



U.S. Department of Education
Office of Inspector General

FY 2019 Annual Plan

November 2018



Office of Inspector General

Kathleen S. Tighe
Inspector General
November 2019

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Please Note:

The Inspector General's FY 2019 Annual Plan is available on the ED OIG website 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) 2019. 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 2019 Annual Plan includes our FY 2019 Work Plan, which details the priority 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 2019 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 2019 Annual Plan includes projects to assess high-priority areas such as oversight and monitoring of participants in the Federal student financial assistance programs and grant programs, information technology security, data quality and reporting, the effectiveness of Department's internal operations, and emerging areas among the Department's programs.

In the area of Federal student financial assistance programs, effective oversight and monitoring of participants is necessary to ensure that 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 schools' use of online program management providers and school compliance with career pathway programs and ability to benefit provisions.

Effective monitoring and oversight of grantees is essential to help ensure that they meet requirements and achieve program goals and objectives. In response, we plan to dedicate audit resources to disaster recovery, Statewide accountability systems under the Every Student Succeeds Act, and the Department's controls over Student Support and Academic Enrichment Program grants.

Information technology security remains an important of focus as Department systems contain or protect an enormous amount of sensitive information, such as personal records, financial information, and other personally identifiable information. We plan to dedicate resources to complete work relating to the Federal Information Security Modernization Act of 2014 and the Department’s communication of breach notification requirements.

With respect to data quality and reporting, the Department, its grantees, and its subrecipients must have effective controls to ensure that reported data are accurate and reliable. Our planned work within this area includes a series of financial statement audits and our continuing work includes a review of Department's controls over Clery Act reporting.

In the area of internal 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, our planned work includes a review of the Office for Civil Rights’ complaint dismissal process.

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 2019, we are often required to perform work based on legislative mandates, unanticipated 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 2019 Annual Plan

Mission Statement

Our mission is to promote the efficiency, effectiveness, and integrity of the Department's programs and operations through our 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) 2018 through FY 2022 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 2018–FY 2022¹ provides the roadmap by which we plan to accomplish our mission. To meet our mission, we have established the following goals:

Goal 1: Deliver high-quality, timely, and impactful products and services that promote efficiency, effectiveness, and integrity in the Department's operations and programs.

Goal 2: Cultivate a diverse, highly skilled and inspired workforce with sufficient resources to carry out the OIG's mission.

¹ The OIG Strategic Plan is available on our website at www.ed.gov/about/offices/list/oig/reports.html.

Goal 3: Implement internal processes that promote organizational effectiveness, stewardship of resources, and accountability.

The first goal focuses on our responsibilities under the IG Act to promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. The second and third goals focus on the people, culture, and internal functions of the OIG, providing the foundation for our capacity to achieve the first goal now and in the future. More details are available in the OIG Strategic Plan for FY 2018–FY 2022 on the specific strategies developed for each goal and associated performance measures. The FY 2019 performance measures for the goals are presented in Table 2 at the end of this FY 2019 Annual Plan.

FY 2019 Management Challenges

For FY 2019, the 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 a separate report on our website at <http://www2.ed.gov/about/offices/list/oig/managementchallenges.html>.

FY 2019 Work Plan

Audits, investigations, and other activities in the OIG's FY 2019 Work Plan are conducted under the OIG's first Strategic Plan goal. These activities generate products within three major categories, "Federal Student Aid Programs and Operations," "Grant Programs and Operations," and "Department Management and Operations" that are further described in the sections that follow. Table 1 correlates the FY 2019 Work Plan projects to the FY 2019 Management Challenges. In addition to considering the OIG's goals and FY 2019 Management Challenges, we also assessed the work proposed in terms of the availability of the necessary resources to accomplish it.

Federal Student Aid Programs and Operations

The Department must provide effective oversight and monitoring of participants in the student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended, to ensure that the programs are not subject to fraud, waste, and abuse. In FY 2019, Federal Student Aid (FSA) expects to provide \$129.5 billion in new Federal student aid grants and loans (excluding Direct Consolidation Loans) to almost 11.4 million postsecondary students and their families.

Our planned and continuing work in the student financial assistance programs includes Department oversight of schools, servicers, and other program participants. 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. New priority work and continuing work to be performed in FY 2019 within this area include the following.

New Priority Work

Schools' Use of Online Program Management Providers—Determine (1) the nature and extent of services that online program management providers offer to selected schools, (2) the extent to which selected schools disclose relationships with online program management providers to students, and (3) whether selected school contracts with online program management providers that include student recruitment are consistent with the intent of the incentive compensation regulations.

School Compliance with Career Pathway Programs and Ability to Benefit Provisions—

Determine the extent to which FSA (1) maintains information on which schools provide career pathway programs, (2) reviews the eligibility of career pathway programs through program reviews and compliance audits, and (3) accurately identifies and ensures correction of any program weaknesses. Also determine the extent to which (1) selected schools develop and implement career pathway programs that meet HEA eligibility requirements, (2) students enrolled in selected schools' career pathway programs meet ability-to-benefit requirements, and (3) schools correctly calculate

career pathway program students' cost of attendance and Title IV aid awards and correctly determine students' enrollment statuses.

FSA's Oversight of Contractor's Acceptability Review Process for Proprietary School Annual Audits—Determine whether FSA's oversight of its contractor's acceptability review process ensures that annual proprietary school audits meet applicable audit reporting requirements.

The Department's Communication of Breach Notification Requirements—Determine whether the Department is effectively communicating breach notification requirements to postsecondary institutions and whether those communications are consistent.

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, as amended, or will help alert the Department to any emerging and systemic areas of abuse.

Continuing Work

Department Oversight of School Compliance with Satisfactory Academic Progress Regulations—Continue our work to determine whether FSA ensured completion of corrective actions in response to program reviews and audit findings related to satisfactory academic progress and what actions FSA has taken to assist schools with compliance with satisfactory academic progress requirements.

FSA's Controls over the Free Application for Federal Student Aid Verification Process—Continue our work to determine whether FSA's control activities ensure that schools perform verification.

Selected School's Compliance with Verification and Reporting Requirements—Continue our work to determine whether selected schools completed verification of applicant data in accordance with Federal requirements and accurately reported verification results to FSA. We are continuing our work at MiraCosta College, the College of Southern Nevada, the University of Houston, DeVry University, the University of Southern California, and the South Florida Institute of Technology.

FSA's Process to Select Free Application for Federal Student Aid Data Elements and Students for Verification—Continue our work to determine the effectiveness of FSA's (1) evaluation of its processes for selecting Free Application for Federal Student Aid data

elements to be verified and (2) evaluation and monitoring of its processes for selecting students for verification.

FSA’s Oversight of Student Loan Servicers—Continue our work to determine whether FSA has established policies and procedures to mitigate the risk of student loan servicers not servicing Department-held loans 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 ensures that (1) its total and permanent disability discharge process operates in accordance with Federal program requirements and (2) accurate information on student loan discharges is entered into FSA’s systems of record.

FSA’s Use of Heightened Cash Monitoring—Continue our work to determine whether (1) FSA consistently administered its heightened cash monitoring payment methods and (2) FSA’s use of heightened cash monitoring is an effective oversight tool.

The Department’s Controls over Clery Act Reporting—Continue our work to determine whether the Department has adequate oversight over the quality of crime statistics reported by postsecondary schools under the Clery Act.

Grant Programs and Operations

The Department administers more than 100 programs that involve nearly 18,300 public school districts and 55 million students attending about 98,000 public schools and 34,000 private schools. The Department is responsible for ensuring that these programs are executed in compliance with applicable requirements and that grantees meet program objectives. Our audits in this area include reviews of the Department’s and grantees’ internal controls and oversight processes to ensure that Federal funds are appropriately used and reach intended recipients, reported data are accurate and complete, and progress is made towards achieving programmatic goals. Our investigations focus on serious allegations of fraud and corruption involving these programs. New priority work and continuing work within this area for FY 2019 include the following.

New Priority Work

Disaster Recovery—The Bipartisan Budget Act of 2018 included more than \$2.5 billion to assist K–12 school districts, schools, and institutions of higher education affected by Hurricanes Harvey, Irma, or Maria, or the 2017 California wildfires. This funding has allowed the Department to launch assistance programs that include grants for immediate aid to restart school operations (Restart), emergency impact aid for displaced students, and emergency assistance to institutions of higher education. Timely and effective oversight of these additional resources is critical to ensure that eligible participants receive the proper funding and that recipients use the funds appropriately

to restore the learning environment for students and families affected by these natural disasters. The OIG plans to perform a series of projects that includes the following.

- **Management of Disaster Recovery Funds in Puerto Rico and the U.S. Virgin Islands**—Assess whether the Puerto Rico and U.S. Virgin Islands Departments of Education effectively designed internal controls for the administration of Restart program funds. We are continuing our work at the Puerto Rico and U.S. Virgin Islands Departments of Education.
- **Allocation and Use of Restart Funds**—Determine whether selected State educational agencies established and implemented effective systems of internal control that (1) provided reasonable assurance that Restart funds were appropriately allocated and (2) ensure that local educational agencies and nonpublic schools use Restart funds for allowable and intended purposes and safeguard those funds from fraud, waste, and abuse.
- **Emergency Impact Aid Data Reliability and Use of Funds**—Determine whether selected State educational agencies established and implemented systems of internal control that ensure (1) displaced student count data that they provided to the Department were accurate and complete, (2) emergency impact aid funds were appropriately allocated to local educational agencies, and (3) local educational agencies used emergency impact aid funds in accordance with applicable Federal requirements.
- **Department Oversight of Disaster Assistance Funds Awarded to Institutions of Higher Education**—Assess the adequacy of the Department’s controls over disaster assistance program funding for institutions of higher education.

Statewide Accountability Systems Under the Every Student Succeeds Act—Determine whether (1) the Department is providing adequate oversight of State educational agencies’ implementation of their approved Statewide accountability systems, particularly with regard to school identification and improvement and (2) selected State educational agencies have developed and are implementing Statewide accountability systems and related requirements in accordance with the Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act, as well as their approved consolidated State plans.

The Department’s Controls over Student Support and Academic Enrichment Program Grants—Determine whether the Department is adequately overseeing funds awarded under the Student Support and Academic Enrichment program and how State and local educational agencies are using these funds for activities authorized under Every Student Succeeds Act.

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

Calculating and Reporting Graduation Rates—Continue our work to determine whether selected State educational agencies have implemented systems of internal control over calculating and reporting graduation rates that are sufficient to ensure that reported graduation rates are accurate and complete. We issued “Calculating and Reporting Graduation Rates in Alabama” ([A02P0010](#)) in June 2017 and “Calculating and Reporting Graduation Rates in California” ([A02Q0005](#)) in January 2018. We closed our audit of calculating and reporting graduation rates in Texas in September 2017 because of the emergency situation caused by Hurricane Harvey. We are continuing our work at the Utah State Board of Education.

State Education Agencies’ Oversight of Virtual School Implementation of the Individuals with Disabilities Education Act—Determine whether (1) the Department effectively ensures the educational rights and protections afforded to children with disabilities under the Individuals with Disabilities Education Act who attend virtual charter schools and (2) selected State and local educational agencies have sufficient internal controls to ensure that individualized education plans are developed for children with disabilities who attend virtual schools and that these students are provided with services described in their individualized education plans. We are continuing our work at the Ohio Department of Education and selected LEAs in Ohio.

Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools—Determine whether (1) the Department adequately monitored grantees’ performance and uses of funds and (2) selected grantees implemented their grant applications as approved and spent grant funds only on allowable activities and in accordance with program requirements. We are continuing our work at Individuals Dedicated to Excellence and Achievement Public Schools.

Every Student Succeeds Act State Plan Review and Approval Process—Continue our work to determine whether the Department established and implemented an Every Student Succeeds Act State plan review and approval process that (1) complied with Elementary and Secondary Education Act requirements and Department policy and (2) was designed to identify and resolve potential instances of State plans’ noncompliance with statutory requirements.

Department Management and Operations

The Department needs effective systems of internal control, well-managed business processes, and sufficient monitoring and financial management systems to help achieve its organizational goals. We routinely plan and conduct audits focused on ensuring the efficiency, effectiveness, and integrity of the Department's management and operations. In addition, through our audit and investigative work, proactive data analytics, and other reviews, we assess risks, evaluate indicators, and perform tests that are 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 fraud, waste, and abuse. This interdisciplinary work can result in criminal and civil investigations of fraud in the Department's programs and operations. For FY 2019, the following priority projects in particular will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs.

New Priority Work

The Office for Civil Rights' Complaint Dismissal Process—Determine whether the Office for Civil Rights has appropriately dismissed discrimination complaints in accordance with applicable policies and procedures.

Unplanned Audits, Inspections, or Investigations of Department Operations and Programs, and 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 may receive additional requests from these sources to review the efficiency, effectiveness, and integrity of the Department's management and operations. 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, estimates, and methodologies; (3) evaluate the Department's performance in reducing and recapturing improper payments; (4) evaluate the Department's assessment of the level of risk associated with the high-priority programs; and (5) review the oversight and financial controls described by the Department to identify and prevent improper payments.

Federal Information Security Modernization Act of 2014 Audit—Determine whether the Department’s and FSA’s information security programs and practices are effective as they relate to Federal information security requirements.

Department-Wide Financial Statement Audit—Oversee and monitor 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.

FSA Financial Statement Audit—Oversee and monitor 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.

Closing Package Financial Statement Audit—Oversee and monitor 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 (1) the completeness, timeliness, quality, and accuracy of the Department’s reported financial and payment data and (2) the extent of the Department’s use of data standards established by the Department of the Treasury and the Office of Management and Budget.

Grants Oversight and New Efficiency Act of 2016—Perform the required risk assessment to determine whether an audit or review of the agency’s grant closeout process is warranted.

Audit Guidance for Non-Federal Auditors—Under the IG Act, the OIG is responsible for overseeing non-Federal auditors. To this end, the OIG develops and issues guidance and provides technical assistance to non-Federal auditors.

Quality Control Reviews of Single and Compliance Audits—Determine whether (1) selected non-Federal audits were conducted in accordance with appropriate audit standards and applicable audit guidance and (2) the Department can reasonably rely on the audit report package as submitted.

Technical Assistance and Cognizant-Agency for Audit Functions—Provide required technical assistance and training to non-Federal auditors, the Department, and private entities. Also perform duties required under the Department’s Post-Audit Resolution Handbook and Office of Management and Budget guidance.

Continuing Work

Review of the Department’s Portfolio of Integrated Value-Oriented Technologies

Contracts—Continue our work to determine whether the Department’s Portfolio of Integrated Value-Oriented Technologies contract monitoring (1) is consistent with Department policy and applicable Federal regulations, (2) is effective in ensuring contractor compliance with selected contract terms, and (3) ensures accountability for services provided.

Federal Information Technology Acquisition Reform Act Implementation within Education—Continue our work to assess the Department’s compliance with Federal Information Technology Acquisition Reform Act’s Chief Information Officer authority enhancements and other selected requirements.

The Office of the Chief Privacy Officer’s Management of Family Educational Rights and Privacy Act Complaints—Continue our work to determine whether the Office of the Chief Privacy Officer has controls to ensure that complaints received under the Family Educational Rights and Privacy Act are processed timely and effectively.

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, conducting analysis of 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 website, 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.

Other OIG Efforts

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, and proposed Department 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 the Office Management Budget on proposed regulations, including participation on Office of Management and Budget 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, 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.

Table 1. FY 2019 Work Plan and FY 2019 Management Challenges

This table includes both planned and ongoing projects presented in the FY 2019 Work Plan projects under the FY 2019 Management Challenges. Ongoing work is indicated with an asterisk.

Management Challenge	Related FY 2019 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"> • Federal Information Security Modernization Act of 2014 Audit • Department’s Communication of Breach Notification Requirements
Oversight and Monitoring	<ul style="list-style-type: none"> • Schools’ Use of Online Program Management Providers • School Compliance with Career Pathway Programs and Ability to Benefit Provisions • FSA’s Oversight of Contractor’s Acceptability Review Process for Proprietary School Annual Audits • Department Oversight of School Compliance with Satisfactory Academic Progress Regulations* • FSA’s Controls over the Free Application for Federal Student Aid Verification Process* • Selected School’s Compliance with Verification and Reporting Requirements <ul style="list-style-type: none"> ○ MiraCosta College* ○ College of Southern Nevada* ○ University of Houston* ○ DeVry University* ○ University of Southern California* ○ South Florida Institute of Technology* • FSA’s Process to Select Free Application for Federal Student Aid Data Elements and Students for Verification* • FSA’s Oversight of Student Loan Servicers* • FSA’s Oversight and Monitoring of Nelnet’s Total and Permanent Disability Loan Discharge Process* • FSA’s Use of Heightened Cash Monitoring* • Disaster Recovery <ul style="list-style-type: none"> ○ Management of Disaster Recovery Funds <ul style="list-style-type: none"> ▪ Puerto Rico Department of Education* ▪ U.S. Virgin Islands Department of Education*

Management Challenge	Related FY 2019 Work Plan Projects
	<ul style="list-style-type: none"> ○ Allocation and Use of Restart Funds ○ Emergency Impact Aid Data Reliability and Use of Funds ○ Emergency Impact Aid to Institutions of Higher Education Program Oversight ● Statewide Accountability Systems Under the Every Student Succeeds Act ● The Department’s Controls over Student Support and Academic Enrichment Program Grant ● State Educational Agencies’ Oversight of Virtual School Implementation of the Individuals with Disabilities Education Act <ul style="list-style-type: none"> ○ Ohio Department of Education* ● Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools <ul style="list-style-type: none"> ○ Individuals Dedicated to Excellence and Achievement Public Schools* ● Every Student Succeeds Act State Plan Review and Approval Process* ● The Office for Civil Rights’ Complaint Dismissal Process ● Grants Oversight and New Efficiency Act of 2016 ● Quality Control Reviews of Single and Compliance Audits ● Review of the Department’s Portfolio of Integrated Value-Oriented Technologies Contracts* ● Federal Information Technology Acquisition Reform Act Implementation within Education* ● The Office of the Chief Privacy Officer’s Management of Family Educational Rights and Privacy Act Complaints*
Data Quality and Reporting	<ul style="list-style-type: none"> ● Department-Wide Financial Statement Audit ● FSA Financial Statement Audit ● Closing Package Financial Statement Audit ● Department’s Accounting for Drug Control Funds and Related Performance ● Digital Accountability and Transparency Act of 2014 ● The Department's Controls over Clery Act Reporting* ● Calculating and Reporting Graduation Rates <ul style="list-style-type: none"> ○ Utah*

Table 2. FY 2019 Performance Measures

Performance Measure	FY 2019 Target
1. Audits and investigations were initiated in accordance with policy and focused on areas of high risk or significant importance.	Audit AS 85% ITACCI 85% Investigation IS 80% ITACCI 80%
2. Recommendations in reports resolved during the fiscal year were accepted by the Department and corrective action plans agreed to by OIG management.	AS 90% ITACCI 90%
3. Initial audit and alternative project results were evaluated and determined to be sufficient by OIG management by the agreed-on date.	80%
4. Audits and alternative projects met the agreed-on dates for field work completed and draft report submitted for review in accordance with policy.	75%
5. Draft and final audit and alternative project reports were issued in accordance with policy, including applicable standards, by the agreed-on date.	70%
6. Draft audit and alternative project reports were accepted by OIG management and issued within one year from entrance conference.	70%
7. Agreed-on milestones for information technology audits were issued in accordance with policy and accepted by OIG management by the agreed upon date.	75%
8. Case closing Reports of Investigation were submitted in accordance with policy, including applicable standards, and accepted by OIG management within 120 days of last reportable investigative action.	IS 70% ITACCI 70%
9. Preliminary inquiries of fraud, waste, and abuse were processed for case initiation (investigation) or closure in accordance with policy with a final disposition within 120 days.	IS 70% ITACCI 70%
10. Preliminary inquiries converted to full investigations by OIG management that resulted in a criminal, civil, or administrative action, or monetary result (Investigation Services) or an actionable referral to the Department (ITACCI).	IS 70% ITACCI 70%

Performance Measure	FY 2019 Target
11. Hotline complaints were processed in accordance with policy and within the established deadlines.	80%
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. Data analytics products were completed in accordance with policy and delivered to and accepted by the requestor within agreed-on dates.	90%
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 management.	85%
20. Products related to OIG budget developed, executed, and delivered to Congress, the Office of Management and Budget, the Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%
21. Products related to OIG administrative operations (e.g., Human Resources, Information Technology, Facilities) developed, executed, and delivered to the Office of Personnel Management, the Office of Management and Budget, the Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%

Table 3. FY 2018 Performance Results

Performance Measure	FY 2018 Target	FY 2018 Actual
1. Audits and investigations were initiated in accordance with policy and focused on areas of high risk or significant importance.	Audit	
	AS 85%	100%
	ITACCI 85%	100%
	Investigation	
	IS 80%	92%
	ITACCI 80%	100%
2. Recommendations in reports resolved during the fiscal year were accepted by the Department.	AS 90%	94%
	ITACCI 90%	97%
3. Initial audit and alternative project results were evaluated and determined to be sufficient by OIG management by the agreed-on date.	80%	92%
4. Audits and alternative projects met the agreed-on dates for field work completed and draft report submitted for review in accordance with policy.	75%	94%
5. Draft and final audit and alternative project reports were issued in accordance with policy, including applicable standards, by the agreed-on date.	70%	92%
6. Draft audit and alternative project reports were accepted by OIG management and issued within one year from entrance conference	65%	74%
7. Information technology audits were issued in accordance with policy and accepted by OIG management by the agreed-on date.	75%	100%
8. Case closing Reports of Investigation were submitted in accordance with policy, including applicable standards, and accepted by OIG management within 120 days of last reportable investigative action.	IS 70%	83%
	ITACCI 70%	100%
9. Preliminary inquiries of fraud, waste, and abuse were processed for case initiation (investigation) or closure with a final disposition within 120 days.	IS 75%	76%
	ITACCI 75%	87%

Performance Measure	FY 2018 Target	FY 2018 Actual
10. Preliminary inquiries converted to full investigations by OIG management that resulted in a criminal, civil, or administrative action, or monetary result.	IS 70% ITACCI 50%	81% 50%
11. Hotline complaints were processed in accordance with policy and within the established deadlines.	75%	94%
12. Requests for forensic or analytical assistance were completed in accordance with policy, including applicable quality standards, and within established timeframes.	75%	86%
13. Proactive analytical projects were developed in accordance with policy and within projected timeframes as measured from start to completion.	85%	83% ³
14. Computer-assisted assessment technology products were completed in accordance with policy and delivered to and accepted by the requestor within agreed-on dates.	90%	99%
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%	100%
16. Substantive comments provided by OIG resulted in changes in legislation, regulations, or other policies.	70%	86%
17. Counsel work products are completed with minimal corrections by the supervisor and delivered to stakeholders within required or agreed-on deadlines.	85%	93%

³ The OIG met timeliness goals for five of six proactive analytic projects. The single project that did not achieve this goal was dependent on a Department initiative that was not completed due to funding constraints. The OIG is currently working with the Department to assess the continued feasibility of this project.

Performance Measure	FY 2018 Target	FY 2018 Actual
18. Freedom of Information Act responses are processed in accordance with statutory requirements and delivered to requestors within required deadlines.	90%	91%
19. Quality assurance and internal control review recommendations accepted by OIG management.	85%	100%
20. Products related to OIG budget developed, executed, and delivered to Congress, the Office of Management and Budget, the Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%	90%
21. Products related to OIG administrative operations (e.g., Human Resources, Information Technology, Facilities) developed, executed, and delivered to the Office of Personnel Management, the Office of Management and Budget, the Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%	100%

Acronyms and Abbreviations

Department	U.S. Department of Education
FSA	Federal Student Aid
FY	fiscal year
OIG	Office of Inspector General

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://OIGhotline.ed.gov>

We encourage you to use the automated complaint form on our website; however you may call or write the Office of Inspector General.

The Inspector General Hotline
1-800-MISUSED (1-800-647-8733)

Inspector General Hotline
U.S. Department of Education
Office of Inspector General
400 Maryland Avenue, S.W.
Washington, DC 20202

You may make a report anonymously.

The mission of the Office of Inspector General is to promote the efficiency, effectiveness, and integrity of the U.S. Department of Education's programs and operations.

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