



Highlights of [GAO-08-221](#), a report to congressional requesters

Why GAO Did This Study

In February 2005, GAO issued a report that raised concerns about the effectiveness of the Department of Health and Human Services (HHS) Administration for Children and Families' (ACF) oversight of about 1,600 local organizations that receive nearly \$7 billion in Head Start grants. GAO was asked to report on (1) ACF's progress in conducting a risk assessment of the Head Start program and ensuring the accuracy and reliability of data from its annual Program Information Report (PIR) survey of grantees, (2) efforts to improve on-site monitoring of grantees, and (3) how data are used to improve oversight and help grantees meet program standards. For this report, GAO surveyed a nationally representative sample of Head Start program directors and interviewed ACF officials. GAO also reviewed ACF studies on the validity of PIR data and conducted tests of data from the 2006 PIR database.

What GAO Recommends

GAO recommends that ACF develop a more strategic approach to assessing risks to the Head Start program, expand its efforts to collect data on and estimate improper payments, improve the accuracy of data from its annual PIR survey, and develop clear criteria for providing additional assistance for high-risk grantees. ACF agreed with the latter two recommendations and emphasized progress already made toward developing a comprehensive risk assessment process and reducing improper payments.

To view the full product, including the scope and methodology, click on [GAO-08-221](#). For more information, contact Cornelia Ashby at (202) 512-7215 or ashbyc@gao.gov.

HEAD START

A More Comprehensive Risk Management Strategy and Data Improvements Could Further Strengthen Program Oversight

What GAO Found

ACF has not undertaken a comprehensive assessment of risks that may limit Head Start's ability to meet federal program objectives, despite GAO's 2005 recommendation, and little progress has been made to ensure that the data from its annual PIR survey of grantees, which could facilitate such an assessment, are reliable. To conduct a comprehensive risk assessment, ACF needs to identify external and internal risks, estimate their significance, and decide how to best manage them. While ACF says it is working to establish two systems to address programwide risk, our analysis suggests that these systems fall short of that goal. The first system, by which ACF assesses grantees before providing new funds each year, only assesses risk posed to the program by poorly performing grantees and does not allow for a broader assessment of other sources of risk, such as improper payments to contractors. The second system, a new, integrated management information system, has been in development for over 4 years and it is not clear how it will facilitate a more comprehensive risk assessment for the Head Start program. Both initiatives depend, in part, on data from the annual PIR survey of grantees, which have been found to be unreliable.

ACF has taken steps to improve oversight of Head Start grantees by implementing a more rigorous process for certifying reviewers who conduct on-site monitoring visits, implementing new processes to improve the consistency of reviews, and working to establish a system for evaluating reviews on an ongoing basis. Now, ACF verifies reviewers' qualifications and requires them to pass online tests in writing and computer literacy. Reviewers must also complete ongoing training and are evaluated by their peers at the end of each review. ACF has also taken a number of steps to improve the consistency and objectivity of reviews, including developing a Web-based data collection tool to facilitate information gathering, assigning review team leaders from outside the grantee's home region to increase independence, and centralizing the review and preparation of monitoring reports. ACF is also working to establish an ongoing system for evaluating its on-site review process.

ACF uses data to track grantee performance and target assistance to underperforming grantees, but weaknesses may have hindered these efforts to improve grantee performance. For example, ACF does not have clear criteria for determining which grantees need additional oversight as part of its refunding analysis. Such decisions are made on an ad-hoc basis, which may result in grantees with similar problems receiving different levels of oversight. Moreover, prior to the December 2007 reauthorization of Head Start, ACF was limited in its ability to increase competition for grants to replace underperforming grantees. Under the new law, ACF will have more flexibility to open competition for Head Start grants to other prospective grantees when current grantees fail to deliver high-quality, comprehensive Head Start programs.