



Highlights of [GAO-11-194](#), a report to the Ranking Member, Committee on Education and the Workforce, House of Representatives

## Why GAO Did This Study

The U.S. Department of Education (Education) manages one of the largest discretionary appropriations of any federal agency, and plays a key role in supporting efforts to meet the nation's education goals. While Education managed a discretionary appropriation of over \$160 billion in fiscal year 2009 and was responsible for administering about 200 grant programs, it has the smallest workforce of any cabinet agency. As requested, this report examines (1) the key high-level management challenges facing Education, (2) Education's strategic management of its workforce, (3) Education's design of internal controls to help ensure accountability over contracts and student aid grants, and (4) Education's information technology (IT) management controls. To do this, GAO reviewed relevant Education documents and interviewed Education program and management officials about strategic workforce management, IT, contracts, and Pell Grants.

## What GAO Recommends

GAO recommends that Education take steps to better estimate workloads; strengthen safeguards over its performance management system; properly implement established contract monitoring guidelines; and improve its management controls over IT resources. Education generally agreed with our recommendations.

View [GAO-11-194](#) or key components. For more information, contact George A. Scott at (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov).

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## DEPARTMENT OF EDUCATION

### Improved Oversight and Controls Could Help Education Better Respond to Evolving Priorities

## What GAO Found

Education faces challenges in managing expanded responsibilities and evolving program priorities. In recent years Education has faced a large increase in the amount of grant funding and programs that it is responsible for managing. Education's annual budget increased by nearly 36 percent in real terms between fiscal years 2000 and 2008, and Congress authorized additional funds under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Education will be further challenged to administer additional competitive programs under the Recovery Act, and current legislative proposals may shift additional programs to competitive award processes. This new emphasis on competitive programs may change job requirements for grants managers and increase demands on staff to monitor these programs.

Education has improved its strategic workforce planning and performance management systems, but lacks workload data and sufficient oversight of performance standards and appraisals. Education has addressed many key elements of effective strategic workforce planning identified by GAO. However, a lack of reliable data on workload has limited the ability of the agency to accurately estimate resource needs and inform workforce planning efforts. Education has recently made improvements to its performance management system, but the system lacks sufficient oversight to ensure that performance standards and appraisals are consistent across the department.

Education has developed overall guidance directed at maintaining financial accountability over two of its challenging resource management areas—contract monitoring and Pell Grants. However, Education has not yet developed and implemented detailed procedures for all control activities essential to ensuring that its contract monitoring policy directives are effectively carried out, including conducting supervisory reviews and documenting contract monitoring activity. Such deficiencies impair Education's ability to maintain effective financial accountability over its significant contract resource investment. GAO's review of internal controls over its Pell Grants program did not identify any flaws in their overall design.

Education has developed key IT management controls, but still faces challenges with planning and investment management. Education has developed an information resources management strategic plan as required, but did so prior to the development of an updated department strategic plan, and without incorporating the IT goals from other key planning documents. In addition, Education has established controls to evaluate its IT investments, but has not conducted postimplementation reviews as required. Education has taken steps to improve IT security and privacy, but is still working to address a 2009 recommendation by the Education Office of the Inspector General about implementing appropriate security controls.