

Open Recommendations From OIG Internal Audit Reports As of March 31, 2019

The Department reports internal audit recommendations as either (1) **unresolved** when the OIG and the Department have not reached agreement on corrective actions in response to the report's recommendations, (2) **resolved** when OIG and Department management agree on action to be taken, (3) **completed** when the responsible Department office indicates that the corrective action have been implemented, or (4) **closed** when the Office of the Chief Financial Officer verifies supporting documentation showing that all corrective actions have been implemented and issues a closure memo. Links to each report provided. Acronyms defined on page (25) as well as in each report.

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
<u>Final Independent Auditor's Report Fiscal Years 2016 and 2015 Financial Statements Federal Student Aid (A17Q0002)</u>				
We recommend the Chief Operating Officer request the necessary information on the Department's modeling activities and perform a comprehensive risk assessment of the Department's modeling on FSA's mission in connection with the development of FSA's enterprise risk management program.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer support the Director, Budget Service in their effort to document the Department's process, policies and procedures for the design, development, testing and authorization of new models.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer support the Director, Budget Service in their effort to compile an inventory of the Department's models, and regularly document management's assessment of risks related to each model and how that assessment impact's the Department's level of controls, validation and monitoring over each model.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer support the Director, Budget Service in their effort to document the Department's process, policies, procedures and related controls for the periodic review, validation and approval of the Department's models at the model and program level.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer support the Director, Budget Service in their effort to document the overall review and conclusions drawn related to the evaluation of the results of model performance reviews and validation procedures performed.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer, the Department Director of Budget Service and the Department Chief Financial Officer document the process, policies, procedures and related controls for managing the operation and use of approved models.	Completed	11/14/2016	1/17/2017	FSA
We recommend the FSA Chief Financial Officer, the Department Director of Budget Service and the Department Chief Financial Officer design, document and implement a modeling governance structure that specifically and separately addresses the roles and responsibilities for the oversight of critical modeling activities, including model risk assessment, model development, model	Completed	11/14/2016	1/17/2017	FSA

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
operation, and model validation activities, as well as defining standards for policies, procedures and internal controls for these activities.				
We recommend the FSA Chief Financial Officer support the Department Chief Financial Officer to ensure the Department's management controls program fully evaluates the Department's modeling activities commensurate with the materiality of the impact of the process to FSA's reporting activities.	Completed	11/14/2016	1/17/2017	FSA
We recommend FSA's Chief Information Officer work with the Department CIO to ensure the update, review, approval and dissemination of the Information Assurance/ Cybersecurity Policy and associated guidance is completed in order to comply with NIST standards and OMB guidance.	Completed	11/14/2016	1/26/2017	FSA
We recommend FSA's Chief Information Officer work with the Department CIO to design and implement controls over the handling of Department security and privacy incidents to ensure their resolution is properly documented.	Completed	11/14/2016	1/26/2017	FSA
We recommend FSA's Chief Administration Officer work with the Principal Deputy Assistant Secretary, Office of Management to implement a monitoring process over the personnel security activities to ensure investigations and reinvestigations are prioritized for personnel with sensitive system access within the Department.	Resolved	11/14/2016	1/26/2017	FSA
We recommend the FSA CISO strengthen and refine the process for holding FSA system owners and information system security officers accountable for remediation of control deficiencies and ensuring that the appropriate security posture is maintained for FSA information systems.	Completed	11/14/2016	1/26/2017	FSA
We recommend that the FSA Chief Operating Officer continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax debts.	Resolved	11/14/2016	2/13/2017	FSA
<u>Final Independent Auditor's Report Fiscal Years 2017 and 2016 Financial Statements Federal Student Aid (A17R0002)</u>				
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to develop and document the Department's process, policies and procedures for the authorization, design, development, testing, approval and implementation of new models and model enhancements.	Completed	11/13/2017	1/31/2018	FSA
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to document the Department's process, policies, procedures and related controls for managing the operation and use of approved models.	Completed	11/13/2017	1/31/2018	FSA
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to enhance the process to capture model risks, update the assessment of risks related to each model, and document how that assessment impacts the Department's prioritization of corrective actions, and requisite level of controls, validation and monitoring over each model.	Completed	11/13/2017	1/31/2018	FSA
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to document and enhance the Department's processes, policies, procedures and related controls	Completed	11/13/2017	1/31/2018	FSA

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for the periodic review, validation and approval of the Department's models at the assumption, model and program level.				
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to document the overall review and conclusions drawn related to the evaluation of the results of model performance reviews and validation procedures performed.	Completed	11/13/2017	1/31/2018	FSA
We recommend the FSA Chief Financial Officer support the efforts of the Director, Budget Service to ensure modeling risks are considered in connection with the Department's enterprise risk management program.	Completed	11/13/2017	1/18/2018	FSA
We recommend the FSA Chief Financial Officer ensure modeling risks are considered in connection with FSA's enterprise risk management program.	Completed	11/13/2017	1/19/2018	FSA
We recommend FSA's Chief Administration Officer develop and implement a monitoring process over FSA's personnel security activities to ensure investigations and reinvestigations are prioritized for personnel with sensitive system access within the Department.	Resolved	11/13/2017	2/14/2018	FSA
We recommend the FSA CISO work with the Department CISO to strengthen and refine the process for holding system owners and information system security officers accountable for remediation of control deficiencies and ensuring that the appropriate security posture is maintained for Department and FSA information systems.	Completed	11/13/2017	1/18/2018	FSA
We recommend that the FSA Chief Operating Officer continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax debts.	Resolved	11/13/2017	1/17/2018	FSA
<u>Federal Student Aid's Borrower Defense to Repayment Loan Discharge Process (I04R0003)</u>				
We recommend the Chief Operating Officer for FSA request approval from the Acting Under Secretary to resume the review, approval, and discharge processes for claims qualifying under the seven established categories, including claims that have been flagged for approval	Completed	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA request approval from the Acting Under Secretary to resume consideration and determination of whether additional categories of claims with common facts qualify for discharge.	Completed	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA ensure consistent documentation of the review and approval of legal memoranda or other findings used to justify discharges.	Completed	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA confirm and document OGC advice on the (1) discharge of Everest and WyoTech job placement misrepresentation rate claims and (2) the amount of relief for all job placement rate misrepresentation claims.	Completed	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA establish and document policies and procedures for reviewing and making determinations on unique or other claims for which FSA has no associated legal memorandum.	Resolved	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA Document and maintain readily available evidence for all quality control reviews.	Completed	12/8/2017	1/25/2018	FSA

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We recommend the Chief Operating Officer for FSA establish and document policies and procedures for discharging loans associated with approved claims with certain characteristics. These characteristics include (a) borrowers enrolled in multiple programs and at least one program is eligible for relief, (b) the borrower received a loan disbursement after the school closed, (c) the discharge is impacted by a State’s statute of limitations, and (d) the borrower’s loan is a Federal Family Education Loan program loan or a Perkins loan.	Resolved	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA establish and document policies and procedures for closing out and issuing decisions on borrower defense claims flagged for denial.	Resolved	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA establish timeframes for the claims intake, claims review, loan discharge, and claims denial processes and develop controls to ensure timeframes are met.	Resolved	12/8/2017	1/25/2018	FSA
We recommend the Chief Operating Officer for FSA implement an information system that (a) maintains quality information regarding borrower defense claims, process status, and decision outcomes; (b) allows for claim data queries for all stages of claim review; and (c) contains controls to protect the integrity of the claims data.	Resolved	12/8/2017	2/20/2018	FSA
<u>Federal Student Aid’s Contractor Personnel Security Clearance Process (A19R0003)</u>				
We recommend that the Chief Operating Officer for FSA ensure that staff involved in the contractor personnel security screening process are aware of and comply with the Directive requirements, to include any subsequent updates to the requirements, and fulfill their responsibilities for processing security screenings.	Resolved	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA develop written policies and procedures to comply with the Directive, to include explanations of the key duties to be performed by specific FSA staff, requirements of the contract positions and risk designation process including the use of Position Designation Records, and other internal requirements for the FSA contractor personnel security screening process, as well as contractor employee departure procedures.	Resolved	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA have appropriate FSA staff develop and approve complete position category listings and associated risk level designations for all contractor positions on each contract, through FSA justification of position responsibilities and access, and through reconciliation of current contract position risk levels and any available position risk level designation records.	Resolved	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that screenings are initiated at the appropriate risk level based on the contractor employee’s position risk level that was classified and approved by FSA.	Completed	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA coordinate with OM to learn the adjudication results of current contractor employees assigned to FSA contracts to ensure that all contractor employees either have a screening initiated or have been appropriately cleared to work on Department contracts.	Resolved	4/17/2018	6/6/2018	FSA

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We recommend that the Chief Operating Officer for FSA monitor the screening status of contractor employees until final OM adjudication decisions are made.	Completed	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA maintain all information and records required by the Directive, to include up-to-date listings of all contractor employees assigned to FSA contracts and records of OM adjudication decisions for all contractor employees assigned to FSA contracts.	Resolved	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that all contractor employee departures are reported to OM as required, and inform contractor companies on a regular basis of their responsibility to notify FSA of contractor employee departures. Also ensure that contractors provide PIV cards to the COR upon contractor employee departure, as required.	Resolved	4/17/2018	7/31/2018	FSA
We recommend that the Chief Operating Officer for FSA identify and begin tracking all active contractor employees assigned to FSA contracts, along with their risk level and any IT access, to ensure that all contractor employees have undergone security screenings at appropriate risk levels as required by Department policy. For those who have not, take immediate action to complete the security screenings and/or deny further access to Department facilities, systems, and information until appropriate security screenings are completed or required screening information is submitted. Alert the Department CISO of the condition.	Resolved	4/17/2018	6/19/2018	FSA
We recommend that the Chief Operating Officer for FSA determine through system security audit logs and other appropriate validation processes, if there were instances of unauthorized access to Department information and systems and report appropriately, at a minimum to the Department's CISO.	Resolved	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that security screenings and reinvestigations are initiated within the timeframes established by the Directive.	Resolved	4/17/2018	6/4/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that all contractor employees complete the appropriate screening steps before receiving access to IT systems or Department sensitive or Privacy Act-protected information.	Completed	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that contractor employees review and sign applicable Rules of Behavior for IT systems they are accessing.	Completed	4/17/2018	6/6/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that ISSOs maintain and exercise access approval rights over any IT systems that contain or can access sensitive Department data, whether owned by the Department or by the contractor, and modify applicable contracts accordingly to reflect the FSA ISSO approval rights.	Resolved	4/17/2018	6/4/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that any contractor employees with discontinued or rejected investigations have all access to sensitive Department information, including any IT access, discontinued until appropriate screening steps have been completed. Alert the Department CISO should this condition exist.	Resolved	4/17/2018	7/9/2018	FSA

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We recommend that the Chief Operating Officer for FSA ensure that all non-U.S. citizens, current and prospective, are permitted to work on Department contracts only after appropriate steps have been taken with regard to waiver documentation, as required by the Directive.	Resolved	4/17/2018	7/9/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that FSA staff are aware of and have an understanding of their responsibilities and applicable policies and procedures.	Resolved	4/17/2018	6/5/2018	FSA
<u>Federal Student Aid: Efforts to Implement Enterprise Risk Management Have Not Included All Elements of Effective Risk Management (A05Q0007)</u>				
We recommend that the Chief Operating Officer for FSA define and retain records of management's risk management philosophy, risk appetite, and risk tolerance.	Resolved	7/24/2018	9/28/2018	FSA
We recommend that the Chief Operating Officer for FSA retain records fully describing FSA's ERM framework.	Completed	7/24/2018	9/7/2018	FSA
We recommend that the Chief Operating Officer for FSA communicate management's risk management philosophy, risk appetite, and risk tolerance; FSA's ERM framework; and information about FSA's enterprise-level risks to internal and appropriate external stakeholders.	Completed	7/24/2018	9/28/2018	FSA
We recommend that the Chief Operating Officer for FSA align FSA's strategic objectives and risk responses with the risk appetite that management defines.	Resolved	7/24/2018	9/28/2018	FSA
We recommend that the Chief Operating Officer for FSA ensure that the process for developing a risk profile covers all potential enterprise-level risks, including those identified through risk assessments of all business units and high-risk projects.	Completed	7/24/2018	9/7/2018	FSA
We recommend that the Chief Operating Officer for FSA evaluate, at least annually, whether FSA's ERM efforts have achieved management's ERM objectives and reduced enterprise-level risks to be within the level management is willing to accept. Identify and implement changes, if any, suggested by the evaluations.	Resolved	7/24/2018	9/7/2018	FSA
<u>FY 2018 - Financial Statements Audit – Federal Student Aid (A17S0002)</u>				
With respect to the SLM documentation and analysis, we recommend that the Department management coordinate among the various groups at the FSA and CEAD to determine, each year, what key assumptions and data elements will be used in the Credit Reform re-estimate calculations. These determinations should be fully documented to enable a reviewer to understand and re-perform procedures, as needed.	Resolved	11/15/2018	2/7/2019	FSA
With respect to model estimation uncertainty, we recommend that the Department and FSA management ensure that sufficient documentation is maintained evidencing management's analysis and consideration of the effects of model estimation uncertainty on the fair presentation of the financial statements and related note disclosure reestimates in accordance with accounting standards.	Resolved	11/15/2018	2/7/2019	FSA
With respect to the completeness and accuracy of the data elements used in the SLM, we recommend that the Department management work with FSA to validate that appropriate data elements are extracted from NSLDS.	Resolved	11/15/2018	2/8/2019	FSA

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We recommend that the FSA management enhance existing documentation and controls to demonstrate the relationship between the key data elements used in the estimation model assumptions and the controls over student loan transactions at FSA.	Resolved	11/15/2018	2/8/2019	FSA
With respect to the NSLDS oversight of loan guaranty balances, we recommend the Department and FSA management develop, implement, and document controls to assess the reasonableness of the principal balance outstanding and maximum government exposure amounts presented in the financial statement footnotes and used in calculating the liability for loan guarantees.	Completed	11/15/2018	2/8/2019	FSA
With respect to the NSLDS oversight of loan guaranty balances, we recommend the Department and FSA management enhance the query process documentation to demonstrate the completeness and accuracy of the NSLDS query for the performing FFEL loan principal balance outstanding and maximum government exposure.	Completed	11/15/2018	2/8/2019	FSA
With respect to the NSLDS oversight of loan guaranty balances, we recommend the Department and FSA management develop, implement, and document a sensitivity analysis related to NSLDS queries of September 30 balances considering the potential timing differences in the data being used for financial reporting.	Resolved	11/15/2018	2/8/2019	FSA
We recommend that the Department and FSA management perform comprehensive user access reviews and re-certifications, and confirm the access lists received for review by designated management are complete and accurate prior to commencing the review.	Resolved	11/15/2018	2/7/2019	FSA
We recommend that the Department and FSA management establish requirements for formal documentation of data validation following data migration for systems.	Resolved	11/15/2018	2/7/2019	FSA
We recommend that the Department and FSA management prevent or limit developer access in the production environment to read-only.	Resolved	11/15/2018	2/7/2019	FSA
We recommend that the Department implement mechanisms and procedures to require timely notification of user separations and subsequent disabling of access.	Completed	11/15/2018	2/7/2019	FSA
We recommend that the FSA continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax debts.	Resolved	11/15/2018	2/7/2019	FSA
<u>FY 2018 - Financial Statements Audit – Federal Student Aid (A05Q0008)</u>				
We recommend that the Chief Operating Officer for FSA track all instances of noncompliance identified during FSA reviews, regardless of whether the specific instances were corrected and did not require further action to be taken by either the servicer or FSA.	Unresolved	2/12/2019		FSA
We recommend that the Chief Operating Officer for FSA analyze the records relevant to noncompliance, identify trends and recurring noncompliance for each servicer and across all servicers, and use the information as a basis for assessing servicer performance.	Unresolved	2/12/2019		FSA
We recommend that the Chief Operating Officer for FSA use the contractual accountability provisions available, such as requiring the return of funds or reducing future loan volume, to hold servicers accountable for instances of noncompliance.	Resolved	2/12/2019	4/10/2019	FSA

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We recommend that the Chief Operating Officer for FSA verify that programming corrections ensure the system prompts call monitors to complete all necessary data fields before submitting scoresheets.	Resolved	2/12/2019	4/10/2019	FSA
We recommend that the Chief Operating Officer for FSA ensure that FSA management has implemented its new quality control process and is evaluating a management-determined percentage of each call monitor's completed work each month.	Resolved	2/12/2019	4/10/2019	FSA
We recommend that the Chief Operating Officer for FSA regularly share the results of any oversight activities with servicers, regardless of whether management is making changes to existing processes.	Resolved	2/12/2019	4/10/2019	FSA
<u>Management Certifications of Data Reliability (A06O0001)</u>				
We recommend that the Deputy Secretary of Education review how management certifications are used across all programs in the Department, and ensure that certification language provides an assurance of the quality of data, clear accountability, and adequate disclosure of known data limitations.	Completed	2/11/2016	3/29/2016	OCFO
We recommend that the Deputy Secretary of Education review how monitoring protocols are used across all programs in the Department to ensure that they contain steps to assess how well SEA or LEA procedures are working to provide accurate data for key data used in performance reporting or funding decisions.	Completed	2/11/2016	3/29/2016	OCFO
We recommend that the Deputy Secretary of Education develop a formal tracking procedure for SEA data issues for use by EDFacts and principal offices that identifies how the data issue was identified, why it occurred, and resolution actions and timeframes.	Completed	2/11/2016	3/29/2016	OCFO
We recommend that the Deputy Secretary of Education require all principal offices to follow up on known data errors where the SEA has signed a management certification to determine the causes of the error and ensure that the SEA develops procedures to ensure that it provides accurate information in accordance with the management certification.	Completed	2/11/2016	3/29/2016	OCFO
We recommend that the Deputy Secretary of Education revise the Compliance Supplement, as appropriate, to address areas where external auditors should determine whether SEAs have controls in place to ensure that data collected from LEAs and other State agencies are accurate and reliable and support the management certifications they sign.	Resolved	2/11/2016	3/29/2016	OCFO
<u>Final Independent Auditor's Report Fiscal Years 2016 and 2015 Financial Statements U.S. Department of Education (A17Q0001)</u>				
We recommend the Deputy Secretary perform a comprehensive evaluation of the impact of the Department's modeling on the Department's mission in connection with the development of its enterprise risk management program.	Resolved	11/14/2016	1/26/2017	OCFO
We recommend the Department Chief Financial Officer, in conjunction with the Director, Budget Service document the Department's process, policies and procedures for the design, development, testing and authorization of new models.	Completed	11/14/2016	1/17/2017	OCFO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend the Department Chief Financial Officer, in conjunction with the Director, Budget Service compile an inventory of the Department's models, and regularly document management's assessment of risks related to each model and how that assessment impact's the Department's level of controls, validation and monitoring over each model.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Department Chief Financial Officer, in conjunction with the Director, Budget Service document the Department's process, policies, procedures and related controls for the periodic review, validation and approval of the Department's models at the model and program level.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Department Chief Financial Officer, in conjunction with the Director, Budget Service document the overall review and conclusions drawn related to the evaluation of the results of model performance reviews and validation procedures performed.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Director, Budget Service and the Department and FSA Chief Financial Officers document the Department's process, policies, procedures and related controls for managing the operation and use of approved models.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Director, Budget Service and the Department and FSA Chief Financial Officers design, document and implement a modeling governance structure that specifically and separately addresses the roles and responsibilities for the oversight of critical modeling activities, including model risk assessment, model development, model operation, and model validation activities, as well as defining standards for policies, procedures and internal controls for these activities.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Department Chief Financial Officer ensure the agency's management controls program fully evaluates the Department's modeling activities commensurate with the materiality of the impact of the process to the agency's reporting activities.	Completed	11/14/2016	1/17/2017	OCFO
We recommend the Department CIO ensure the update, review, approval and dissemination of the Information Assurance/ Cybersecurity Policy and associated guidance is completed in order to comply with NIST standards and OMB guidance.	Completed	11/14/2016	1/26/2017	OCFO
We recommend the Department CIO design and implement controls over the handling of Department security and privacy incidents to ensure their resolution is properly documented.	Completed	11/14/2016	1/26/2017	OCFO
We recommend the Principal Deputy Assistant Secretary, Office of Management implement a monitoring process over the personnel security activities to ensure investigations and reinvestigations are prioritized for personnel with sensitive system access within the Department.	Completed	11/14/2016	2/13/2017	OCFO
We recommend the Department CISO work with the FSA CISO to strengthen and refine the process for holding system owners and information system security officers accountable for remediation of control deficiencies and ensuring that the appropriate security posture is maintained for Department and FSA information systems.	Completed	11/14/2016	2/2/2017	OCFO

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We recommend that the Secretary of Education work with the Federal Student Aid Chief Operating Officer to continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax debts.	Resolved	11/14/2016	2/21/2017	OCFO
Management Information Report on State Oversight of Local Educational Agency Single Audit Resolution (X09Q0006)				
Develop and issue detailed guidance to all SEAs describing their responsibilities for oversight of the LEA single audit resolution process. The guidance should include information regarding potential weaknesses that may require correction as well as positive practices that SEAs may consider implementing. At a minimum, the guidance should include the following elements. We recommend that the Chief Financial Officer - 1.a Explain the requirement to issue management decisions for all applicable LEA findings within regulatory timeframes and describe the specific content requirements for management decisions from 2 C.F.R § 200.521. Include an illustrative copy of a management decision that meets all content requirements to promote SEA compliance. We recommend that the Chief Financial Officer - 1.b Emphasize the importance of identifying and requiring appropriate corrective actions for LEAs to take to resolve audit findings. Appropriate corrective actions are clear, specific, and can reasonably be expected to correct the underlying cause of the finding. We recommend that the Chief Financial Officer - 1.c Urge SEAs to engage in proactive communication with LEAs throughout the audit resolution process. Inform States of the new requirement in 2 C.F.R. § 200.331(d)(2) to follow up on the status of corrective action and describe the benefits of using cooperative audit resolution techniques. We recommend that the Chief Financial Officer - 1.d Emphasize the importance of enhancing audit resolution activities for significant or repeat findings. This includes escalating the frequency and nature of contact with LEA officials to identify and resolve any barriers to audit resolution. We recommend that the Chief Financial Officer - 1.e Highlight critical controls over single audit resolution that all SEAs should implement, including (1) assigning overall responsibility for oversight of LEA audit resolution to a specific unit within the SEA, (2) developing and implementing detailed policies and procedures that cover all aspects of the SEA's role in LEA audit resolution, (3) establishing an effective process, preferably using database software, for tracking the resolution of LEA audit findings, and (4) implementing a periodic quality assurance process to detect noncompliance and control weaknesses. We recommend that the Chief Financial Officer - 1.f Describe positive practices in oversight of LEA audit resolution that SEAs may implement where feasible, such as (1) issuing enhanced management decisions for repeat findings and encouraging more intensive interaction between SEAs and LEAs to ensure timely and appropriate corrective action, (2) issuing management decisions for financial statement findings and tracking their resolution, (3) establishing an early single audit reporting deadline to expedite the resolution process, and (4)	Resolved	3/16/2017	12/19/2018	OCFO

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targeting communications related to audit resolution to LEA action officials responsible for implementing corrective action.				
<u>Final Independent Auditor's Report Fiscal Years 2017 and 2016 Financial Statements U.S. Department of Education (A17R0001)</u>				
We recommend the Director, Budget Service develop and document the Department's process, policies and procedures for the authorization, design, development, testing, approval and implementation of new models and model enhancements.	Completed	11/13/2017	1/31/2018	OCFO
We recommend the Director, Budget Service document the Department's process, policies, procedures and related controls for managing the operation and use of approved models.	Completed	11/13/2017	1/31/2018	OCFO
We recommend the Director, Budget Service enhance the process to capture model risks, update the assessment of risks related to each model, and document how that assessment impacts the Department's prioritization of corrective actions, and requisite level of controls, validation and monitoring over each model.	Completed	11/13/2017	2/7/2018	OCFO
We recommend the Director, Budget Service document and enhance the Department's processes, policies, procedures and related controls for the periodic review, validation and approval of the Department's models at the assumption, model and program level.	Completed	11/13/2017	1/31/2018	OCFO
We recommend the Director, Budget Service document the overall review and conclusions drawn related to the evaluation of the results of model performance reviews and validation procedures performed.	Completed	11/13/2017	1/31/2018	OCFO
We recommend the Director, Budget Service ensure modeling risks are considered in connection with the Department's enterprise risk management program.	Completed	11/13/2017	1/23/2018	OCFO
We recommend the Principal Deputy Assistant Secretary, Office of Management implement a monitoring process over the personnel security activities to ensure investigations and reinvestigations are prioritized for personnel with sensitive system access within the Department.	Completed	11/13/2017	2/7/2018	OCFO
We recommend the Department CISO work with the FSA CISO to strengthen and refine the process for holding system owners and information system security officers accountable for remediation of control deficiencies and ensuring that the appropriate security posture is maintained for Department and FSA information systems.	Completed	11/13/2017	1/23/2018	OCFO
We recommend that the Secretary of Education work with the Federal Student Aid Chief Operating Officer to continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax debts.	Resolved	11/13/2017	1/17/2018	OCFO
<u>FY 2018 - Financial Statements Audit – U.S. Department of Education (A17S0001)</u>				
With respect to the SLM documentation and analysis, we recommend that the Department management coordinate among the various groups at the FSA and CEAD to determine, each year, what key assumptions and data elements will be used in the Credit Reform re-estimate calculations. These determinations should be fully documented to enable a reviewer to understand	Resolved	11/15/2018	2/8/2019	OCFO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
and re-perform procedures, as needed.				
With respect to model estimation uncertainty, we recommend that the Department and FSA management ensure that sufficient documentation is maintained evidencing management's analysis and consideration of the effects of model estimation uncertainty on the fair presentation of the financial statements and related note disclosure reestimates in accordance with accounting standards.	Resolved	11/15/2018	2/8/2019	OCFO
With respect to the completeness and accuracy of the data elements used in the SLM, we recommend that the Department management work with FSA to validate that appropriate data elements are extracted from NSLDS.	Resolved	11/15/2018	2/8/2019	OCFO
We recommend that the FSA management enhance existing documentation and controls to demonstrate the relationship between the key data elements used in the estimation model assumptions and the controls over student loan transactions at FSA.	Resolved	11/15/2018	2/8/2019	OCFO
With respect to the NSLDS oversight of loan guaranty balances, we recommend that the Department and FSA management develop, implement, and document controls to assess the reasonableness of the principal balance outstanding and maximum government exposure amounts presented in the financial statement footnotes and used in calculating the liability for loan guarantees.	Resolved	11/15/2018	2/8/2019	OCFO
With respect to the NSLDS oversight of loan guaranty balances, we recommend that the Department and FSA management enhance the query process documentation to demonstrate the completeness and accuracy of the NSLDS query for the performing FFEL loan principal balance outstanding and maximum government exposure.	Resolved	11/15/2018	2/8/2019	OCFO
With respect to the NSLDS oversight of loan guaranty balances, we recommend that the Department and FSA management develop, implement, and document a sensitivity analysis related to NSLDS queries of September 30 balances considering the potential timing differences in the data being used for financial reporting.	Resolved	11/15/2018	2/8/2019	OCFO
We recommend that the Department and FSA management perform comprehensive user access reviews and re-certifications, and confirm the access lists received for review by designated management are complete and accurate prior to commencing the review.	Resolved	11/15/2018	2/11/2019	OCFO
We recommend that the Department and FSA management implement mechanisms and procedures to require timely notification of user separations and subsequent disabling of access.	Resolved	11/15/2018	1/24/2019	OCFO
We recommend that the Department and FSA management establish requirements for formal documentation of data validation following data migration for systems.	Resolved	11/15/2018	2/28/2019	OCFO
We recommend that the Department and FSA management prevent or limit developer access in the production environment to read-only.	Resolved	11/15/2018	1/24/2019	OCFO
We recommend that the Department continue to execute the corrective actions as outlined in FSA's project plan to comply with the timing requirement for the referral of delinquent non-tax	Resolved	11/15/2018	2/8/2019	OCFO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
debts.				
The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2017 (A11R0001)				
We recommend that the Deputy Secretary require OCIO to incorporate additional measures to, at a minimum, achieve Level 4 Managed and Measurable status of the Risk Management program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that "Information Technology Security General Support Systems and Major Applications Inventory Guidance, Version 1.0" is updated.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that all contracts are reviewed and reevaluated to ensure that required access and security language is included.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to establish a centralized tracking process for maintaining all active websites for the Department.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Configuration Management program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA immediately correct or mitigate the vulnerabilities identified during the vulnerability assessment.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA ensure POA&Ms are created to remedy infrastructure vulnerabilities identified in the hosting data center environments.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to at a minimum, enforce TLS 1.1 or higher as the only connection for all Department connections. <i>(Repeat Recommendation from FY 2016 and FY 2015)</i>	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to discontinue the use of or develop a justification for using unsupported operating systems, databases, and applications. <i>(Repeat Recommendation from FY 2015)</i>	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that all existing websites and services are accessible through a secure connection as required by OMB M-15-13.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to configure all websites to display warning banners when users login to Departmental resources.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Chief Operating Officer require FSA to ensure that all websites and portals hosting personally identifiable information are configured not to display clear text.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Chief Operating Officer require FSA to eliminate the use of Social Security numbers as an authentication element when logging onto FSA websites by requiring the user to create a unique identifier for account authentication. <i>(Repeat Recommendation from FY 2014)</i>	Completed	10/31/2017	1/2/2018	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Identity and Access Management program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Office require OCIO and FSA to ensure, in cooperation with the Office of Management, that background investigations are conducted (1) before granting access to Departmental and FSA systems and (2) to ensure the correct level of access is granted.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to prohibit contractors from granting access to FSA systems without approval by the Department.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to enforce a two-factor authentication configuration for all user connections to systems and/or applications housing personally identifiable information.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure the Department's ICAM strategy is fully implemented to ensure that the Department meets full Federal Government implementation of ICAM.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that the network access control solution is fully implemented to ensure identification and authentication of devices connected to the network. (Repeat Recommendation from FY 2016, FY 2015, and FY 2014)	Completed	10/31/2017	2/6/2018	OCIO
We recommend that the Deputy Secretary require OCIO to create POA&Ms to remedy database vulnerabilities for all database vulnerabilities identified.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Chief Operating Officer require FSA to establish a process for identifying, managing, and tracking activity of privileged user accounts.	Resolved	10/31/2017	2/6/2018	OCIO
We recommend that the Deputy Secretary require OCIO to incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Security Training program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that contractors fulfill mandatory training requirements before accessing Departmental systems.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary and the Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum, achieve Level 4 Managed and Measurable status of the ISCM program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to automate its capabilities for monitoring the security controls effectiveness and overall implementation of the ISCM Roadmap.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that ISCM stakeholders with designated roles and responsibilities are properly educated and engaged.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure all Information System Security Officers establish and use CSAM accounts, and that required points of contacts are identified.	Completed	10/31/2017	1/2/2018	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Deputy Secretary require OCIO to ensure the completion of Phase 2 of the CDM program.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Incident Response program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to establish a specific training curriculum for key personnel who respond to incidents when they occur.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that incidents are submitted to US-CERT within the required timeframe and all incidents identified as Categories 1 through 4 to the OIG that could possibly relate to cyber fraud.	Completed	10/31/2017	1/9/2018	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Contingency Planning program.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that skill assessments are being measured at the enterprise level.	Resolved	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that contingency plans, BIAs, and results of contingency plan testing are documented in a consistent and timely manner.	Completed	10/31/2017	1/2/2018	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that contingency plans include all required information.	Completed	10/31/2017	1/2/2018	OCIO
The U.S. Department of Education's Federal Information Security Modernization Act of 2014 Report For Fiscal Year 2018 (A11S0001)				
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA incorporate additional measures to, at a minimum; achieve Level 4 Managed and Measurable status of the Risk Management program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/10/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA ensure the completeness of individual corrective action plans for elements including remediation officials assigned, costs associated to remediate the weakness, and starting dates to remediate the weakness.	Resolved	10/31/2018	1/10/2019	OCIO
We recommend that the Deputy Secretary and the Chief Operating Officer require that OCIO and FSA ensure that all contracts are reviewed and include all applicable privacy, security, and access provisions. (Repeat Recommendation from FY 2017)	Completed	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require that OCIO and FSA incorporate additional measures to, at a minimum; achieve Level 3 Consistently Implemented status of the Configuration Management program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/10/2019	OCIO
We recommend the Deputy Secretary and Chief Operating Officer require that OCIO and FSA migrate to Transport Layer Security 1.2 or higher as the only connection for all Department connections. (Repeat Recommendation from FY 2015, 2016, and 2017)	Resolved	10/31/2018	1/10/2019	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Deputy Secretary require OCIO to ensure that the configuration of 40 websites to be routed through a trusted internet connection or managed trusted internet protocol service.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that all existing websites and services are accessible through a secure connection as required by OMB M-15-13. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to discontinue the use of unsupported operating systems, databases, and applications. (Repeat Recommendation from FY 2015 and 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to eliminate the use of Social Security numbers as an authentication element when logging onto FSA websites by requiring the user to create a unique identifier for account authentication. (Repeat Recommendation from FY 2014 and 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to ensure that all websites and portals hosting personally identifiable information are configured not to display clear text. (Repeat Recommendation from FY 2014 and 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Chief Operating Officer require FSA to immediately correct or mitigate the vulnerabilities during the vulnerability assessment. (Repeat Recommendation from FY 2015 and 2017)	Completed	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum; achieve Level 3 Consistently Implemented status of the Identity and Access Management program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to ensure that position risk designations are documented for background investigations.	Completed	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to enforce a two-factor authentication configuration for all user connections to systems and applications. (Repeat Recommendation from FY 2011, 2012, 2013, 2014, 2015, 2016 and 2017)	Resolved	10/31/2018	1/15/2019	OCIO
We recommend that the Deputy Secretary require OCIO to finalize Departmental Directive OM: 5-101, "Personnel Security Screening Requirements for Contractor Employees."	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to fully implement the Department's ICAM strategy to ensure that the Department meets full Federal Government implementation of ICAM. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure the Network Access Control solution is configured to disallow users to reconnect devices after being blocked.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure access agreements--in particular non-disclosure agreements for privileged users with access to sensitive information, and Rules of Behavior acknowledgements--are documented for users accessing Department and FSA systems.	Completed	10/31/2018	1/11/2019	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Deputy Secretary require OCIO to ensure that terminated individual's network access is removed timely.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to establish a process for identifying, managing, and tracking activity of privileged user accounts. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to configure all websites to display warning banners when users login to Departmental resources and ensure that banners include approved warning language. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to create corrective action plans to remedy database vulnerabilities for all database vulnerabilities identified. (Repeat Recommendation from FY 2017)	Completed	10/31/2018	1/11/2019	OCIO
We recommend that the Chief Operating Officer require FSA to validate the inactivity settings to ensure sessions are timing out after 30 minutes of inactivity. (Repeat Recommendation from FY 2011, 2012, and 2015)	Completed	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary and the Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum; achieve Level 3 Consistently Implemented status of the Data Protection and Privacy program.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that the Handbook for Protection of Sensitive But Unclassified Information is updated.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure the Department's Breach Response Plan is tested annually.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that Privacy Impact Assessments are reviewed every two years.	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to incorporate additional measures to, at a minimum, achieve Level 3 Consistently Implemented status of the Security Training program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that contractor employees fulfill mandatory training requirements before accessing Department systems. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/11/2019	OCIO
We recommend that the Deputy Secretary require OCIO to define and implement a process to track contractors' initial access to the Department's network.	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that user accounts are suspended timely when users do not complete required training.	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to implement the process for identifying employees with significant security responsibilities and ensure role-based training is provided.	Resolved	10/31/2018	1/14/2019	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Deputy Secretary require OCIO to implement the process for formal skill assessments of employees' educational level and experience to begin full reporting to the Office of Personnel Management by April 2019.	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary and the Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum; achieve Level 3 Consistently Implemented status of the ISCM program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to automate its capabilities for monitoring the security controls effectiveness and overall implementation of the ISCM Roadmap. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that ISCM stakeholders with designated roles and responsibilities are properly educated and engaged. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure all information authorizing officials, information system owners, and information system security officers establish and use accounts within the Cyber Security Assessment and Management tool, and that required points of contacts are identified. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure the completion of Phases 1 and 2 of the Continuous Diagnostics and Mitigation program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to incorporate additional measures to, at a minimum; achieve Level 3 Consistently Implemented status of the Incident Response program. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that incidents are consistently submitted to US-CERT and the OIG within the required timeframe and all incidents are consistently categorized. (Repeat Recommendation from FY 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to enable incident response tools and technologies to function on an enterprise basis.	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that data loss prevention technologies work as intended for the blocking of sensitive information transmission.	Resolved	10/31/2018	1/15/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to incorporate additional measures to, at a minimum; achieve Level 4 Managed and Measurable status of the Contingency Planning program. (Repeat Recommendation from 2017)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary and Chief Operating Officer require OCIO and FSA to ensure that contingency planning documentation and results of contingency plan testing are documented consistently and timely. (Repeat Recommendation from FY 2012, 2014, and 2015)	Resolved	10/31/2018	1/14/2019	OCIO
We recommend that the Deputy Secretary require OCIO to ensure that skills are being measured at the enterprise level to begin full reporting to the Office of Personnel Management by April 2019. (Repeat Recommendation from 2017)	Resolved	10/31/2018	1/14/2019	OCIO

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
<u>Nationwide Assessment of Charter and Education Management Organizations (A02M0012)</u>				
We recommend that the Delegated Deputy Secretary convene a formal oversight group including high level representatives from the following offices: Office of the Deputy Secretary, OESE, OSERS, OII, and the Office of the Chief Financial Officer. The oversight group would determine the most appropriate manner to conduct an analysis and assessment of the risks to Department programs posed by charter schools with CMOs. The assessment would consider actions appropriate to the Department's Federal role to assist SEAs, LEAs and charter school authorizers to fulfill their obligations for oversight of Federal funding. Such actions would include, but not be limited to the recommendations that follow.	Completed	9/29/2016	1/10/2017	OESE
We recommend that the Delegated Deputy Secretary provide further guidance to SEAs that offers a general strategy for performing a minimum level of monitoring, risk assessment, and mitigation procedures related to charter school contractual relationships with CMOs.	Resolved	9/29/2016	1/10/2017	OESE
We recommend that the Delegated Deputy Secretary develop modifications to program monitoring protocols for Title I, IDEA, CSP grants, and other programs to assist Federal grantees in meeting their monitoring and oversight responsibilities with respect to CMOs.	Completed	9/29/2016	1/10/2017	OESE
We recommend that the Delegated Deputy Secretary work with external partners and interest groups to help SEAs and other authorizers consider risks to Federal funds in their evaluation of proposals for charter schools, including the consideration of what is an acceptable level of risk related to charter school relationships with CMOs.	Completed	9/29/2016	1/10/2017	OESE
We recommend that the Delegated Deputy Secretary collaborate and coordinate with the Office of the Chief Financial Officer's Post Audit Group to update the OMB Circular A-133 Compliance Supplement to include procedures to determine whether the SEA and LEA, as appropriate, have internal controls to ensure that charter schools with relationships with CMOs have effective controls to mitigate financial risks, provide for accountability over Federal funds, and mitigate performance risks.	Completed	9/29/2016	1/10/2017	OESE
<u>The Department's Oversight of the Indian Education Formula Grant Program (A19Q0002)</u>				
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team develop, finalize, and implement detailed written policies and procedures on monitoring grantees' performance toward achieving the program's goals and objectives, to include ensuring grantees submit all requested documentation, documenting conclusions with regard to adequacy of grantee performance in areas reviewed as well as overall conclusions on whether grantees are meeting program objectives, requesting and timely following up on corrective actions when needed, and that such monitoring is used to assist grantees in making progress in meeting those goals and objectives.	Resolved	9/28/2018	11/1/2018	OESE

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team develop, finalize, and implement detailed written policies and procedures for monitoring grantees' use of funds, to include ensuring documentation related to expenditures is submitted and reviewed to verify that funds are being used for allowable activities and that resulting conclusions are documented and applicable corrective actions are requested and timely followed up on.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team develop, finalize, and implement detailed written policies and procedures regarding the student count verification process to ensure that student counts are being appropriately verified and documented, and any issues are proactively identified.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team develop, finalize, and implement detailed written policies and procedures for developing monitoring plans that consider multiple risk factors. In doing so, consider requesting Entity Risk Review reports for grantees from RMS as suggested by OESE's Guidance for OESE Monitoring Plans for grant programs with a large number of grantees.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE encourage OIE management to conduct research on best practices employed by similarly situated programs, such as other formula grant programs at the Department with large numbers of grantees, and consider adapting and/or adopting practices that may be used to better oversee and monitor Indian Education Formula Grant program grantees.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team receive necessary training and guidance so they are prepared to adequately manage the responsibilities of effectively overseeing grantees.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that OIE management and the OIE Formula Team are aware of and comply with existing standards for grant file documentation that align with Department policies.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE require the OIE Formula Team to identify desktop monitoring reports with open or unresolved items and conduct necessary follow-up with grantees to close out the monitoring reports.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that OIE management develops, finalizes, and implements detailed written policies and procedures for reviewing APRs, to include ensuring all APRs are received and uploaded to the grant files, reviewing progress toward achieving project objectives, following up with grantees when necessary, and appropriately documenting related communications.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE ensure that APR and GPRA data are analyzed to identify areas for improvement and that such analysis is used so that appropriate actions can be taken to help improve program performance.	Resolved	9/28/2018	11/1/2018	OESE

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Assistant Secretary for OESE ensure OIE management adequately communicates to program staff expectations related to monitoring, to include defined roles and responsibilities, to help ensure the effective and uniform monitoring of Indian Education Formula Grant program grantees.	Resolved	9/28/2018	11/1/2018	OESE
We recommend that the Assistant Secretary for OESE review the management and staff structure and resources of OIE and make changes, as appropriate, to ensure that proper oversight and monitoring of Indian Education Formula Grant program grantees is conducted.	Resolved	9/28/2018	11/1/2018	OESE
<u>Nationwide Audit of Oversight of Closed Charter Schools (A02M0011)</u>				
We recommend that the Deputy Secretary coordinate with the Assistant Secretary for OESE, the Assistant Secretary of OSERS and Acting Assistant Deputy Secretary for OII to develop a risk assessment that identifies SEAs that fund charter schools and considers the risks to Federal funds associated with charter school closures and monitor SEAs based on this assessment, focusing on those elements of the charter school closure process that pose the most risk.	Resolved	9/28/2018	11/30/2018	OII
We recommend that the Deputy Secretary coordinate with the Assistant Secretary for OESE, the Assistant Secretary of OSERS and Acting Assistant Deputy Secretary for OII to review guidance issued by the Department to determine whether it adequately addresses issues related to Federal grant closeout, disposition of assets purchased with Federal funds, and protection and maintenance of student records for closed charter schools, and either modify the current guidance or issue new guidance as appropriate.	Resolved	9/28/2018	11/30/2018	OII
We recommend that the Deputy Secretary coordinate with the Assistant Secretary for OESE, the Assistant Secretary of OSERS and Acting Assistant Deputy Secretary for OII to work with SEAs to develop and implement effective charter school closure procedures. In doing so, identify and share best practices and relevant requirements for SEAs regarding Federal grant closeout, disposition of assets purchased with Federal funds, and protection and maintenance of student records to ensure that charter schools that are identified for closure by the responsible State and local entities are closed in an appropriate manner.	Resolved	9/28/2018	11/30/2018	OII
<u>The Department's Implementation of the Contractor Personnel Security Clearance Process (A19P0008)</u>				
We recommend that the Assistant Secretary for Management develop and distribute written policies and procedures that include (1) new Federal and Department requirements for the contractor personnel security screening process established since the issuance of the Directive in 2010, and (2) existing Department practices for the screening process that have been informally approved by OM but are not addressed in current written policies and procedures.	Resolved	9/20/2018	11/6/2018	OM
We recommend that the Assistant Secretary for Management periodically review the security screening process and assess the need to update policy accordingly. Develop and distribute interim guidance as necessary.	Completed	9/20/2018	11/1/2018	OM

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Assistant Secretary for Management require POs to develop internal procedures for the contractor personnel security screening process, review the PO-developed procedures for compliance with the Directive, review any modifications to PO procedures, and maintain the procedural documents provided by POs.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management develop a process to ensure POs receive and maintain notification of all final adjudication determinations, both favorable and unfavorable, for each individual contractor employee who has received a security screening.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management establish an appropriate role for OM in the contract position and risk designation process, in coordination with PO and OCFO staff, and ensure requirements for position risk designation tools and documentation requirements are adequately communicated.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management ensure that all elements of the security screening process, including initiation, adjudications, and reinvestigations are conducted within required timeframes. Align Directive requirements with applicable OPM metrics.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management review the staff structure and resources of Personnel Security and make changes, as appropriate, to ensure timely processing of security screenings and that proper oversight and guidance of the Department's contractor personnel security screening process is provided.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management coordinate with POs to reconcile current Security Manager data with PO records on individual contractor employees for information such as contractor employee name, contractor company, assigned contract number, employment status, and departure date as applicable. Periodically reconcile Security Manager data with PO records.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management require information necessary for tracking the status of contractor employees' security screenings and employment on Department contracts to be entered into Security Manager, to include contractor company and contract number.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management review the current access of PO staff to Security Manager to determine if granting further access to key staff could help ensure the reliability of Security Manager data, and then grant access accordingly.	Resolved	9/20/2018	11/1/2018	OM
We recommend that the Assistant Secretary for Management develop comprehensive training for the contractor personnel security screening process that covers process requirements and the responsibilities of key PO officials and staff, to include use of Security Manager and the Position Designation Tool. Require all applicable staff to attend.	Resolved	9/20/2018	11/1/2018	OM

[U.S. Department of Education's Recognition and Oversight of Accrediting Agencies \(A09R0003\)](#)

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
We recommend that the Assistant Secretary for OPE require the OPE Accreditation Group to use risk-based procedures and readily available information to identify the specific schools and an appropriate number of schools that each agency must use as evidence to demonstrate that it had effective mechanisms for evaluating a school's compliance with accreditation standards before reaching an accreditation decision.	Resolved	6/27/2018	8/22/2018	OPE
We recommend that the Assistant Secretary for OPE require the OPE Accreditation Group to adopt written policies and procedures for evaluating agency recognition petitions that incorporate the elements of Recommendation 1.1 and address specific documentation requirements to include each selected school's complete self-study report and the agency's site visit report and decision letter.	Resolved	6/27/2018	8/22/2018	OPE
We recommend that the Assistant Secretary for OPE require the OPE Accreditation Group to adopt a risk-based methodology, using readily available information, to identify high-risk agencies and prioritize its oversight of those agencies during the recognition period.	Resolved	6/27/2018	8/22/2018	OPE
<u>Office of the Chief Privacy Officer's Processing of Family Educational Rights and Privacy Act Complaints (A09R0008)</u>				
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to allocate appropriate resources to the Compliance Office based on the stated priority of reducing or eliminating the investigation backlog so that FERPA complaints are resolved in a timely manner.	Completed	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to work with the Office of General Counsel to resolve outstanding policy issues that impede the Compliance Office's ability to investigate certain FERPA complaints.	Resolved	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to implement an effective FERPA complaint tracking system that allows the Compliance Office to account for and track all complaints it receives, including the status and outcome of each complaint, and that provides an effective mechanism for reliable performance measurement and reporting.	Resolved	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to use reliable performance data to design and implement appropriate performance standards for the Compliance Office as a whole and for individual personnel responsible for handling complaints.	Completed	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to investigate all complaints that meet the criteria requiring investigation and do not place complaints into an "inactive" status.	Completed	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to revise processes for resolving FERPA complaints to ensure effective and appropriate communication with the complainant, to include providing dismissal notifications, updates, and responses to inquiries in a timely manner and recording all communication in the	Completed	11/26/2018	1/8/2019	OPEPD

Audit Report Title (Number) Text of Open Recommendations	Recommendation Status	Final Report Issue Date	Recommendation Resolution Date	Office
tracking system.				
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to design and implement a risk-based approach to processing and resolving FERPA complaints, where complaints deemed highest risk are prioritized. Risk can be evaluated based on the subject matter of the complaint, the severity of risk to student privacy, the number of students affected, or other relevant factors.	Completed	11/26/2018	1/8/2019	OPEPD
We recommend that the Acting Assistant Secretary of the Office of Management require the Privacy Office to review and evaluate its current policies and procedures for processing FERPA complaints to ensure they are complete and appropriate.	Completed	11/26/2018	1/8/2019	OPEPD
<u>Office of Special Education Programs' Differentiated Monitoring and Support (A09R0004)</u>				
We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require OSEP develop and implement written policies and procedures for conducting organizational assessments and designating engagement levels that do the following. a. Specify the data that OSEP personnel should include in the organizational assessment sections "What Contributes to Elevated Risk" and "Technical Assistance Accessed." b. Instruct personnel to identify and assess pertinent audit findings and other review results when developing organizational assessments. c. Establish criteria on how personnel should recommend or designate engagement levels in a manner that is consistent across States. d. Identify who will conduct peer specialist or supervisory reviews of the organizational assessments and designated engagement levels, and how these reviews and approvals should be conducted and documented.	Resolved	10/25/2018	12/7/2018	OSERS
We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require OSEP to develop, maintain, and implement a division-wide written policy with detailed procedures for preparing, reviewing, and approving notices and charts issued to States.	Resolved	10/25/2018	12/7/2018	OSERS
We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require OSEP to comply with the Department's internal directive on managing formula grants to ensure proper and sufficient documentation is retained for all DMS engagements.	Resolved	10/25/2018	12/7/2018	OSERS
We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require OSEP to specify in policies and procedures that specialists must create and maintain only one State plan per State and address the weaknesses in DMS documentation identified in this report.	Resolved	10/25/2018	12/7/2018	OSERS
We recommend that the Assistant Secretary for the Office of Special Education and Rehabilitative Services require OSEP to establish and implement a written, uniform DMS document retention policy, and require specialists to include all relevant DMS documentation in an appropriate location to ensure that documentation is readily accessible to OSEP and maintained as official records.	Resolved	10/25/2018	12/7/2018	OSERS

Acronyms Used in This Report

APR	Annual Performance Report	OSEP	Office of Special Education Programs
BIA	Business Impact Assessment	OSERS	Office of Special Education and Rehabilitative Services
CDM	Continuous Diagnostics and Mitigation	PO	Program Officer
C.F.R.	Code of Federal Regulations	POA&M	Plan of Action and Milestones
CIO	Chief Information Officer	RMS	Risk Management Services
CISO	Chief Information Security Officer	SLM	Student Loan Model
CMO	Charter Management Organization	SEA	State Educational Agency
COR	Contracting Officer's Representative	TLS	Transport Layer Security
CEAD	Cost Estimate and Analysis Division	US-CERT	United States Computer Emergency Readiness Team
CSAM	Cyber Security Assessment and Management		
CSP	Charter Schools Program		
Department	U.S. Department of Education		
DMS	Differentiated Monitoring and Support		
ERM	Enterprise Risk Management		
FERPA	Family Educational Rights and Privacy Act		
FSA	Federal Student Aid		
GPRA	Government Performance and Results Act		
ICAM	Identity, Credential, and Access Management		
IDEA	Individuals with Disabilities Education Improvement Act of 2004, Part B		
IES	Institute of Education Sciences		
IPERA	Improper Payments Elimination and Recovery Act		
ISCM	Information Security Continuous Monitoring		
ISSO	Information System Security Office		
IT	Information Technology		
LEA	Local Educational Agency		
NIST	National Institute of Standards and Technology		
NSLDS	National Student Loan Data System		
OCFO	Office of the Chief Financial Officer		
OCIO	Office of the Chief Information Officer		
ODS	Office of the Deputy Secretary		
OESE	Office of Elementary and Secondary Education		
OGC	Office of the General Counsel		
OIE	Office of Indian Education		
OIG	Office of Inspector General		
OII	Office of Innovation and Improvement		
OM	Office of Management		
OMB	Office of Management and Budget		
OPE	Office of Postsecondary Education		