

**U.S. Department of Education
Office of Inspector General
Strategic Plan
2007 – 2012**

In accordance with the *Government Performance and Results Act of 1993*, the Office of Inspector General (OIG) has developed this Strategic Plan that describes the focus and direction of the OIG’s operations over the next five years. This Plan also establishes our organizational expectations, which will be used each year to evaluate our performance. Although we expect this Plan to remain relevant for the foreseeable future, we consider it a living document, subject to change as necessary. We will consult with the U.S. Department of Education (Department) and the U.S. Congress periodically and use the feedback we receive to revise this Plan so we may continually improve our products and services.

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Our Mission Statement

To promote the efficiency, effectiveness, and integrity of the Department's programs and operations, we conduct independent and objective audits, investigations, inspections, and other activities.

Our mission is rooted in our statutory responsibilities under the *Inspector General Act of 1978*, as amended (IG Act). The IG Act established OIGs as independent and objective organizations within the federal departments and agencies. The IG Act authorizes each OIG to:

- Conduct and supervise audits and investigations relating to its agency's programs and operations.
- Provide leadership, coordination, and recommend policies for activities designed:
 - To promote economy, effectiveness, and efficiency in the agency's programs and operations; and
 - To prevent and detect fraud and abuse in the agency's programs and operations.
- Keep its agency head and Congress fully and currently informed of problems and deficiencies in the agency's programs and operations and on the status of corrective actions.

This Strategic Plan incorporates our responsibilities under the IG Act and other statutes, such as those that vest us with the responsibility for annually auditing the Department's financial statements, reviewing the Department's information technology (IT) security, and identifying the Department's Management Challenges for inclusion in the Department's annual Performance and Accountability Report.

As part of the Department, we support its mission by conducting audits, investigations, and inspections, and providing advice and assistance. Through these activities, we identify problems and deficiencies and make recommendations for corrective actions. The information we provide to Department managers and Congress can result in changes to legislation, regulations, policies, and practices. These changes are designed to continually improve the operations of the Department and its programs to best serve the American taxpayer. Our work can also lead to criminal convictions, civil penalties, administrative sanctions, and recoveries.

Our Core Values

Our core values are:

- Excellence
- Accountability
- Integrity

Excellence defines the essence of the OIG – our people, our processes, our products, and our impact.

- We value a diverse, educated, and highly trained workforce that reflects independence, initiative, and mutual respect.
- We value operating within an established code of standards, yet remain open to new approaches.
- We have confidence in the quality, accuracy, and thoroughness of our products, knowing they will withstand critical professional and programmatic scrutiny.
- We responsibly and demonstrably influence the Department as it fulfills its mission of promoting student achievement and preparing for global competitiveness by fostering educational excellence and ensuring equal access.

Accountability ensures that our customers can rely on and trust our assessments, evaluations, inquiries, and recommendations.

- We ensure that our work and work products meet or exceed professional standards.
- We maintain an effective quality control system to assure the correctness of our work and ensure that our results hold up to professional scrutiny and tempered disagreement.
- We value and protect our access to information knowing that reputations, public confidence, and lives can be affected by our actions.
- We are vigilant internally for any violations of public trust and respond appropriately.

Integrity is the foundation of our statutory mandate and is reflected in all of our actions.

- The approach we take in accomplishing our mission must reflect fairness, balance, and credibility.
- The personal and professional qualities of our people include honesty, high ethical standards, respect for others, and freedom from bias.
- Having been given statutory independence, we properly apply it to its intended ends – to promote the efficiency, effectiveness, and integrity of the Department’s programs and operations.

Our Strategic Goals

We have three strategic goals:

Goal 1: To improve the Department's programs and operations.

Goal 2: To protect the integrity of the Department's programs and operations.

Goal 3: To ensure quality and excellence in our organization.

The first two goals focus on our complementary responsibilities under the IG Act to promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. Our third goal is specific to OIG and provides the foundation for our capacity to achieve the other two goals now and in the future.

To achieve our goals, we:

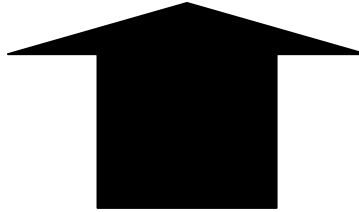
- **Focus** our resources on the most important areas.
- **Examine** these areas through audits, investigations, inspections, human capital planning, and other activities to identify opportunities for improvement and any problems or deficiencies.
- **Communicate** the results to the people who need the information.
- **Monitor** the results of our work to ensure issues are addressed.

This is a continuous and dynamic process. As we examine areas, communicate with others, and monitor our work, we collect and evaluate information in order to remain focused on the most important areas and improve our products and services.

We use a Work Plan to manage our operations. Each year, we prepare a Work Plan that outlines activities designed to focus on the most important areas. Our Work Plan preparation includes soliciting input from the Department, Office of Management and Budget (OMB) and Congress.

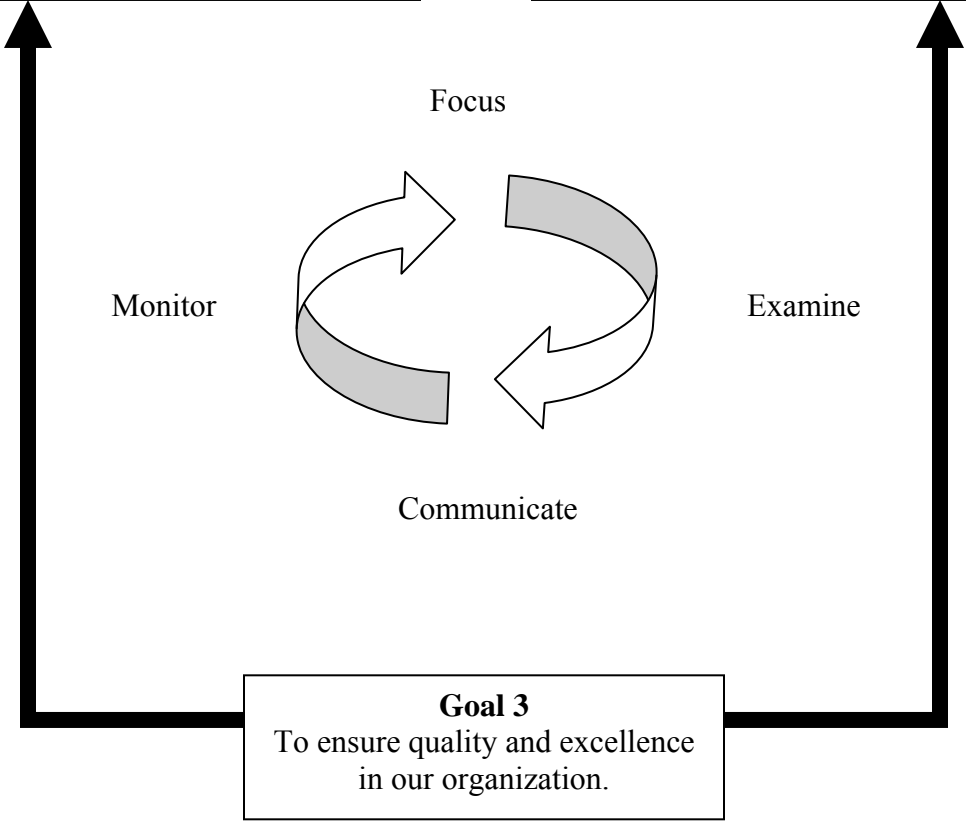
**Office of Inspector General
U.S. Department of Education**

Our Mission
To promote the efficiency, effectiveness, and integrity of the Department's programs and operations, we conduct independent and objective audits, investigations, inspections, and other activities.



Goal 1
To improve the Department's programs and operations.

Goal 2
To protect the integrity of the Department's programs and operations.



<p style="text-align: center;">Goal 1 To improve the Department's programs and operations.</p>
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Goal 1 addresses our responsibility to promote the economy, efficiency, and effectiveness of the Department. We identify problem areas or systemic weaknesses that prevent the programs and operations from achieving the results envisioned and recommend corrective actions, as appropriate, to address those problems. The Department is responsible for implementing corrective actions.

How we achieve this goal:

Focus: We decide where to focus our resources based on the analysis of past work, dialogue with the Department, OMB, Congress, and other sources of information. For the next five years, high priority topics include:

- *Student Financial Assistance Programs and Operations* - focusing on internal controls within the Office of Federal Student Aid and oversight of the lenders and other high-dollar participants in the student aid programs;
- *Information Technology (IT) Security/Management* - focusing on protecting the data in the Department's systems from inappropriate use and intrusion, and evaluating the Department's processes for ensuring effectiveness in managing its IT resources;
- *New Programs/Programs Nearing Reauthorization* - focusing on whether programs are operating as Congress directed, if the funds are going to the proper recipients, and if the funds are being used for intended purposes;
- *Grantee and Contract Awards, Performance, and Monitoring* – focusing on internal controls established to ensure that Department funds are achieving the results intended and that the Department is receiving the products and services for which funds were awarded;
- *Data Integrity* - focusing on whether the information reported to the Department, as well as the information reported by the Department, is accurate and reliable; and
- *Human Resources* - focusing on the Department's human capital planning, workforce and succession planning, recruitment, hiring, and retention.

Examine: By conducting audits, inspections, investigations, technical assistance, and other services, we address the high priority areas we identified. Our work also includes reviewing legislation and regulations, participating in government-wide reviews, and conducting quality control reviews of non-federal auditors' work.

In conducting our work, we evaluate relevant Department goals and performance indicators. As necessary, we contract for technical and specialized services.

Communicate: We alert the Department and Congressional officials to emerging issues and problems that could affect Department programs and operations. We do this through written work products, including alert memoranda and interim audit and inspection memoranda, as well as meetings, briefings, Congressional testimony, and our Semiannual Reports to Congress.

Monitor: We follow-up to determine if actions have been taken to address the opportunities for improvement and the problems or deficiencies we have identified.

<p style="text-align: center;">Goal 2 To protect the integrity of the Department's programs and operations.</p>

Goal 2 addresses our responsibility to prevent and detect waste, fraud, and abuse relating to the Department's programs and operations. The Department's management is responsible for establishing and maintaining internal controls in its operations and programs. We examine these controls, as well as investigate allegations of misuse, identify pervasive or systemic waste, fraud, and abuse and ultimately make recommendation to address the causes of such. The Department is responsible for taking corrective actions.

How we achieve this goal:

Focus: We focus on the programs and operations most susceptible to waste, fraud, and abuse, which we identify by:

- Analyzing past work;
- Soliciting and receiving information from within the education, audit, and criminal justice communities;
- Receiving information and allegations from the Congress and concerned members of the public; and
- Investigating allegations of misuse of federal educational dollars by institutions, entities, and individuals.

Examine: We take timely and appropriate actions, including conducting audits, investigations, and inspections, in response to allegations of waste, fraud, and abuse. We also use these approaches to examine the effectiveness of management tools being used to monitor grants and contracts. We conduct work, such as compliance audits, in pervasive and systemic problem areas, and conduct quality control reviews of non-federal auditors' work. Utilizing our

statutory law enforcement authority, we conduct, supervise, and coordinate investigations of suspected fraudulent activity involving federal education dollars, programs, and operations. In conducting our work, we coordinate with other law enforcement and prosecutorial officials.

Communicate: We alert Department and Congressional officials to emerging issues and problems that could affect Department programs and operations. We do this through our written work products, including alert memoranda and interim audit and inspection memoranda, as well as meetings, briefings, Congressional testimony, and our Semiannual Report to Congress. In addition, we make referrals to the U.S. Department of Justice and other prosecutorial authorities to bring criminal and civil enforcement actions, as well as provide information about enforcement actions.

Monitor: We monitor the progress of enforcement and corrective actions to determine if corrective actions have been completed.

<p style="text-align: center;">Goal 3 To ensure quality and excellence in our organization.</p>

Goal 3 provides the foundation for our capacity to achieve the other two goals and successfully fulfill our mission. "Quality" is providing internal and external products and services that adhere to professional standards and advance our first and second goals. "Excellence" is providing those products and services in a timely, efficient, and effective manner.

How we achieve this goal:

Focus: There are five essential areas on which we focus to ensure quality and excellence in our organization. These areas are:

- Providing quality work products and services that are timely, effective, and adhere to professional standards;
- Building, sustaining, and deploying a skilled, diverse, and high performing workforce with skills to meet current and emerging business requirements;
- Participating in interagency and professional activities that contribute to our organizational excellence by enhancing the professionalism and the professional stature of our office;
- Utilizing an organizational structure that effectively allocates staff and fiscal resources; and
- Retaining skilled staff and promoting a high level of employee satisfaction.

Examine: We work with the Department to secure the resources required to sustain our staffing levels, provide training and development programs and recurring upgrades of our technology. We periodically assess our organizational structure, staff allocation, and grade structure to ensure that resources are well aligned with business objectives. We utilize all available recruitment, hiring, and retention flexibilities, including buyout authority. We periodically monitor our changing skill needs and maintain career guides for each OIG discipline. We work with the OIG community to define and validate the skills required to conduct quality audits, inspections, and investigations. We implement our leadership development strategy, support workplace flexibility initiatives such as hoteling and flexiplace, and continue to expand our use of available knowledge management tools.

Communicate: We provide all staff with information about our mission and how they contribute to its achievement. We maintain a professional environment where open and timely discussion is encouraged throughout the organization. We periodically work with all staff to determine the effectiveness of our communication initiatives.

Monitor: We conduct internal quality reviews of our work processes, to include audits, investigations, and administrative functions. In addition, we participate in the peer review process of the President's Council on Integrity and Efficiency (PCIE). The peer review process assesses whether we have organized and are operating an effective system of quality assurance that ensures our audit and investigative work meets professional standards. We also work with our peers in the PCIE community to help influence and establish the standards and requirements under which we conduct our work. We update our Human Capital Plan on an annual basis, including an analysis of workforce and succession planning. We identify new action items for the Human Capital Plan as needed, and monitor its implementation quarterly.

How We Measure Our Performance

Measuring our performance is a vital component of our overall operation, and is incorporated into the audits, inspections, and investigations we conduct, as well as our other everyday activities and processes. While our Strategic Plan presents our long-term vision and framework for action, our annual Work Plans demonstrate how the Strategic Plan will be implemented. Each Work Plan describes the audit and inspection projects we anticipate starting each year to help achieve our strategic goals. By regularly monitoring the progress and assessing the performance of our efforts, we have the ability to convert our resources into results. We can adapt to changing conditions, and have the flexibility to incorporate new approaches, new technologies, and new information that can further enable OIG to carry out our mission, reach our goals, and successfully achieve our strategic vision.

In general, we measure our performance in three strategic areas: (1) by the number of significant recommendations accepted by the Department; (2) by the timeliness of our work products; and (3) by the financial benefit of our work in relation to budgeted resources.

The specific performance measures OIG has set for the next five years follow. Each area is explained in further detail below.

Organizational Expectations	Measurements					
	FY 2008 Actual Performance	FY 2009 (Percentage Goal)	FY 2010 (Percentage Goal)	FY 2011 (Percentage Goal)	FY 2012 (Percentage Goal)	FY 2013 (Percentage Goal)
The percentage of significant recommendations accepted by the Department each year.	88	72	73	74	75	76
The percentage of written reports that meet OIG timeliness standards.	74	77	78	79	80	81
The five-year rolling average of OIG-identified financial benefits as a percentage of the annual OIG budget.	235	204	206	208	210	212

Significant Recommendations Accepted by the Department

When our audits, inspections, and other reviews reveal problems in the Department’s programs and operations, we offer recommendations for corrective action. The Department has the authority to accept or reject these recommendations. Once accepted (sustained), the Department has the responsibility to ensure the recommendations are implemented. We measure our performance by monitoring and tracking the number of significant recommendations the Department accepts.

Monetary recommendations are considered significant if individually or when aggregated with other recommendations in the report, they:

1. Recommend recovery of \$500,000 or more in Federal funds provided to the auditee for the period covered by the audit, or
2. Require the auditee to perform analyses of additional transactions for the period covered by the audit and/or for periods before or subsequent to the audit period that are likely to identify additional recoverable amounts of \$500,000 or more, or
3. Recommend recovery of Federal funds provided to the auditee that constitute at least 20 percent of the dollar amount subject to audit, or
4. Recommend reduction, de-obligation or reallocation of current or future resources of \$500,000 or more.

In addition, if during the course of an audit, an issue is noted and the auditee voluntarily returns funds to the Department or credits funds back to a program account prior to issuance of the report, this recovery is considered a monetary recovery as a result of our work. A recommendation is generally not made in this situation, as the corrective action has already taken place. The return is considered significant if the funds returned meet one or more of the criteria above.

Non-monetary recommendations are considered significant if they:

1. Recommend that the auditee implement internal controls and/or maintain required supporting documentation for costs charged to a grant or program to prevent recurrence of the condition(s) that resulted in one or more significant monetary recommendations (including Better Use of Funds), or
2. Involve a program, or a significant component of any program, annually funded at \$1 million or more, and recommends internal controls to improve the effective or efficient delivery of program services; safeguarding assets or prevent or detect fraud, waste, abuse; improving the validity and reliability of program and/or management data; or recommending the Department taking significant administrative actions against an auditee (i.e., limitation, suspension or termination actions, designating the auditee as high-risk, etc.).

Timeliness of Our Work Products

We also measure our performance by how timely we complete our work. Written reports are considered timely if they meet the timeliness standards established by each OIG component. Standards are established by the audit, investigation, and inspection components to evaluate timeliness in conducting fieldwork and issuing reports.

Financial Benefit of Our Work in Relation to Budgeted Resources

Lastly, we measure our performance by comparing the value of the financial benefits we identify as a result of our activities with the costs of our operations. Throughout our history, OIG has consistently delivered value that exceeds the resources invested in our operations. Our activities have resulted in the identification of unallowable and unsupported costs, cost savings, administrative recoveries, criminal restitution and fines, civil fraud settlements and judgments,

and seized/forfeited property. During the last six years, the OIG has identified more than \$2 of measurable financial benefits for every \$1 budgeted for OIG operations.

This measure includes the value of OIG- identified financial benefits (i.e., sustained audit and inspection monetary recommendations, as well as administrative recoveries and court-ordered fines, restitutions, settlements, and judgments resulting from investigations) as a percentage of the annual OIG budget. This measure is calculated by dividing the total OIG identified financial benefits for the five most recent years by the total of the OIG budgets for those years

Key External Factors That May Affect Achievement of Our Goals

Below, we list key factors beyond our control that could affect our achieving the goals outlined in this Strategic Plan.

Unprogrammed Requirements. OIG is assigned tasks from external sources, such as new legislative mandates, Congressional hearings and inquiries, Department requests, government-wide reviews, and *qui tam* cases. These tasks are usually nondiscretionary and/or unplanned but are deemed necessary. In preparing this Strategic Plan, we took into consideration the current legislatively mandated work, e.g., financial statement audits. In preparing our annual Work Plan, we estimate the workload for unprogrammed requirements based on past history.

Limitations of our Authority. It is not within our authority to implement our recommendations or collect monetary sanctions imposed as a result of our audits, investigations, or other work. Likewise, the outcome of referrals to the U.S. Department of Justice for civil and criminal proceedings is outside our authority. Our credibility increases the acceptance of our results by others. Our credibility is based on the independence, objectivity, and professional quality of our work.

Funding. Our success depends on the ability to fund a skilled work force and to provide that work force with the resources to perform our work.

Staffing. We have highly trained professional staff consisting of auditors (including information technology auditors), inspectors, criminal investigators, management analysts, budget analysts, and attorneys. These skills are in demand in both the public and private sectors. Consequently, vacancies are often difficult and time consuming to fill, which could affect our ability to meet all of our goals.

Our Organizational Structure

Our headquarters is in Washington, D.C. We also operate a nationwide network of offices from which we conduct audits, investigations, and inspections. The following OIG components carry out these activities.

- **Immediate Office.** Coordinates OIG operations and assures the accomplishment of the overall OIG mission. Coordinates quality assurance reviews for audits, investigations, and administrative functions. Provides legal counsel for the OIG, and serves as the liaison with the Congress, media, and general public.
- **Audit Services.** Conducts audits and other activities to assess the Department's programs and operations and to recommend program and operational improvements. Provides guidance to non-federal auditors and performs selected quality control reviews of their work.
- **Evaluation and Inspection.** Conducts inspections of the Department's programs and operations and recommends program and operational improvements.
- **Information Technology Audits and Computer Crime Investigations.** Conducts audits, investigations, and other activities related to IT issues associated within the Department's programs and operations.
- **Investigation Services.** Conducts criminal, civil, and administrative investigations of allegations of wrongdoing related to the Department's programs and operations.
- **Management Services.** Provides support services to all of the OIG and is responsible for the development and execution of our annual budget, IT services and support, and various organizational infrastructure activities including human resource services, asset management, and physical facilities.