

Goal 6. U.S. Department of Education Capacity:

Improve the organizational capacities of the Department to implement the *Strategic Plan*.

Goal Leader:

Andrew Jackson, Assistant Secretary, Office of Management (OM)

Public Benefit

To ensure the achievement of the Department's mission critical objectives, grants and contract management remain a strategic focus for improvement in long- and short-term initiatives. Additionally, fortifying human capital strategies, competencies and resources, along with the continuous improvement of IT security and technologically enhanced work environments, continue to be priorities. These activities support grantees, schools, students, families, and communities in achieving their educational and economic goals, while also continuing to hold recipients of the Department's funding accountable to clear financial requirements and legal obligations.

The Department continues to focus on human capital management to acquire and develop its workforce; increase diversity and inclusion and improve employee engagement; rethink how it monitors and intervenes with high-risk grantees and contractors; enhance workforce productivity through information technology; safeguard its assets and stakeholders from cybersecurity threats; continue to improve and integrate effective performance management; and transform the way the Department interacts with states, districts, IHEs, and other grantees and stakeholders. These efforts will improve performance results, increase stakeholder collaboration, and lead to greater employee engagement.

In FY 2015, the Department was a leader in the broader grant community to implement successfully the new [Uniform Guidance](#) regulations prescribed and updated by the President's Office of Management and Budget. The Department created an online repository of resources and conducted frequent outreach to help grantees follow the new rules, which reduce burden while strengthening controls against waste, fraud, and abuse.

Using a strategic approach in FY 2015, the Department strengthened Human Resources (HR) operations by reducing hiring lead times, improving executive recruitment strategies, revising outdated HR policies, expanding training opportunities, and improving management practices.

Analysis and Next Steps

Objective 6.2: Risk Management. Improve the Department's program efficacy through comprehensive risk management, and grant and contract monitoring.

Objective Leaders:

Phil Maestri, Director, Risk Management Service (RMS)

Jim Ropelewski, Deputy Chief Financial Officer, Office of the Chief Financial officer (OCFO)

Explanation and Analysis of Progress:

Risk management focuses on creating an environment where grant and loan funds are used for the right purpose and achieve program success. The Department has worked to increase its ability to provide the right technical assistance and oversight to help grantees achieve program

goals. Some of that work is accomplished through improving the quality and thoroughness of risk assessments conducted by the Department assuring that grantees are ready to manage the funds awarded. During FY 2015 the Department conducted preaward risk reviews for 100 percent of competitive grant programs. Other work has included improving the program staffs' skills in the area of fiscal monitoring through training and technical assistance. In FY 2015, the Department far exceeded its goal of timely audit resolution—the target was set at no more than 43 percent resolved overdue, and the actual percentage achieved was 20 percent. This was achieved by focusing on timeliness and fostering close working relationships with programs and support offices. In addition, a comprehensive training program to support the implementation of the new Uniform Guidance was developed and implemented for both grantees and Department staff, which included a strand on audit-related requirements.

Risk management is also an essential aspect of contract monitoring, which is achieved by actively assessing program and performance risks inherent in contracts through oversight and support and issuance of policy and guidance to program and contract officials. The Department has sustained high performance in compliance with contractor performance reporting requirements, leading the government with a 98 percent compliance rate for FY 2015. Only four agencies reached a compliance rate of 90 percent in FY 2015, and the average compliance rate of all 64 agencies reported was only 30 percent.¹

Challenges and Next Steps:

The Department will continue to monitor contractor performance reporting requirements and work to attain the 100 percent compliance goal set by OMB.

The Department will continue collaborating with offices to reduce the number of overdue audits and leverage audit follow-up data to manage grantee risk by providing additional technical assistance and training on audit requirements related to the Uniform Guidance. The Department will focus its work with program offices to increase understanding and application of the results of Entity Risk Reviews related to audit data, with an emphasis on strategies to mitigate risk through effective and timely corrective action and follow-up.

Collecting quantitative data on the risk posed by grant recipients, and the extent to which the Department makes progress building capacity to address this risk, remains a challenge. Building the capacity of the Department to conduct more sophisticated analysis of data, both structured and unstructured, will be critical to addressing that challenge. The Department will work toward building quality, accessible sources of data on grant and grantee performance, sharing information about risks and mitigation across program offices, and building the grant staff capacity—in both knowledge and numbers—to monitor the financial and administrative components of grant performance.

These efforts will ultimately improve the capacity of our grantees to provide quality programs and services.

¹ Past Performance Information Retrieval System (PPIRS) (www.ppirs.gov) "PPIRS Compliance Report."

Goal 6 – Strategic Objective 6.2

U.S. Department of Education Indicators of Success	Baseline	2013 Actuals	2014 Actuals	2015 Actuals	2015 Current Year Target	Current Year Results	2016 Out-Year Targets	2017 Out-Year Targets
6.2.A. Percentage of A-133 Single Audits Overdue for resolution	FY: 2012 57%	52%	37%	20%	43%	MET	37%	31%
6.2.B. Compliance rate of contractor evaluation performance reports	FY: 2013 85%	85%	97%	98%	100%	NOT MET	100%	100%

NA = Not applicable.

TBD = To be determined.

Academic Year (AY) is a collegiate year spanning August–May; School Year (SY) spans August–July and is aligned with a P–12 school year; Fiscal Year (FY) corresponds to a federal fiscal year; Calendar Year (CY) spans January–December.

Data Sources and Frequency of Collection:

6.2.A. Office of the Chief Financial Officer’s (OCFO) Audit Accountability & Resolution Tracking System (AARTS); annually

6.2.B. Past Performance Information Retrieval System (PPIRS) www.ppirs.gov “PPIRS Compliance Report”; annually