
Overview

About the Report

The United States Department of Education's *Annual Performance Report* (APR) for fiscal year (FY) 2011 provides information on the current status of the Department's strategic goals for its draft *FY 2011–14 Strategic Plan*. This is the first year in which we have tracked the progress of the measures for our new draft strategic goals. While there is substantial trend data for many of our national measures of success, we must establish new baselines in order to show progress towards meeting the new strategic goals.

The *FY 2011 Agency Financial Report* (AFR), released in November 2011, provides detailed information on the Department's financial performance and stewardship over its financial resources. To review the full report, go to:
<http://www2.ed.gov/about/reports/annual/2011report/index.html>.

The Secretary has outlined accomplishments, ongoing initiatives, and management challenges for the Department in FY 2011 and certified that the Department's performance data are fundamentally complete and reliable in his letter published in the AFR. For more information, go to <http://www2.ed.gov/about/reports/annual/2011report/1-message.pdf>.

This document is released with the Congressional Budget Justifications for FY 2013, as well as other budget and performance documents that support the budget process for the upcoming year. For more information, go to:
<http://www.ed.gov/about/overview/focus/performance.html>.

FY 2011 Agency Financial Report Highlights

The *FY 2011 Agency Financial Report* identified a range of information, including:

- the *American Recovery and Reinvestment Act of 2009* (Recovery Act) as well as the Education Jobs Fund;
<http://www2.ed.gov/about/reports/annual/2011report/2d-mda-recovery-act.pdf>
- Federal Student Aid initiatives; and
<http://www2.ed.gov/about/reports/annual/2011report/2c-mda-federal-loans.pdf>
- steps to increase college affordability by making it easier to manage student loan debt and provide state educational agencies and local educational agencies with flexibility regarding specific requirements of the *Elementary and Secondary Education Act of 1965* (ESEA), as amended.
<http://www2.ed.gov/about/reports/annual/2011report/2e-mda-future-challenges.pdf>

Office of Inspector General's (OIG) Management Challenges for Fiscal Year 2012 Highlights

The Office of Inspector General (OIG) works to promote efficiency, effectiveness, and integrity in the programs and operations of the Department. Through its audits, inspections, investigations, and other reviews, OIG continues to identify areas of concern within the Department's programs and operations, and recommend actions the Department should take to address these weaknesses. The *Reports Consolidation Act of 2000* requires OIG to identify and summarize the most significant management challenges facing the Department each year.

Last year, the OIG presented four management challenges: (1) implementation of new programs/statutory changes, (2) oversight and monitoring, (3) data quality and reporting, and (4) information technology security. All of the prior management challenges remain challenges for FY 2012. The first FY 2011 challenge, implementation of new programs/statutory changes, which incorporated aspects of the *Recovery Act*, and the *Ensuring Continued Access to Student Loans Act of 2008*, was incorporated into the oversight and monitoring challenge. In addition, OIG added a new challenge related to improper payments. The FY 2012 management challenges are improper payments, information technology security, oversight and monitoring, and data quality and reporting.

The full report is published by the Department's OIG. To view the full report, go to: <http://www2.ed.gov/about/offices/list/oig/managementchallenges.html>.

FY 2011 Financial Highlights and Information

For the tenth consecutive year, the Department achieved an unqualified (clean) audit opinion on its annual financial statements. Since 2003, the independent auditors have identified no material weaknesses in the Department's internal control over financial reporting. To read the full report of the independent auditors, please go to: <http://www2.ed.gov/about/reports/annual/2011report/4-auditors.pdf>.

For an overview and analysis of the Department's sources of funds and financial position, please go to: <http://www2.ed.gov/about/reports/annual/2011report/2h-mda-financial-highlights.pdf>.

To review the Department's financial summary and complete financial statements—including required supplementary stewardship information and notes to the principal financial statements for the fiscal years ended September 30, 2011, and September 30, 2010—please go to: <http://www2.ed.gov/about/reports/annual/2011report/3-financial-details.pdf>.

For information on improper payments reporting details, which includes a risk assessment of certain programs, please go to: <http://www2.ed.gov/about/reports/annual/2011report/5a-improper-payments.pdf>.