

**Department of Education**  
**OFFICE OF THE INSPECTOR GENERAL**  
**Fiscal Year 2010 Budget Request**

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**OFFICE OF THE INSPECTOR GENERAL**

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, [\$54,539,000] \$60,053,000. (*Department of Education Appropriations Act, 2009.*)

OFFICE OF THE INSPECTOR GENERAL

Amounts Available for Obligation  
(\$000s)

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	2008	2009	2010
Discretionary authority:			
Appropriation	\$51,753	\$54,539	\$60,053
Across-the-board reduction	<u>-904</u>	<u>0</u>	<u>0</u>
Subtotal, appropriation	50,849	54,539	60,053
Recovery supplemental (PL 111-5)	<u>0</u>	<u>14,000</u>	<u>0</u>
Subtotal, adjusted discretionary appropriation	50,849	68,539	60,053
Recovery Act unobligated balance, start of year	0	0	13,000
Unobligated balance expiring	-316	0	0
Recovery Act unobligated balance, end of year	<u>0</u>	<u>-13,000</u>	<u>-10,000</u>
Subtotal, direct obligations	50,533	54,539	60,053
Subtotal, Recovery Act direct obligations	<u>0</u>	<u>1,000</u>	<u>3,000</u>
Total, direct obligations	50,533	55,539	63,053

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**OFFICE OF THE INSPECTOR GENERAL**

**Obligations by Object Classification**  
(\$000s)

	2008	2009	2010
11.10 Full-time permanent.....	\$22,603	\$26,107	\$29,976
11.10 Full-time permanent, Recovery.....	0	176	428
11.31 Full-time temporary.....	1,302	893	408
11.31 Full-time temporary.....	0	300	1,000
11.32 Part-time.....	71	99	0
11.51 Overtime.....	1,770	0	0
11.52 Awards.....	409	352	410
Compensation subtotal.....	<hr/> 26,155	<hr/> 27,927	<hr/> 32,222
12.00 Benefits.....	8,322	9,539	10,725
12.00 Benefits, Recovery.....	0	204	612
13.00 Benefits for former personnel.....	0	0	0
Comp/benefits subtotal.....	34,477	37,670	43,559
21.00 Travel.....	1,290	1,629	1,904
21.00 Travel, Recovery.....	0	160	480
22.00 Transportation of things.....	60	1	1
23.10 Rental payments to GSA.....	4,712	5,002	5,567
23.31 Communications.....	1,971	760	763
23.32 Postage/fees.....	9	6	6
Subtotal 23.....	<hr/> 6,692	<hr/> 5,768	<hr/> 6,336
24.00 Printing and reproduction.....	18	15	15
25.10 Advisory and assistance services.....	2,404	2,566	2,574
25.10 Adv. and assist. services, Recovery.....	0	160	480
25.21 Other services.....	799	984	984
25.22 Training/tuition contracts.....	534	597	679
25.23 Field readers.....	0	0	0
25.30 Goods/services from Government.....	1,573	1,665	1,667
25.40 Operations/maintenance of facilities.....	0	0	0
25.70 Operations/maintenance of equipment...	191	278	278
25.72 IT services/contracts.....	1,544	3,484	3,484
Subtotal 25.....	<hr/> 7,045	<hr/> 9,734	<hr/> 10,146
26.00 Supplies.....	197	151	226
31.10 IT equipment/software.....	282	164	164
31.30 Other equipment.....	126	22	22
Subtotal 31.....	<hr/> 408	<hr/> 186	<hr/> 186
32.00 Building alterations.....	346	225	200
43.10 Prompt payment interest.....	0	0	0
Subtotal, obligations.....	50,533	54,539	60,053
Subtotal, Recovery obligations.....	0	1,000	3,000
Total, Obligations.....	<hr/> 50,533	<hr/> 55,539	<hr/> 63,053

**OFFICE OF THE INSPECTOR GENERAL**

**Summary of Changes**  
(\$000s)

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2009.....	\$54,539	
2009 Recovery Act (non-add).....	(14,000)	
2010.....	<u>60,053</u>	
Net change.....		+5,514

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	<u>2009 base</u>	<u>Change from base</u>
<b>Increases:</b>		
<u>Built in:</u>		
Increase in personal compensation for current staff for annualization of the enacted 2.9 percent FY 2009 pay raise and proposed 2 percent FY 2010 pay raise.	\$27,099	+\$736
Increase in benefits for OIG's share of health, retirement, and other benefits.	9,539	+307
Increase in GSA rental payments primarily due to tax increases, relocations, and lease renewals.	5,002	+565
<u>Program:</u>		
Increase in personnel compensation and benefits for 25 additional FTE, for a total staff level of 298 FTE.	0	+3,428
Increase in travel, primarily for new staff.	1,629	+275
Increase in advisory and assistance services to provide training for the independent public accountants who prepare audits that grantees submit to the Department.	159	+91
Increase in training for current and new staff.	503	+82
Increase in supplies.	148	+75
Increase in employee awards.	352	+58
Net increase in other areas.	3,905	<u>+35</u>
Subtotal, increases		+5,652

OFFICE OF THE INSPECTOR GENERAL

Summary of Changes (continued)  
(\$000s)

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	<u>2009 base</u>	<u>Change from base</u>
<b>Decreases:</b>		
<u>Program:</u>		
Decrease in advisory and assistance contracts from audits of the Department's financial statements due to efficiencies developed by the auditors in the third year of the contract.	\$1,814	-\$90
Decrease in building alterations due to the completion of several office renovation projects in 2010.	225	-25
Decrease in central IT expenses.	4,164	<u>-23</u>
Subtotal, decreases		-138
Net change		+5,514

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OFFICE OF THE INSPECTOR GENERAL

Authorizing Legislation  
(\$000s)

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Activity	2009 Authorized	2009 Estimate	2010 Authorized	2010 Request
Inspector General (DEOA, Section 212)	Indefinite	\$54,539	Indefinite	\$60,053
Recovery Act ( <i>non-add</i> )		<u>(14,000)</u>		<u>(0)</u>
Total appropriation		54,539		60,053

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**OFFICE OF THE INSPECTOR GENERAL**

**Appropriations History**  
(\$000s)

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	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2001	\$36,500	\$34,000	\$35,456	\$36,411
2002	38,720	38,720	38,720	38,588
2003	42,361	41,000	41,000	40,734
2004	48,137	48,137	37,661	46,624
2005	50,576	47,790	50,576	47,327
2006	49,408	49,000	49,408	48,510
2007 Transfer (PL 110-05)	53,145	N/A <sup>1</sup>	N/A <sup>1</sup>	48,802 1,464
2008	53,239	53,239	54,239	50,849
2009 Recovery Act Supplemental (PL 111-5)	54,539 0	54,539 <sup>2</sup> 0	54,539 <sup>2</sup> 4,000	54,539 14,000
2010	60,053			

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<sup>1</sup> This account operated under a full-year continuing resolution (P.L. 110-5). House and Senate Allowance amounts are shown as N/A (Not Available) because neither body passes a separate appropriations bill.

<sup>2</sup> The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110<sup>th</sup> Congress only through the House Subcommittee and the Senate Committee.

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**OFFICE OF THE INSPECTOR GENERAL**

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**Inspector General**

(DEOA, section 212)

FY 2010 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2009</u>	<u>2010</u>	<u>Change</u>
Personnel costs	\$36,990	\$41,519	+\$4,529
Non-Personnel costs	<u>17,549</u>	<u>18,534</u>	<u>+985</u>
Total	54,539	60,053	+5,514
Recovery Act appropriation	14,000	0	-14,000
FTE	273	298	+25

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**PROGRAM DESCRIPTION**

The Office of the Inspector General's (OIG) mission is to promote efficiency, effectiveness, and integrity in the Department of Education's programs and operations. The role of OIG is to monitor the Department's performance and report to the Congress and to the Secretary on opportunities for improvement and any problems or deficiencies.

OIG has authority to inquire about all program and administrative activities of the Department and related activities of all parties working under contracts, grants, or other arrangements with the Department. OIG staff and contracted auditors both in headquarters and the regional offices make these inquiries.

To carry out its responsibilities, OIG audits and inspects Department programs and operations to determine compliance with applicable laws and regulations, economy and efficiency of operations, and effectiveness in achieving program goals. The Office also investigates allegations of fraud by recipients of program funds and of employee misconduct involving the Department's programs and operations.

In addition, OIG operates both a website, <http://www.ed.gov/misused>, and a hotline (1-800-MISUSED) that anyone may call to report fraud, waste, or abuse involving Department of Education funds or programs or to make suggestions for saving Federal funds and for ways Federal education services could be more effective.

The American Recovery and Reinvestment Act of 2009 included \$14 million for OIG. The office anticipates spending \$1 million in 2009, \$3 million in 2010, and \$5 million in each of 2011 and 2012. The funds will allow OIG to provide for oversight and audits of the grants, programs, and projects funded by the Act.

**OFFICE OF THE INSPECTOR GENERAL**

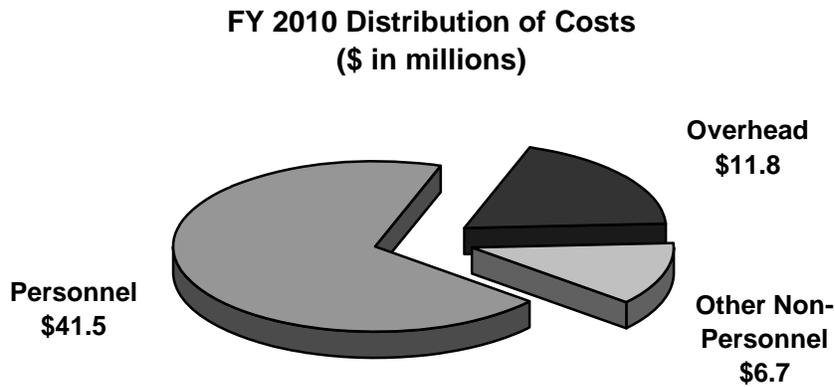
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Funding levels for the past 5 fiscal years were:

	(\$000s)
2005.....	\$47,327
2006.....	\$48,510
2007.....	\$50,266
2008.....	\$50,849
2009.....	\$54,539
Recovery Act .....	\$14,000

**FY 2010 BUDGET REQUEST**

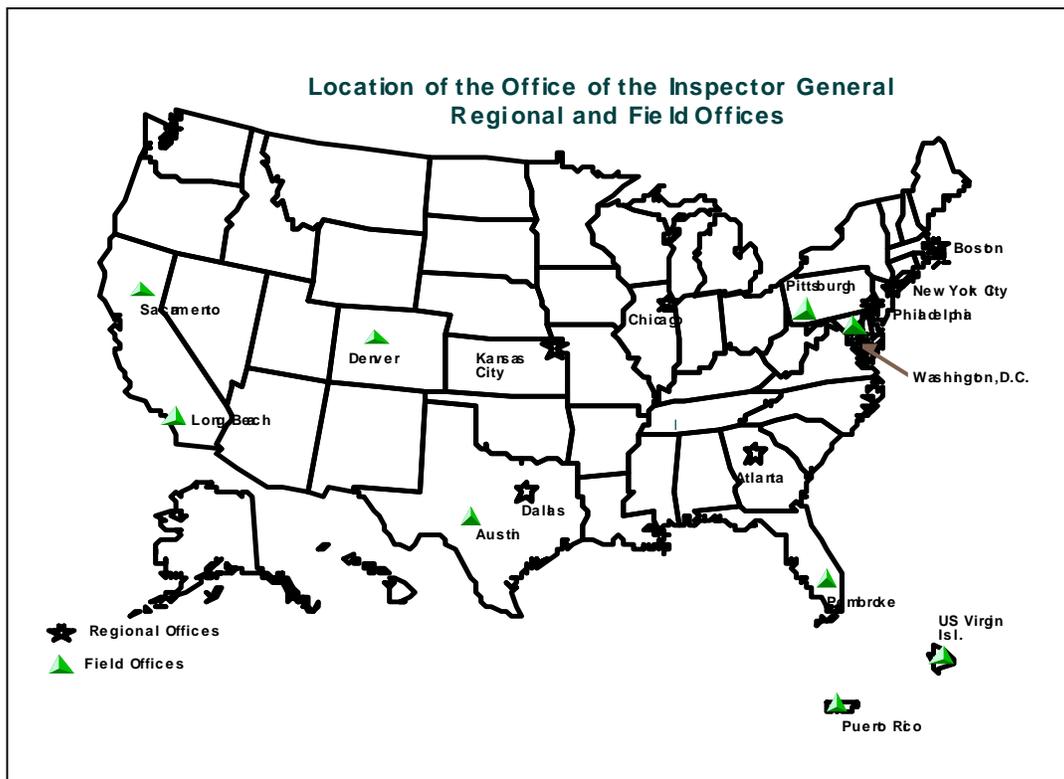
For the Office of the Inspector General in FY 2010, \$60.053 million is requested. Approximately 69 percent of this amount, or \$41.519 million, is for personnel compensation and benefits to support a staffing level of 298 FTE. Of the \$18.534 million for non-personnel costs, 64 percent, or \$11.883 million, is for OIG’s administrative and overhead services, such as rent, postage/fees, telecommunications, payroll processing, and information technology services contracts.



Overhead includes: Rent, telecommunications, interagency agreements and IT services.  
 Other Non-Personnel includes: Travel, advisory and assistance services, and training.

OIG operates from 16 regional, field offices, and flexiplace locations, as well as headquarters. 198 FTE, or 66 percent of OIG’s staff, are assigned to regional offices, field offices, or flexiplace locations in Boston; New York; San Juan; US Virgin Islands; Philadelphia; Washington; Atlanta; Chicago; Dallas; Austin; Kansas City; Denver; Sacramento; Long Beach, California; Pittsburgh; and Pembroke Pines, Florida. The remaining 100 employees are located in headquarters.

## OFFICE OF THE INSPECTOR GENERAL



### 2010 Priorities and Initiatives

OIG's strategic goals include improving the Department's programs and operations, protecting the integrity of the Department's programs and operations, and ensuring quality and excellence within the OIG organization. OIG will meet these goals by choosing the most important areas on which to focus resources, examining those areas through audits, investigations, inspections, human capital planning, and other activities to identify opportunities for improvement and any problems or deficiencies, communicating the results, through reports, to the people who need the information, and monitoring the results of the work to ensure issues are addressed.

The 2009 OIG draft work plan has six high priority areas. These are:

- Student Financial Assistance Programs and Operations, including monitoring student access initiatives, including the Lender-of-Last-Resort program and the loan purchase and loan participation programs; oversight of postsecondary institutions with higher-risk programs; oversight of the expansion of the Direct Loan program due to institutions leaving the FFEL program; oversight of the Direct Loan Consolidation program, and continued efforts to determine the accuracy of lender interest and special allowance payments.

## OFFICE OF THE INSPECTOR GENERAL

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- Information Security and Management, including compliance with Federal Information Security Management Act (FISMA) requirements; IT system security controls at the Department and FSA; integration of information systems; and management of data centers and IT infrastructure.
- Grantee Oversight and Monitoring, including adequacy of fiscal controls by selected grantees, including State educational agencies (SEAs) and local education agencies (LEAs); selected high-risk grantees; effectiveness of the Department's oversight of selected non-Title IV postsecondary and Individuals with Disabilities Education Act (IDEA) programs; and management of unsolicited grants.
- Contract Awards, Performance, and Monitoring, including reviews of the management of high-dollar contracts; oversight of high-risk contracts and contractors; and pre-award field pricing support.
- Data Integrity, including determination of improper payments, controls over data quality by the Department, controls over data quality by selected State and local education agencies, and audit resolution and follow-up.
- Human Resources Services, including human capital planning; recruitment, hiring, and retention actions; and selected benefits programs.

Required Reviews - In addition to the 6 high-priority areas, OIG is required to perform audits of the Department's and FSA's financial statements and special purpose financial statement; expand reporting and assistance as required by The Higher Education Opportunity Act of 2008; review the implementation of the Department's conflict of interest procedures; account for drug control funds, and intragovernmental activities and balances; perform quality reviews of Single Audits received by the Department; prepare and issue guidance for non-Federal auditors, and provide technical assistance and cognizant agency activities for Single Audits. Through 2012, OIG will also be providing oversight and audits of programs, grants and projects funded under the American Recovery and Reinvestment Act of 2009.

### **Personnel Costs**

The budget request of \$41.519 million in personnel compensation and benefits is an increase of \$4.529 million above the FY 2009 level. \$736,000 of the increase covers built-in costs for annualization of the 2.9 percent governmentwide FY 2009 pay raise, and the proposed 2 percent governmentwide FY 2010 pay raise, and the increased cost of benefits for the current staff level of 273 FTE. The request will also cover the special law enforcement availability pay rates (required by the Treasury, Postal Service and General Government Appropriations Act, 1995) to be paid to investigators who are required to be accessible during hours that are not part of the regular work week.

\$3.428 million is requested for a staff increase of 25 FTE. The requested 25 additional FTE would raise the FTE level to 298 in 2010. The increase is needed to handle an increasing audit and investigation workload, fueled in large part by the creation of new programs authorized by the Ensuring Continued Access to Student Loans Act of 2008.

## OFFICE OF THE INSPECTOR GENERAL

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Without the additional staff, OIG will need to curtail the numbers of audits and investigations to be performed. This would limit the information about program operations and effectiveness available to the Department's managers. Because of inadequate staffing in past years, OIG has delayed reviews of unauthorized access to the Department's student loans database, risk management activities, IT system security controls, safeguards of student information, and improper payments.

OIG's 298 FTE will support audit, investigation, and inspection activities, as well as information technology audits and computer crime investigations (cyber security). Through these activities, OIG helps to ensure quality and excellence in Departmental programs, for which the discretionary budget will exceed \$46 billion in 2010; as well as help to oversee the management of a student loan portfolio of \$215 billion in 2010.

### Audit Services

The planned staffing level for Audit Services in 2010 is 134 FTE, an increase of 11 over the 2009 level. OIG's planned work each year includes internal audits of the Department's controls and oversight of its programs, including more than 200 non-FSA programs, and external audits of the recipients of Department funds and of those participating in its programs. OIG's audit efforts will continue to support the Department's strategic goals and its management improvement efforts. At the staff level requested, OIG would increase the number of audits completed in 2010 by 33 percent over the 2009 level. OIG also would expand its efforts to include an assessment of the process for awarding discretionary grants, an evaluation of the effectiveness of the Department's oversight of formula and discretionary grants, including earmarked grants, and expanded reviews of new grant programs and first-time grantees, and an expanded review of the Department's procurement functions.

OIG prioritizes its planned audits within the six high-priority areas based on risks associated with the programs and operations, and on available resources.

In addition to the high-priority areas, Audit Services staff also conducts work that is required to be performed annually by statute or other authority. Portions of the major programs, such as the Student Financial Assistance programs and those authorized under the Elementary and Secondary Education Act, are generally reviewed each year. Depending on resource availability, OIG also provides coverage of other departmental programs.

Audit Services also provides oversight for the audit of the Department's and Federal Student Aid's financial statements audits. Audit Services develops audit guidance and provides training to independent public accountants (IPAs) who perform audits of education funds provided to grantees and other recipients, as well as compliance audits of postsecondary institutions. OIG performs quality control reviews of the audits performed by IPAs, increasing assurance that the funds provided are being appropriately accounted for and used for the purposes intended.

If the requested additional staff is not provided, OIG will focus on only the highest priority areas, greatly reducing assurance that the Department is effectively managing its programs, and that program funds are being appropriately spent by the Department and by the recipients of its funds.

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### Investigation Services

The planned staffing level for Investigation Services in 2010 is 106 FTE, including staffing for the Hotline. The planned level is 10 more than the 2009 level, and would allow OIG to increase by 10 percent the number of criminal investigations completed. OIG continues to conduct a program of criminal and civil investigations that focuses primarily on the largest programs administered by the Department. This includes institutions (lenders, guaranty agencies, servicers, and schools) participating in the student financial assistance programs. Investigating institutions is complex, resource intensive, and thus expensive. However, pursuit of these cases is much more effective than targeting individual student beneficiaries of these programs, because larger amounts of program dollars are at risk, and fraud in these programs deprives truly eligible and needy students of limited education funds. To those who participate in the programs, OIG's work puts them on notice that if they engage in fraudulent activity they will be caught. Identity theft also continues to be a high priority.

In addition, OIG investigates allegations of fraud and corruption in State agencies and local school districts, including charter schools. Lack of oversight at the State and local level has resulted in significant vulnerabilities in these programs. About 30 percent of OIG's investigations involve fraud or corruption involving State or local education agencies.

The Special Investigations Unit, formerly a part of the Immediate Office of the Inspector General, resolves sensitive allegations involving senior level employees and conducts internal reviews.

In recent years, OIG has received a declining level of support in investigations from other law enforcement agencies, such as the FBI. Because of this, more of the investigative workload has been borne by OIG's own investigators. If the requested additional staff is not provided, OIG will limit investigations in 2010 to only the highest-priority allegations. Investigations of misuse of elementary and secondary funds would likely be curtailed.

### Information Technology Audits and Computer Crime Investigations (ITACCI)

The planned staffing level for ITACCI in 2010 is 29 FTE, an increase of 2 over the 2009 level. This staffing level will allow OIG to provide the appropriate level of expertise needed in information technology (IT) to conduct audits of the Department's systems and operations, investigate cyber crime, and provide support for investigative activities.

The IG ITACCI group includes auditors, investigators, and information technology specialists combined under one umbrella to provide an integrated approach to a wide range of IT-related issues.

This group focuses on data mining, computer intrusion, and compliance with the Federal Information Security Management Act (FISMA). As part of the data mining efforts, OIG will continue to focus on the detection and identification of illegal electronic financial transactions, including unauthorized repayment requests or improper payments, unauthorized changes in bank routing numbers, ineligible program participants, and program abuse or fraud. This group will also investigate network intrusions, and look for systemic information technology (IT) problems as new computer threat techniques and weaknesses continue to evolve.

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FISMA efforts will include assessing the Department's overall compliance with the information security provisions of the Act and related information security standards identified with the Office of Management and Budget (OMB) reporting guidelines. OIG will also evaluate the security performance of the Department's mission-critical and supportive systems by reviewing the effectiveness of general and technical IT security controls. In addition, OIG will continue to evaluate the Department's information security plans, programs, and practices.

### Evaluation, Inspection and Management Services

The planned staffing level for the Evaluation, Inspection and Management Services group in 2010 is 22 FTE, an increase of 2 over the 2009 level. The increase will allow the number of evaluations and inspections to increase by 25 percent over the 2009 level. The Evaluations and Inspections staff enhances OIG's ability to provide quick, timely information to program managers and to provide greater coverage of Department activities with comparatively fewer resources by using alternative review methods and evaluation techniques. The Evaluation and Inspections group also frequently identifies good practices at other Federal agencies and shares that information with the Department as part of its inspection reports, such as the review of knowledge management activities at other Federal agencies. This unit has enabled OIG to expand its ability to provide prompt feedback to Department managers on a wide range of Department activities. Management Services staff provide administrative support including personnel, budget, procurement, and IT operations for OIG's nationwide activities.

### Immediate Office (IO) of the Inspector General

The planned 2010 staffing level for the Immediate Office, which includes the Counsel to the IG and the Special Investigations Unit, is 7 FTE, the same as the 2009 level. The Counsel to the IG's Office includes two attorneys, who provide legal advice and representation to all components of OIG, and a public affairs / congressional liaison with responsibility for all press and congressional matters.

### **Non-Personnel Costs**

The OIG request includes \$18.534 million for non-personnel costs, an increase of \$985,000 over FY 2009. Of the total, \$11.883 million is for Departmental centralized services and \$6.651 million is for other non-personnel costs. The requested resources will allow OIG to identify improvements needed in Department programs and operations and investigate significant instances of fraud, waste and abuse. The non-personnel costs also will support the financial statements audit contract in FY 2010.

### Departmental Centralized Services

OIG's request of \$11.883 million for overhead will cover a variety of costs. The major items included in overhead costs are: rent, interagency agreements for services such as payroll processing, guard services, and security investigations, communications, and IT services and contracts. The communications and IT amounts will be used primarily for the EDUCATE contract, which covers telecommunications, IT processing services, network support, end-user support, maintenance, and improvements. Rent and the EDUCATE contract use 73 percent of the centralized services resources.

OFFICE OF THE INSPECTOR GENERAL

Non-Pay Centralized Services

(Dollars in 000s)

Item	2009 Revised	2010 Request	Difference
Rent	\$5,002	\$5,567	\$565
IT services, contracts and equipment	3,593	3,570	(23)
Interagency agreements	1,390	1,390	0
Communications	600	600	0
Other	2,146	2,146	0
<b>Non-Pay Centralized Services</b>	<b>11,341</b>	<b>11,883</b>	<b>542</b>

Other Non-Personnel Costs

Travel

OIG is requesting \$1.904 million in travel funds, \$275,000 more than the 2009 level, primarily for travel for the additional staff. The majority of OIG's travel is directly associated with audits and investigations. Most OIG audit and investigative work involves travel to State education agencies, schools, guaranty agencies, or single beneficiaries that are recipients of Federal education funds. Since few schools, guaranty agencies, or single beneficiary cases are located in the cities where OIG has staff, it is necessary for regional audit and investigations staff to travel to the work site to ensure the financial integrity of the Department's programs.

Advisory and Assistance Services

In order to fulfill its statutory audit responsibilities, assist the Department in obtaining an unqualified opinion on its financial statements, and support the Department's strategic objective of developing and maintaining financial integrity and management and internal controls, OIG is requesting \$1.724 million, \$90,000 less than the 2009 level, to contract for the audit of the departmentwide fiscal year 2010 financial statements. The contract cost reduction reflects efficiencies to be developed by the contractor, Ernst & Young, during the second year of the contract. Additional funding for this contract is included in the **Student Aid Administration** account.

As required by the Government Management Reform Act (GMRA) of 1994, the OIG will oversee the conduct of the audit of financial statements, including Federal Student Aid (FSA) statements, by an independent CPA firm. Congress designated FSA as a Performance-Based Organization to operate as a discrete management unit responsible for managing the functions supporting the HEA Title IV programs. The audit will result in two reports: 1) a report on the departmentwide financial statements, including FSA, and 2) a report on FSA's financial statements.

The scope of the financial statements audit will include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations. Audit results will include an assessment of the

## OFFICE OF THE INSPECTOR GENERAL

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fair presentation of the financial statements, recommendations for improving financial accountability and stewardship, and identification of areas requiring further review.

An additional \$375,000 will fund a contract for quality control reviews of audits performed by independent public accountants for the Department's grantees. Program staffs rely on these independent audits to monitor compliance by grantees. OIG is also requesting \$250,000 for a contract to train these independent public accountants about the requirements for performing audits for grantees.

OIG is requesting \$200,000 to contract for systems security audits to evaluate the security performance of the Department's critical systems and to assess the Department's overall compliance with information security standards.

\$25,000 is requested for miscellaneous small contracts.

### Other Services

OIG is requesting \$337,000 for other miscellaneous contractual services, an increase of \$23,000 from 2009.

### Training

OIG is requesting \$679,000 for staff training, including \$94,000 included in the central support expenses budget. OIG routinely examines the skills and knowledge needed by its entire staff and develops individual training plans to address identified skill gaps. Based upon its succession and leadership plans, OIG requires training funds to build the skills within its workforce to address future management and leadership requirements. In addition, OIG auditors and investigators must fulfill extensive professional training requirements. Such courses given by professional organizations are generally expensive. This amount will cover the full costs of review courses and examinations to obtain professional certifications, such as Certified Public Accountant, Certified Information Systems Auditor, Certified Government Financial Manager, etc. OIG also has broad-based IT skill development requirements primarily due to the crosscutting nature of the IT environment encountered within the Department and its e-Government initiatives. As new IT technologies emerge, training becomes even more critical to maintaining up-to-date skills and knowledge. New computer threat techniques and weaknesses continually evolve and IT personnel must remain diligent in maintaining an expert knowledge base of all IT technologies.

### Operations and Maintenance of Equipment

OIG is requesting \$278,000, the same level as 2009, to support software maintenance agreements and software license renewals for the Information Technology Audits and Computer Crime Investigations staff. This amount also covers a separate forensic media analysis network not covered by the EDUCATE contract, to be used for evaluation and assessment of the Department's FISMA compliance.

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### IT Equipment and Software

The \$82,000 requested for non-centralized IT equipment and software purchases is the same level as 2009. It includes funds for items that are not part of the standard EDUCATE configuration, and therefore not included in the centralized budget request. Purchases of IT equipment that do meet the standard configuration under the EDUCATE contract are included in the Central Information Technology request.

### Interagency Agreements

OIG's request includes \$277,000 for a variety of services provided by other Federal agencies, such as pre-employment medical examinations for criminal investigators, and specialized auditor and investigator training.

### Building Alterations

OIG's request includes \$200,000 in non-centralized building alterations costs for special projects, such as evidence storage rooms, special agent gear lockers, and cipher locks.

## PROGRAM OUTPUT MEASURES

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Reports and other products issued by OIG auditors	48	45	60
Quality control reviews on non-Federal audits	86	70	70
Financial statements audited	3	3	3
Criminal investigations completed	250	150	165
Complaints referred	2,928	3,100	3,200
Hotline calls processed	5,612	5,800	6,100
Inspections and other reports	4	6	8

## PROGRAM PERFORMANCE INFORMATION

OIG has three strategic goals: to improve the Department's programs and operations; to protect the integrity of the Department's programs and operations; and to ensure quality and excellence within the organization.

To determine whether these goals are met, OIG has developed performance indicators. Specific results from audits, inspections and investigations are summarized twice yearly in the OIG Semiannual Report to Congress. All OIG reports, including full audit, inspection and investigation reports, are available on OIG's website, [www.ed.gov/offices/OIG](http://www.ed.gov/offices/OIG).

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FY 2008 OIG Performance Report

**Performance Measures**

This section presents selected performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving results. Achievement of results is based upon the cumulative effect of the resources provided in previous years and those requested in FY 2010.

**Goal: To promote the efficiency, effectiveness, and integrity of the Department’s programs and operations by conducting independent and objective audits, investigations, inspections, and other activities.**

*Objective: To improve the Department’s programs and operation.*

<b>Measure:</b> The percentage of significant recommendations accepted by the Department each year.			
<b>Year</b>	<b>Target</b>	<b>Actual (or date expected)</b>	<b>Status</b>
2005	70%	78%	Target Exceeded
2006	70%	87%	Target Exceeded
2007	70%	92%	Target Exceeded
2008	70%	88%	Target Exceeded
2009	70%	(October 2009)	Pending
2010	70%	(October 2010)	Pending

**Assessment of progress:** OIG audit, investigation, and inspection reports include recommendations for improvements in the Department’s programs and procedures. The Department’s program managers review these recommendations. Accepted recommendations are those recommendations that program managers agree to implement. The performance data show a trend of increasing acceptance by managers of OIG’s recommendations.

<b>Measure:</b> The percentage of written reports that meet OIG timeliness standards.			
<b>Year</b>	<b>Target</b>	<b>Actual (or date expected)</b>	<b>Status</b>
2005	75%	67%	Made Progress from Prior Year
2006	75%	84%	Target Exceeded
2007	75%	84%	Target Exceeded
2008	75%	74%	Did Not Meet Target
2009	75%	(October 2009)	Pending
2010	75%	(October 2010)	Pending

**Assessment of progress:** Between 2005 and 2006, OIG made considerable progress in the issuance of reports within the timeframes specified by OIG’s internal policies for each type of report. OIG maintained that progress in 2007, but did not meet the target in 2008.

## OFFICE OF THE INSPECTOR GENERAL

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**Objective:** *To protect the integrity of the Department's programs and operations.*

**Measure:** The percentage by which the 5-year rolling average of OIG monetary recoveries <sup>1</sup> exceeds the OIG annual budget.

Year	Target	Actual (or date expected)	Status
2005	125%	120%	Made Progress from Prior Year
2006	100%	111%	Target Exceeded
2007	100%	112%	Target Exceeded
2008	100%	233%	Target Exceeded
2009	100%	(October 2009)	Pending
2010	100%	(October 2010)	Pending

**Assessment of progress:** Monetary recoveries are those reported in the OIG Semiannual Reports. Because the amounts may vary significantly year to year, OIG uses a 5-year rolling average for performance measurement.

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<sup>1</sup> Recoveries include questioned costs sustained, unsupported costs sustained, fines ordered, civil settlements/judgments, recoveries, and seized/forfeited property, as reported in OIG's Semiannual Report to the Congress. The 2009 5-year rolling average was \$163 million.