

controls for purchase cards, travel cards, integrated cards, and centrally billed accounts. The Department is committed to operating an efficient, effective purchase card program in compliance with the act. In FY 2015, the Department's OIG carried out an extensive review of the purchase card program and affirmed that the Department was aligned with all applicable policies and procedures.

Single Audit Act of 1984

The *Single Audit Act of 1984*, [Pub. L. 98-502, 98 Stat. 2327](#), amended by the *Single Audit Act Amendments of 1996*, [Pub. L. 104-156, 110 Stat. 1396](#), and OMB Circular A-133 ("Audits of State, Local Governments, and Non-Profit Organizations") provide audit requirements for ensuring that grant funds to state, local, and tribal governments, colleges, universities and other nonprofit organizations (nonfederal entities) are expended properly. The Department has strengthened controls over audit follow-up to ensure more timely resolution, correction, and closure of audit findings. This reflects a key component of the Department's risk management strategy under the Department's [Strategic Plan, Objective 6.2](#). The Department continues to show significant improvements in timely audit resolution, and remains focused on working cooperatively with grant recipients to address the most complex and repeat findings.

Management Assurances

The Secretary of Education's 2015 Statement of Assurance, which is provided below, is the final report produced by the Department's annual assurance process.

STATEMENT OF ASSURANCE
FISCAL YEAR 2015
November 13, 2015

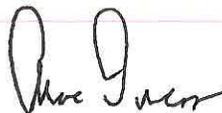
The Department of Education (the Department) management is responsible for meeting the objectives of the *Federal Managers' Financial Integrity Act of 1982* (FMFIA) by establishing, maintaining, evaluating, and reporting on the Department's internal control and financial systems.

In accordance with Section 2 of FMFIA and Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Internal Control," management evaluated the effectiveness of the Department's internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations.

Section 4 of FMFIA and the *Federal Financial Management Improvement Act of 1996* (FFMIA) require management to ensure the Department's financial management systems provide reliable, consistent disclosure of financial data. In accordance with Appendix D of OMB Circular A-123, management evaluated whether the Department's financial management systems substantially complied with FFMIA requirements. The Department also conducted a separate assessment of the effectiveness of its internal control over financial reporting in accordance with Appendix A of OMB A-123.

Because of inherent limitations, internal control and financial management systems, no matter how well designed, cannot provide absolute assurance of achieving the Department's objectives. There are also certain challenges, such as those control and compliance issues noted by the Department's independent auditor, Office of Inspector General, and otherwise noted in this report, which require management's attention to ensure the Department's full spectrum of risk is taken into consideration, managed, and treated appropriately. We are committed to resolving the identified challenges.

Based on the results of the Department's assessments described above, our system of internal controls provides Department management with reasonable assurance that the objectives of sections 2 and 4 of the FMFIA were achieved as of September 30, 2015, including having controls over financial reporting that were in place and operating effectively.


Arne Duncan