

**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:**

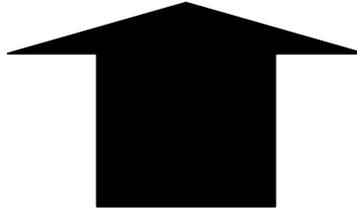
- **Focus** our resources on the most important areas.
- **Examine** these areas through audits, investigations, inspections, human capital planning, and other activities to identify opportunities for improvement and any problems or deficiencies.
- **Communicate** the results to the people who need the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

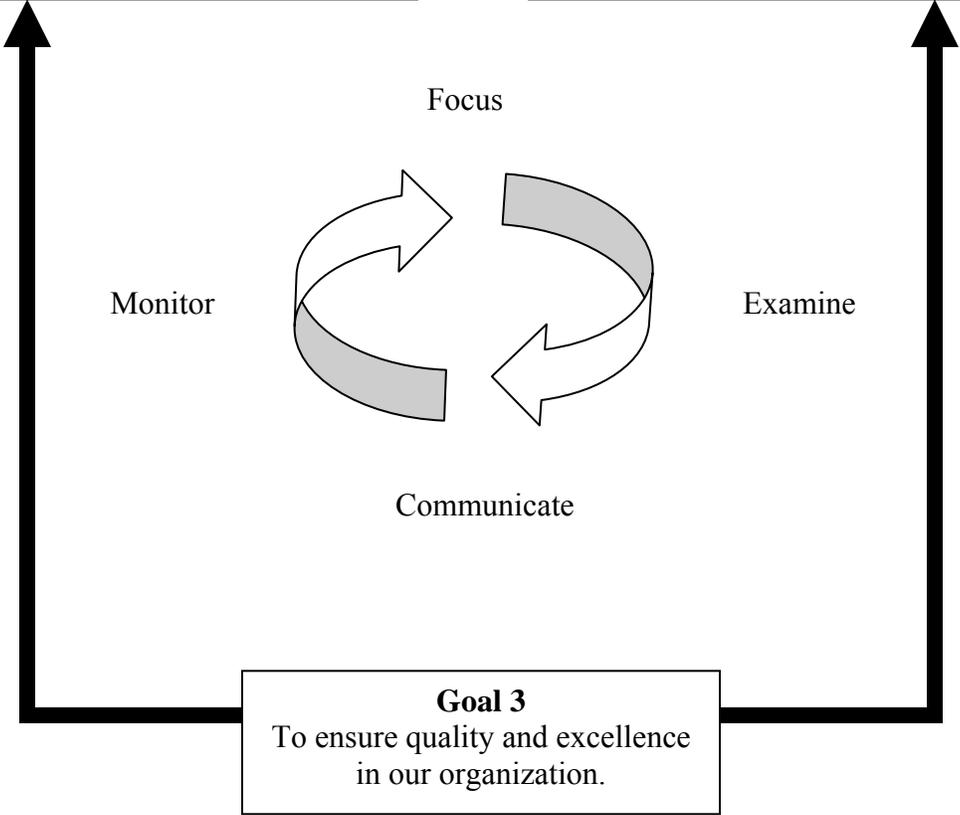
**Office of Inspector General  
U.S. Department of Education**

**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;"><b>Goal 1</b> <b>To improve the Department's programs and operations.</b></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;"><b>Goal 2</b> <b>To protect the integrity of the Department's programs and operations.</b></p>
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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;"><b>Goal 3</b> <b>To ensure quality and excellence in our organization.</b></p>
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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 details the audit and inspection objectives, assignments, and resource allocations necessary 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 return on investment our work produces for the American taxpayer. When our audits, inspections, and other reviews reveal problems in the Department's programs and operations, we offer recommendations for corrective actions. The Department has the authority to accept or reject these recommendations. Once accepted, the Department has the responsibility to implement the recommendations. We measure our performance by monitoring and tracking the number of significant recommendations the Department accepts. We also measure our performance by how timely we complete our work. Lastly, we look closely at the resources utilized in the course of conducting our work in an effort to help determine the impact of our work.

Throughout our history, OIG has consistently delivered value that exceeds the resources invested in our operations. During the last six fiscal years, our activities, which include audits, inspections, and investigations have resulted in questioned costs, sustained costs, recoveries, restitution, fines, and judgments of more than twice our total budget allocations. That is more than \$2 returned for every \$1 spent. We measure our performance based on this return on investment.

Below are the specific performance measures OIG has set for the next five years.

Organizational Expectations	Measurements					
	FY 2007 (Percentage Goal)	FY 2008 (Percentage Goal)	FY 2009 (Percentage Goal)	FY 2010 (Percentage Goal)	FY 2011 (Percentage Goal)	FY 2012 (Percentage Goal)
The percentage of significant recommendations accepted by the Department each year. <sup>1</sup>	70	71	72	73	74	75
The percentage of written reports that meet OIG timeliness standards. <sup>2</sup>	75	76	77	78	79	80
The percentage by which the five-year rolling average of OIG monetary recoveries exceeds the OIG annual budget. <sup>3</sup>	100	102	104	106	108	110

<sup>1</sup>A recommendation is considered significant if it addresses correcting the conditions that contributed to the monetary findings in a report that contains over \$500,000 in monetary findings. A recommendation related to a non-monetary finding is considered significant if it identifies a need to establish/implement procedures or control techniques to: (1) improve the effective or efficient delivery of program services; (2) safeguard assets or prevent fraud, waste, abuse; or (3) improve the integrity, accuracy, and completeness of management data involving a program, or a significant component of any program, annually funded at \$1 million or more.

<sup>2</sup>Written reports are considered timely if they meet the timeliness standards established by each OIG component.

<sup>3</sup>To avoid the appearance of a lack of objectivity, we do not set annual goals for monetary recoveries and we do not break down the data by organizational component. Therefore, this measure is calculated by adding together the percentage of monetary recoveries during the current fiscal year and each of the four preceding fiscal years and dividing by five.

## 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.