



U.S. Department of Education
Office of Inspector General

FY 2018 Annual Plan

December 2017

Office of Inspector General
Kathleen S. Tighe
Inspector General

December 2017

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Please Note:

The Inspector General's FY 2018 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) 2018. 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 2018 Annual Plan includes our FY 2018 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 2018 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 2018 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 administration of the Public Service Loan Forgiveness Program and the

Department's oversight of school compliance with satisfactory academic progress regulations.

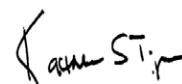
Second, in the area of elementary, secondary, and special education, effective monitoring and oversight of grantees are essential for ensuring they establish requirements and achieve program goals and objectives. In response, we plan to dedicate audit resources to issues involving the Department's State plan review process under the Every Student Succeeds Act, State educational agencies' oversight of the implementation of the Individuals with Disabilities Education Act by virtual schools, and a review of Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools.

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 Portfolio of Integrated Value-Oriented Technologies contracts.

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 2018, 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 2018 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 to promote educational excellence and opportunity for all students.

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

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

Goal 4: Contribute to improvements in Department business operations.

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

¹ The OIG Strategic Plan is available on our website 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 2018 performance measures for the goals are presented in Table 2 at the end of this plan.

FY 2018 Management Challenges

For FY 2018, 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 on our website at <http://www2.ed.gov/about/offices/list/oig/managementchallenges.html>.

FY 2018 Work Plan

Audits, investigations, and other activities in the OIG's FY 2018 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 2018 Work Plan projects to the FY 2018 Management Challenges. In addition to considering the OIG goals and FY 2018 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 2018 includes the following.

New Priority Work

- **Every Student Succeeds Act State Plan Review Process**—Determine whether the Department's controls with respect to its State plan review processes provided reasonable assurance that all applicable requirements were followed for (1) selecting peer reviewers, (2) conducting peer reviews, and (3) approving State plans.
- **State and District Oversight of Schoolwide Programs**—Determine whether selected States and districts provided adequate oversight of schools operating schoolwide



programs, to include (1) providing guidance on conducting comprehensive needs assessments, developing schoolwide plans, and conducting annual evaluations and (2) monitoring the implementation of schools' schoolwide plans and adherence to all applicable statutory and regulatory requirements.

- **Risk Assessments and Risk-Based Monitoring under the Uniform Guidance**—Assess the adequacy of selected States' implementation of requirements in the Office of Management and Budget's Uniform Guidance regarding subrecipient risk assessments and risk-based monitoring.
- **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

- **The Department's Monitoring of State Special Education Programs**—Continue our work to evaluate the Office of Special Education Programs' implementation of its differentiated monitoring and support component under the results-driven accountability initiative.
- **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 State educational agencies (SEA) 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.
- **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 performance goals are being met.
- **New York State Department of Education and Local Educational Agencies 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 whether (1) the New York State Department of Education is providing effective oversight of local educational agencies (LEA) and

coordinating with 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 preparing for the implementation of selected Every Student Succeeds Act requirements related to identifying, educating, coordinating services, and reporting on homeless children and youths.

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 2018 under Goal 2 will include the following.

New Priority Work

- **Administration of Public Service Loan Forgiveness**—Determine whether the Department has implemented control activities to ensure that only eligible borrowers are approved for Public Service Loan Forgiveness. Specifically, determine whether the Department has clearly



defined documentation requirements and issued appropriate guidance to its servicer.

- **Department Oversight of School Compliance with Satisfactory Academic Progress Regulations**—Determine whether Federal Student Aid (FSA) adequately monitored schools' compliance with satisfactory academic progress regulations and whether selected schools have developed and implemented internal controls that are generally effective in ensuring compliance with satisfactory academic progress regulations.
- **FSA's Controls over the Free Application for Federal Student Aid Verification Process**—Determine whether FSA's control activities ensure that schools perform verification.
- **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 to alert the Department to any emerging and systemic areas of abuse.

Continuing Work

- **The Department's Recognition and Oversight of Accrediting Agencies**—Continue our work to assess (1) whether the Department's processes for recognizing accrediting agencies ensure that accrediting agencies meet the criteria for recognition and (2) the extent of the Department's monitoring of accrediting agencies during the period of recognition.
- **Department's Communication 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**—Continue our work to determine the effectiveness of the Federal Student Aid's evaluation and monitoring of its processes for selecting Free Application for Federal Student Aid data elements and students for verification.
- **Federal Student Aid'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.

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 2018, the following priority projects in particular will evaluate potential risks and vulnerabilities to fraud, waste, and abuse in Department programs.

New Priority Work

- **State Education Agencies’ Oversight over 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 Individuals with Disabilities Education Act who attend virtual charter



schools and (2) selected SEAs and LEAs have sufficient internal controls to ensure that Individualized Education Programs are developed for children with disabilities who attend virtual schools and that these students are provided with the services described in their Individualized Education Program.

- **Review of Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools**—Determine whether the Department (1) 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.

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 issued "Calculating and Reporting Graduation Rates in Alabama," (A02P0010) in June 2017. 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 California State Department of Education and the Utah State Board of Education.
- **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.
- **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. Reports for our work at Harvey School District 152, Illinois (A05Q0003) and Wyandanch Union Free School District, New York (A05Q0005) were issued in May 2017. We are continuing our work at Detroit Public Schools and Orleans Parish.
- **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.

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 2018, include the following.

New Priority Work

- **Review of the Department’s Portfolio of Integrated Value-Oriented Technologies Contracts**—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**— Determine whether the Department’s Federal Information Technology Acquisition Reform Act’s implementation plan is adequate to meet Chief Information Officer authority enhancements and other selected requirements and to assess the Department’s progress in carrying out its implementation plan and meeting select Federal Information Technology Acquisition Reform Act goals.
- **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.
- **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 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 2018 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 (IPA) 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 IPA 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 IPA 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 IPA 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 IPA 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**—To 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.
- **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 Title 2, Code of Federal Regulations,



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 Guidance: Cost Principles, Audit, and Administrative 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 OMB Uniform Guidance, Title 2, Code of Federal Regulations, Part 200. Perform duties required under the Department’s Post-Audit Resolution Handbook and OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards.

Continuing Work

- **Review of the Family Policy Compliance Office’s Administration of the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment**—Continue our work to determine whether Office of the Chief Privacy Officer effectively oversees and enforces compliance with selected provisions of the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment.
- **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. We issued report, “The Institute of Education Sciences’ Contractor Personnel Security Clearance Process” (A19R0002) in March 2017. A summary report will be provided to the Office of Management, the office responsible for Department-wide oversight of the contractor security screening process, on completion of our audits of this process at other individual Department principal offices.
- **The Effectiveness of FSA’s Enterprise Risk Management Program**—Continue our work to determine the extent to which FSA had implemented its Enterprise Risk Management framework.
- **The FSA Ombudsman Group’s Processes to Handle Borrower Complaints**—Continue our work to determine whether the FSA Ombudsman Group receives, reviews, and resolves borrower complaints appropriately and timely.

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. CIGIE 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 CIGIE 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 2018 Work Plan and FY 2018 Management Challenges

This table includes both planned and ongoing projects presented in the FY 2018 Work Plan projects under the FY 2018 Management Challenges. Ongoing work is indicated with an asterisk.

Management Challenge	Related FY 2018 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 2018 Federal Information Security Modernization Act of 2014 Audit
Oversight and Monitoring	<ul style="list-style-type: none"> • Every Student Succeeds Act—State Plan Review Process • State and District Oversight of Schoolwide Programs • Risk Assessments and Risk-Based Monitoring under the Uniform Guidance • State Education Agencies’ Oversight over Virtual School Implementation of the Individuals with Disabilities Education Act • Review of Charter School Program Grants for Replication and Expansion of High-Quality Charter Schools • Administration of Public Service Loan Forgiveness • Department Oversight of School Compliance with Satisfactory Academic Progress Regulations • FSA’s Controls over the Free Application for Federal Student Aid Verification Process • Review of the Department’s Portfolio of Integrated Value-Oriented Technologies Contracts • The FSA Ombudsman Group’s Process to Handle Borrower Complaints* • The Department’s Monitoring of State Special Education Programs* • Oversight of Closed Charter Schools* • Department Oversight of the Indian Education Formula Grants to LEAs Program* • The Department’s Recognition and Oversight of Accrediting Agencies*

Management Challenge	Related FY 2018 Work Plan Projects
Oversight and Monitoring (Continued)	<ul style="list-style-type: none"> • New York State Department of Education and Local Educational Agencies Implementation of New McKinney Vento Education of Homeless Children and Youth Assistance Requirements Established Under the Every Student Succeeds Act of 2015* • Puerto Rico Department of Education’s Use of Adult Education State Grant Program Funds and the Reliability of the Program’s Performance Data* • FSA’s Use of Heightened Cash Monitoring* • Followup on Previous Title I Audits <ul style="list-style-type: none"> • Detroit Public Schools* • Orleans Parrish* • 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 Oversight and Monitoring of Nelnet’s Total and Permanent Disability Loan Discharge Process* • 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 • Review of the Department’s Contractor Personnel Security Clearance Process*
Data Quality and Reporting	<ul style="list-style-type: none"> • The Department’s Controls over Clery Act Reporting • FY 2017 Department-Wide Financial Statement Audit • FY 2017 FSA Financial Statement Audit • FY 2017 Closing Package Financial Statement Audit • Department’s Accounting for Drug Control Funds and Related Performance • Calculating and Reporting Graduation Rates <ul style="list-style-type: none"> • California* • Utah*

Table 2. FY 2018 Performance Measures

Performance Measure	FY 2018 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 resolved during the fiscal year were accepted by the Department.	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.	65%
7. Information technology audits were issued in accordance with policy and accepted by OIG management by the agreed-on 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.	70%
9. Preliminary inquiries of fraud, waste, and abuse were processed for case initiation (investigation) or closure with a final disposition within 120 days.	75%
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%
11. Hotline complaints were processed in accordance with policy and within the established deadlines.	75%
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 completed in accordance with policy and delivered to and accepted by the requestor within agreed-on dates.	90%

Performance Measure	FY 2018 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 management.	85%
20. Products related to OIG budget developed, executed, and delivered to Congress, OMB, 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 OPM, OMB, Department, OIG leadership, and other applicable stakeholders within agreed-on timeframes.	80%

Table 3. FY 2017 Performance Results

Performance Measure	FY 2017 Target	FY 2017 Actual
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%	100% 89%
2. Recommendations in reports issued during the fiscal year were accepted by the Department.	90%	98%
3. Initial audit results were evaluated and determined to be sufficient by OIG management by the agreed-on date.	80%	100%
4. Audits met the agreed- on dates for audit field work completed and draft report submitted for review in accordance with policy.	75%	93%
5. Draft and final audit reports were issued in accordance with policy, including applicable standards, by the agreed-on date.	70%	93%
6. Draft audit reports were accepted by OIG management and issued within one year from entrance conference.	60%	73%
7. Agreed-on milestones for inspections and information technology audits were met and accepted by OIG management.	75%	100%
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%	88%
9. Complaints of fraud, waste, and abuse were processed for case initiation (investigation) or complaint closed with a final disposition within 120 days.	75%	76%
10. Closed investigations that resulted in a criminal, civil, or administrative action, or monetary result.	IS 74% ITACCI 50%	93% 63%
11. Hotline controlled correspondence was processed in accordance with policy and within the established deadlines.	95%	100%
12. Requests for forensic or analytical assistance were completed in accordance with policy, including applicable quality standards, and within established timeframes.	75%	91%
13. Proactive analytical projects were developed in accordance with policy and within projected timeframes as measured from start to completion.	85%	100%

Performance Measure	FY 2017 Target	FY 2017 Actual
14. Computer-assisted assessment technology products were delivered to and accepted by the requestor within agreed-on dates.	90%	100%
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%	77%
17. Counsel work products are completed with minimal corrections by the supervisor and delivered to stakeholders within required or agreed-on deadlines.	85%	92%
18. Freedom of Information Act responses are processed in accordance with statutory requirements and delivered to requestors within required deadlines.	90%	77%
19. Quality assurance and internal control review recommendations accepted by OIG components.	85%	98%
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%	92%
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
IPA	independent public accounting firm
LEA	local educational agency
OIG	Office of Inspector General
OMB	Office of Management and Budget
SEA	State educational agency



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