

Department of Education
OFFICE OF THE INSPECTOR GENERAL
Fiscal Year 2011 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, [\$60,053,000] \$65,238,000. (*Department of Education Appropriations Act, 2010.*)

OFFICE OF THE INSPECTOR GENERAL

Amounts Available for Obligation
(\$000s)

	2009	2010	2011
Discretionary appropriation:			
Appropriation	\$54,539	\$60,053	\$65,238
Recovery Act supplemental (PL 111-5)	<u>14,000</u>	<u>0</u>	<u>0</u>
Subtotal, adjusted discretionary appropriation	68,539	60,053	65,238
Recovery Act unobligated balance, start of year	0	13,175	10,000
Unobligated balance expiring	-246	0	0
Recovery unobligated balance, end of year	<u>-13,175</u>	<u>-10,000</u>	<u>-5,000</u>
Subtotal, direct obligations	54,293	60,053	65,238
Subtotal, Recovery Act direct obligations	<u>825</u>	<u>3,175</u>	<u>5,000</u>
Total, direct obligations	55,118	63,228	70,238

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

		2009	2010	2011
11.10	Full-time permanent.....	\$24,320	\$29,643	\$32,544
11.10	Full-time permanent, Recovery.....	557	764	998
11.31	Full-time temporary.....	1,239	1,357	1,392
11.31	Full-time temporary.....	0	1,000	1,650
11.32	Part-time.....	9	104	107
11.51	Overtime.....	1,931	0	0
11.51	Overtime.....	5		
11.52	Awards.....	425	404	407
	Compensation subtotal.....	28,486	33,272	37,098
12.00	Benefits.....	8,990	10,519	11,500
12.00	Benefits, Recovery.....	165	588	883
13.00	Benefits for former personnel.....	0	0	0
	Comp/benefits subtotal.....	37,641	44,379	49,481
21.00	Travel.....	1,223	1,366	1,383
21.00	Travel, Recovery.....	98	823	1,469
22.00	Transportation of things.....	16	0	0
23.10	Rental payments to GSA.....	5,242	5,118	5,237
23.31	Communications.....	532	322	170
23.32	Postage/fees.....	6	6	6
	Subtotal 23.....	5,780	5,446	5,413
24.00	Printing and reproduction.....	9	15	15
25.10	Advisory and assistance services...	2,662	2,655	3,449
25.10	Adv. and assist. serv, Recovery.....	0	0	0
25.21	Other services.....	829	926	1,083
25.22	Training/tuition contracts.....	359	582	679
25.23	Field readers.....	0	0	0
25.30	Goods/services from Govt.....	1,909	2,086	2,282
25.40	Operations/maint of facilities.....	0	0	0
25.70	Operations/maint of equipment.....	197	190	220
25.72	IT services/contracts.....	3,557	4,197	4,162
	Subtotal 25.....	9,513	10,636	11,875
26.00	Supplies.....	178	155	164
31.10	IT equipment/software.....	398	178	188
31.30	Other equipment.....	111	30	25
	Subtotal 31.....	509	208	213
32.00	Building alterations.....	151	200	225
43.10	Prompt payment interest.....	0	0	0
	Subtotal, obligations.....	54,293	60,053	65,238
	Subtotal, Recovery obligations.....	825	3,175	5,000
	Total, Obligations.....	55,118	63,228	70,238

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Summary of Changes
(\$000s)

2010.....	\$60,053	
2011.....	<u>65,238</u>	
Net change.....		+5,185

	<u>2010 base</u>	<u>Change from base</u>
Increases:		
<u>Built in:</u>		
Increase in personnel compensation primarily for pay increases (the 2010 pay raise is 2 percent; the 2011 proposed pay raise is 1.4 percent)	\$31,508	+\$801
Increase in benefits for OIG's share of health, retirement, and other benefits	10,519	+258
Increase in GSA rental payments primarily due to anticipated rate increases and tax escalations	5,118	+119
Net increase in other central support charges	1,927	+76
<u>Program:</u>		
Increase in personnel compensation and benefits for 20 FTE staff increase	0	+2,864
Increase in travel	1,358	+25
Increase in advisory and assistance services for quality control reviews	0	+370
Increase in advisory and assistance services for training of independent public accountants	0	+250
Increase in advisory and assistance services for systems security audits	800	+100
Increase in centralized and non-centralized training	582	+97
Increase in advisory and assistance services for audit of departmentwide financial statements	1,830	+73

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Summary of Changes
(\$000s)

	<u>2010 base</u>	<u>Change from base</u>
Increase in operations and maintenance of equipment for software maintenance and software renewals not covered by centralized funding	\$190	+\$30
Increase in miscellaneous interagency agreements, including CIGIE	415	+259
Increase in building alterations	200	+25
Net changes in other areas	801	<u>+76</u>
Subtotal, increases		+5,423
Decreases:		
<u>Built in:</u>		
Decrease in central information technology	4,805	<u>-238</u>
Subtotal, decreases		-238
Net change		+5,185

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Authorizing Legislation
(\$000s)

Activity	2010 Authorized	2010 Estimate	2011 Authorized	2011 Request
Inspector General (DEOA, Section 212)	<u>Indefinite</u>	<u>\$60,053</u>	<u>Indefinite</u>	<u>\$65,238</u>
Total definite authorization		0		0
Total appropriation		\$60,053		\$65,238

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

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
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 ¹	N/A ¹	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 ² 0	54,539 ² 4,000	54,539 14,000
2010	60,053	60,053	60,053 ³	60,053
2011	65,238			

¹ 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 passed a separate appropriations bill.

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

³ The level for the Senate allowance reflects Committee action only.

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Inspector General

(DEOA, section 212)

FY 2010 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2010</u>	<u>2011</u>	<u>Change</u>
Personnel costs	\$42,027	\$45,950	+\$3,923
Non-Personnel costs	<u>18,026</u>	<u>19,288</u>	<u>+1,262</u>
Total	60,053	65,238	+5,185
FTE	298	318	+20

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. Of these funds, OIG spent \$825,000 in 2009 and anticipates spending the remaining \$13.175 million as follows: \$3.175 million in 2010, and \$5 million in each of 2011 and 2012. The funds will allow OIG to provide oversight through audits, inspections, and investigations of the grants, programs, and projects funded by the Act. In addition, OIG anticipates spending funds from its regular appropriation on further oversight of ARRA activities.

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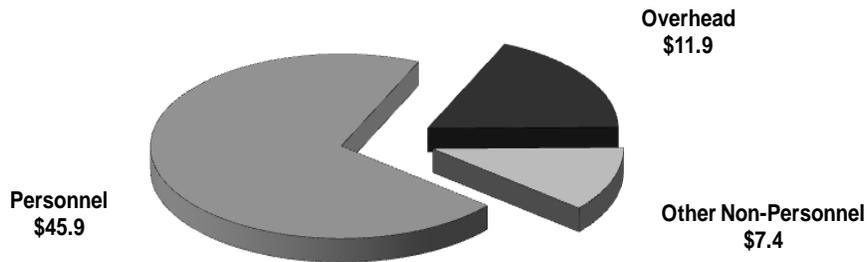
Funding levels for the past 5 fiscal years were:

	(\$000s)
2006	\$48,510
2007	50,266
2008	50,849
2009	54,539
Recovery Act.....	14,000
2010	60,053

FY 2011 BUDGET REQUEST

For the Office of the Inspector General in FY 2011, \$65.238 million and 318 FTE are requested, an increase of \$5.185 million, or more than 8 percent, over the 2010 predicted appropriation. Over 70 percent of this amount, or \$45.950 million, is for personnel compensation and benefits to support the requested staffing level of 318 FTE. \$19.288 million is for non-personnel costs, of which \$11.904 million, or 18 percent of the total Office of Inspector General request, is for administrative and overhead services, such as rent, postage/fees, telecommunications, payroll processing, and information technology services contracts. The remainder of the non-personnel request, \$7.384 million, or 11 percent, is for non-personnel costs that directly support OIG’s mission, such as travel, training, the financial statement audit contract, and support for the Council of Inspectors General on Integrity and Efficiency (CIGIE). In its request to the Department, OIG requested \$70.327 million and 348 FTE.

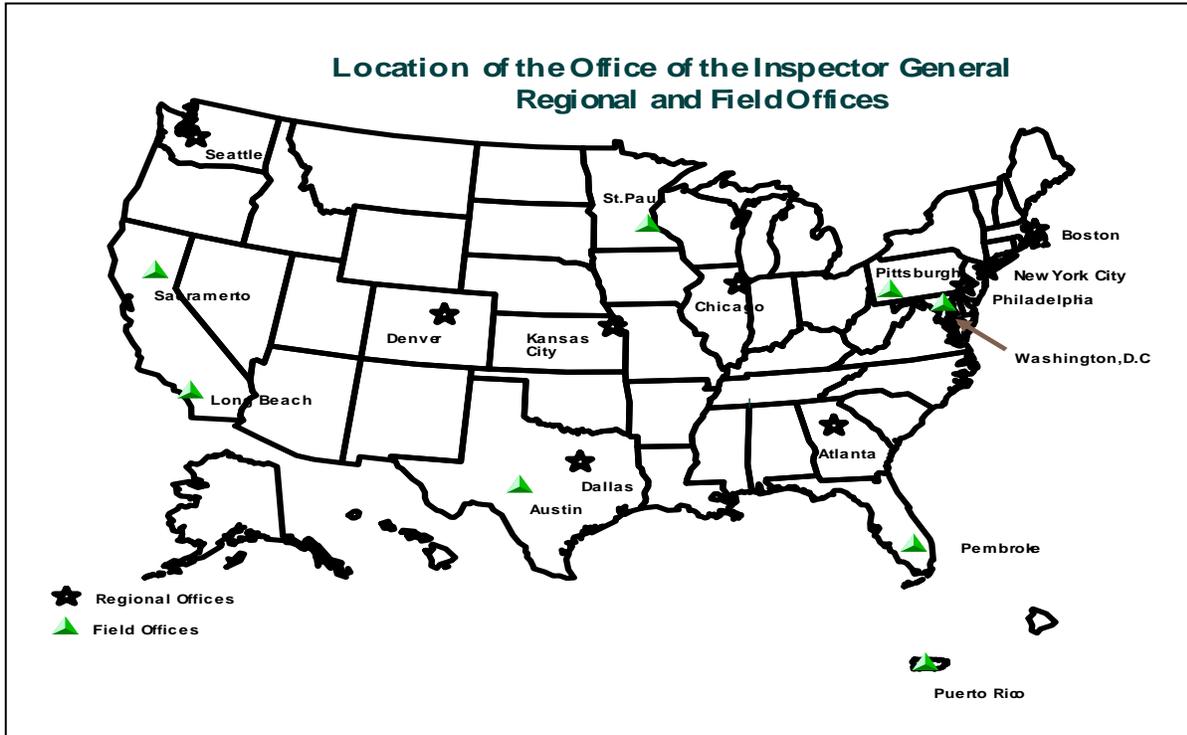
**FY 2011 Distribution of Costs
(\$ in millions)**



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

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OIG operates from 16 regional and field offices, as well as headquarters. 215 FTE, or 68 percent of OIG's staff, will be assigned to regional offices, field offices, and flexiplace locations in New York, Boston, San Juan, Puerto Rico, Philadelphia, Washington, D.C., Atlanta, Chicago, St. Paul, Dallas, Denver, Austin, Kansas City, Sacramento, Long Beach, Pittsburgh, and Pembroke Pines, Florida. The remaining 103 employees will be located in the Washington, DC headquarters office.



FY 2011 Priorities and Initiatives

OIG's strategic goals include improving and 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 2010 OIG draft work plan, the latest plan available, has four high priority areas. These are:

- American Recovery and Reinvestment Act programs, to determine whether adequate controls are in place and working at the Federal, State, and local levels to ensure that the \$98 billion in Recovery Act funds appropriated in 2009 are achieving the goals intended. Staff will examine internal control systems, recipient and subrecipient use of funds and the accuracy, reliability and completeness of information reported, the Department's oversight, monitoring, and reporting, and Pell Grant and Work-Study expenditures.

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- Student Financial Assistance Programs and Operations, with emphasis on operations under the *Ensuring Continued Access to Student Loans Act of 2008* (ECASLA) including monitoring student access initiatives, such as the Lender-of-Last-Resort program and the loan purchase and loan participation programs, oversight of postsecondary institutions with higher-risk programs, and oversight of the expanded Direct Loan program. OIG staff will review the functions and performance of custodians and servicers in the ECASLA Loan Participation Purchase Program, lenders' compliance with representative affidavit requirements for electronically signed promissory notes, oversight of high-risk postsecondary institutions, and audits, inspections, and investigations of selected entities.
- Information Security and Management, focusing on the Department's ability to provide effective information security and protect its critical data and the systems that house that data from inappropriate use and intrusion. OIG must ensure compliance with FISMA requirements, IT system security controls at the Department and FSA, integration of information systems, and management of data centers and IT infrastructure. In 2010, OIG is focusing on the Department's security controls for its EDUCATE (Education Department Utility for Communications, Applications and Technical Environment) and EDCAPS (Education Central Automated Processing System) systems.
- Statutory and Other Required Work - In addition to the high-priority areas detailed above, OIG is required to: perform audits of the Department's and FSA's financial statements and special purpose financial statement; review the Department's conflict-of-interest procedures, expanded reporting requirements included in the *Higher Education Opportunity Act of 2008*, accounting 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.

Personnel Costs

The budget request of \$45.950 million for personnel compensation and benefits is an increase of \$3.923 million above the FY 2010 appropriation.

Current Staff

The increase of \$3.923 million includes \$1.059 million to cover built-in costs for the 2 percent January 2010 Governmentwide pay raise and the proposed 2011 1.4 percent pay raise (\$801,000), and the increased cost of benefits (\$258,000) for current staff.

Overtime & Awards

The request also covers 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. For the budget request, the special law enforcement pay is included in the regular personal compensation amount.

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New Staff

In order to fully address the high-priority areas, additional auditors and investigators are needed to perform a larger number of audits and to conduct investigations larger in scope, with emphasis on ECASLA and the Direct Loans program. The additional auditors and investigators, supported by additional Information Technology Audits and Computer Crime Investigations (ITACCI) staff, will allow OIG to expand reviews of the student loan credit market, as well as allow FISMA reviews of contractor-owned, contractor-operated systems. The requested increase of 20 staff members will require \$2.864 million in compensation and benefits.

Staffing

OIG's 318 FTE will support audit, investigation, and inspection activities, as well as information technology audits, identity theft, and computer crime investigations (cyber security) for all the Department's programs. OIG is responsible for oversight of all the Department's programs and funding. The Department of Education's requested budget for 2011 is over \$78 billion, and the Department is responsible for overseeing a student loan portfolio of over \$500 billion.

Audit Services

The planned staffing level for Audit Services is 139 FTE, 4 more than the 2010 level. At this staffing level, OIG can provide oversight to determine whether Department programs and operations are in compliance with applicable laws and regulations, are operating efficiently, and are effective in achieving program goals. Planned work will focus on internal controls within the student aid programs, and oversight of the participants in those programs, with emphasis on programs under the Ensuring Continued Access to Student Loans Act (ECASLA) loan purchase program as well as the expanding Direct Loan program, and a review of the Department's oversight of the Individuals with Disabilities Education Act (IDEA) programs.

Audit Services will also provide oversight for the audit of the Department's 2011 financial statements, conduct training for independent public accountants (IPAs) in auditing postsecondary institutions of higher education, and conduct pre-grant award and contract audits to determine the capability of new discretionary grant recipients and contractors to account for and use grant funds in accordance with the grant's terms and conditions. OIG's audit efforts will continue to directly support the Department's priorities.

If sufficient funding is not available, OIG will concentrate on student financial assistance programs, information security and management, and statutory and other required work.

Investigation Services

The planned staffing level for Investigation Services is 103 FTE, 4 more than the 2010 level. OIG continues to conduct a program of compliance audits and investigations that focuses primarily on institutions (lenders, guaranty agencies, servers, and schools) participating in the student financial assistance programs. Work at these types of institutions, such as the recently completed investigations of the California Business Institute and the CSC Institute, is complex and thus expensive. However, pursuit of these cases is much more effective than targeting

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individual beneficiaries of the program, because these cases generate greater publicity and therefore have greater deterrent value. 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 in the student financial assistance programs continues to be a high priority.

In addition, OIG will investigate allegations of fraud and corruption in State agencies and local school districts, including charter schools.

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 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 is 33 FTE, 4 more than 2010. This staffing level will allow OIG to provide the level of expertise needed in information technology 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.

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 is 32 FTE, 6 more than 2010. This 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

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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 provides administrative support including personnel, budget, procurement, and IT operations for OIG's nationwide activities.

Immediate Office (IO) of the Inspector General

The planned staffing level for the Immediate Office, which includes the Counsel and Hot Line staff, is 11 FTE, 2 more than 2010. This staff responds rapidly to and resolves sensitive allegations involving senior level employees and conducts internal review functions (Quality Assurance Reviews), including internal peer reviews of audit and investigative activities, evaluations and inspections, and other OIG functions. The Quality Standards for Federal Offices of Inspector General, issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE), requires these reviews. They ensure that OIG is complying with its own policies and procedures, applicable laws and regulations, and the requirements and standards of the IG Act, Government Accountability Office (GAO), Office of Management and Budget, Justice, and CIGIE. Different OIG audit offices perform external peer reviews of each other. Government Auditing Standards (the yellow book) mandate that Audit Services undergo external peer reviews, and Attorney General Guidelines require investigation peer reviews.

Non-Personnel Costs

The OIG request includes \$19.288 million for non-personnel costs, an increase of \$1.262 million over 2010. Of the total, \$11.904 million is for departmental centralized services (overhead expenses), including the EDUCATE contract (Education Department Utility for Communications, Applications and Technical Environment) and \$7.384 million is for other non-personnel costs. The requested resources will allow OIG to have an effective program for identifying improvements in Department programs and operations and for investigating significant instances of fraud, waste, and abuse.

Departmental Centralized Services

OIG's request of \$11.904 million for overhead, a decrease of \$33,000 from the 2010 level, 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, the EDUCATE contract, and other IT costs use 82 percent of the centralized services resources. The increase in rent and other services is more than offset by decreases in IT contracts and services and interagency agreements.

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Departmental Centralized Services

(Dollars in 000s)

Item	2010	2011 Request	Difference
Rent	\$5,118	\$5,237	\$119
IT and telecommunications services and contracts	4,805	4,567	(238)
Interagency agreements	1,301	1,307	6
Other	713	793	80
Non-Pay Centralized Services	11,937	11,904	(33)

Other Non-Personnel Costs

Travel

OIG is requesting \$1.383 million in travel funds, \$17,000 more than 2010. The increase covers travel expenses for the requested 20 additional auditors, investigators, and other specialists, as well as anticipated increases in the cost of travel for current staff. The majority of OIG's travel is directly associated with audits and investigations. At this funding level, OIG will be able to carry out nationwide audits and investigations, inspections, and other related work. 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, the OIG is requesting \$1.903 million, \$73,000 more than the 2010 level, to contract for the audit of the Departmentwide fiscal year 2011 financial statements. In addition to these amounts, \$607,000 is included in the Student Aid Administration budget request for additional work under the contract.

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 Title IV programs. The audit will result in reports on the Departmentwide financial statements, including FSA, FSA's financial statements, the special purpose financial statements, and Federal intergovernmental balances. The scope of the audits 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 fair presentation of the financial statements,

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recommendations for improving financial accountability and stewardship, and identification of areas requiring further review.

OIG is requesting \$900,000 for systems security audits, \$100,000 more than the 2010 level. This level of funding will allow OIG to expand IT security reviews to more systems, including audits of contractor-owned, contractor-operated systems. Reviews of systems development life cycles, enterprise architecture, and IT project management would also be expanded. Computer forensic analysis would be enhanced.

The requested increase includes \$370,000 for a new contract for quality control reviews of 50 independent audits received by the Department. These reviews will establish the extent to which independent audits submitted by grantees to the Department comply with auditing standards. A recent review of Single Audits Governmentwide, headed by ED's OIG, showed that 45 percent of the audits reviewed were of limited reliability or unacceptable.

The requested increase also includes \$250,000 for a new contract to use webcasting technology to present training sessions for independent public accountants who prepare audits that postsecondary institutions and their lenders submit under Title IV requirements. As a result, the Department should receive higher-quality independent audits than those received in the past.

Training

OIG is requesting \$582,000 for non-centralized staff training, an increase of \$87,000 over 2010. 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 maintain 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 an increase of \$30,000, to \$220,000, 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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Interagency Agreements

OIG's request includes \$674,000, an increase of \$259,000, for a variety of services provided by other Federal agencies, including \$394,000 for the Council of Inspectors General on Integrity and Efficiency (CIGIE).

Building Alterations

OIG's request includes \$225,000, an increase of \$25,000, in non-centralized building alterations costs. This amount will provide for miscellaneous facilities projects, such as reconfiguring space by expanding or dividing offices, changing door locks, improving lighting, and other costs associated with improving the work environment.

PROGRAM OUTPUT MEASURES

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Reports and other products issued by OIG auditors	45	60	65
Quality control reviews on non-Federal audits	70	60	110
Financial statements audited	3	3	3
Criminal investigations completed	150	150	150
Complaints referred	3,100	3,200	3,200
Hotline allegations processed	5,800	6,100	6,100
Inspections and other reports	3	8	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.

FY 2009 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 2011. To determine

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whether its three strategic goals are met, OIG has developed the following performance indicators:

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.*

Measure: The percentage of significant recommendations accepted by the Department each year.

Year	Target	Actual (or date expected)	Status
2006	70%	87%	Target Exceeded
2007	70%	92%	Target Exceeded
2008	70%	88%	Target Exceeded
2009	70%	94%	Target Exceeded
2010	70%	(October 2010)	Pending
2011	70%	(October 2011)	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.

Measure: The percentage of written reports that meet OIG timeliness standards.

Year	Target	Actual (or date expected)	Status
2006	75%	84%	Target Exceeded
2007	75%	84%	Target Exceeded
2008	75%	74%	Did Not Meet Target
2009	75%	91%	Target Exceeded
2010	75%	(October 2010)	Pending
2011	75%	(October 2011)	Pending

Assessment of progress: In 2009, OIG returned to the position of exceeding the target for timeliness standards in the issuance of reports within the timeframes specified by OIG's internal policies for each type of report.

Measure: The percentage of investigations opened that are of the highest priority (as defined internally by OIG) to the organization.

Year	Target	Actual (or date expected)	Status
2010	65%	(October 2010)	Pending
2011	65%	(October 2011)	Pending

Assessment of progress: This new measure becomes effective in 2010.

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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 recoveries¹ exceeds the OIG annual budget.

Year	Target	Actual (or date expected)	Status
2006	100%	111%	Target Exceeded
2007	100%	112%	Target Exceeded
2008	100%	233%	Target Exceeded
2009	100%	189%	Target Exceeded
2010	100%	(October 2010)	Pending
2011	100%	(October 2011)	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. The significant increase in 2008 was due to resolution of the audit "Nelnet Compliance with the 9.5% Special Allowance."

¹ 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.