100%

Performance Measure	FY 2016 Target	FY 2016 Actual
16. Comments that result in changes in legislation, regulations, or other policies.	70%	85%
17. Counsel work products meeting required or agreed-on deadlines.	85%	93%
18. Freedom of Information Act responses meeting required deadlines.	90%	91%
19. Quality assurance review and internal control review recommendations accepted by the OIG.	85%	100%
20. Products related to budget and other administrative operations developed, executed, and delivered to OMB, Department, OIG leadership, and other applicable stakeholders within agreed on timeframes.	80%	94%
21. Operational staff completed at least one work-related training.	80%	95%

Acronyms and Abbreviations

Department	U.S. Department of Education
FSA	Federal Student Aid
FY	Fiscal Year
IG Act	Inspector General Act of 1978, as Amended
LEA	Local Educational Agency
OIG	Office of Inspector General
OMB	Office of Management and Budget
SEA	State Educational Agency



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