

GENERAL SESSION #B021

OIG Audits of Federal Student Aid Programs and Operations

Jeffrey Nekrasz, Kristin Reinhard, and Jack Sauer

U.S. Department of Education

2023 FSA Training Conference for Financial Aid Professionals



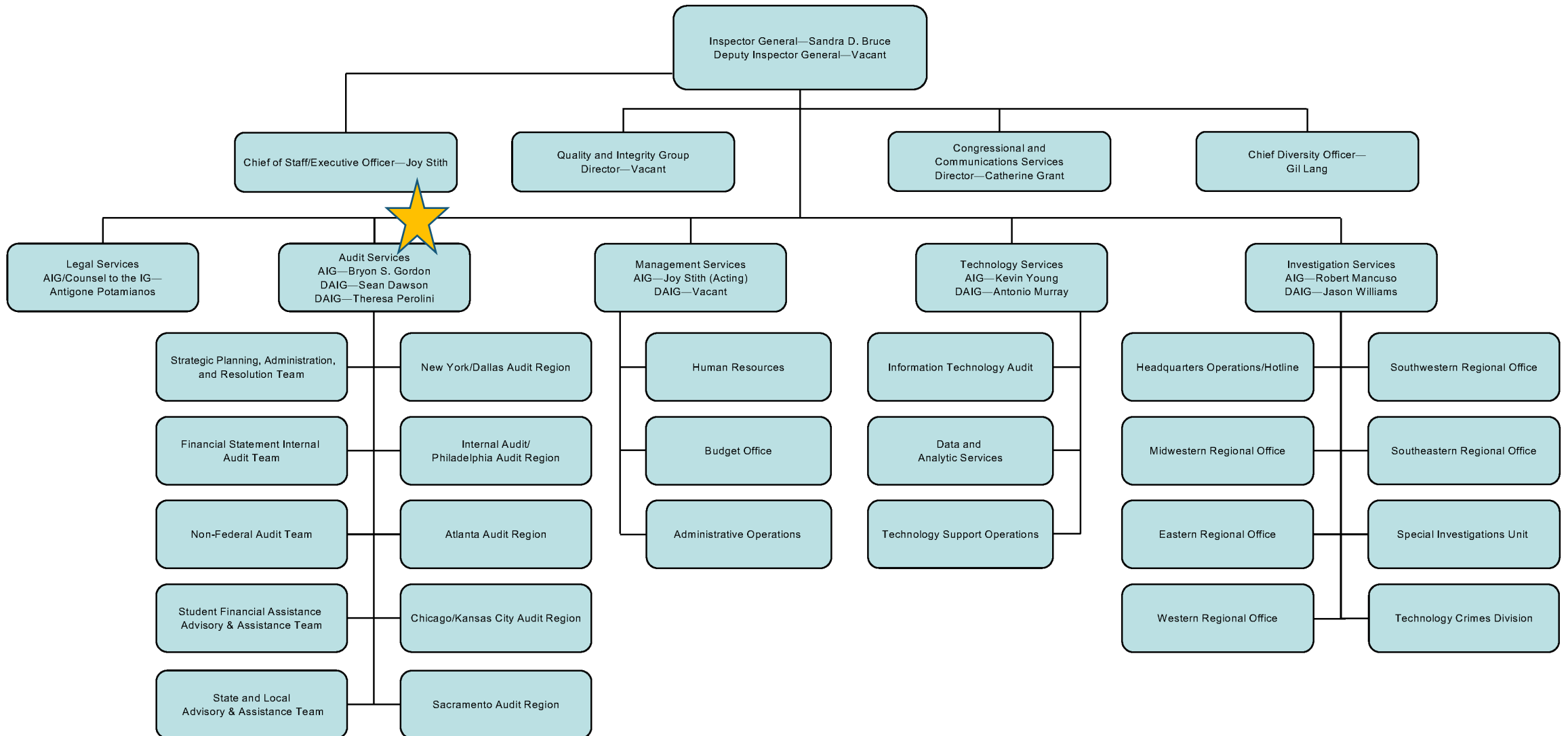
AGENDA

1. Overview of OIG Audit Services
2. Management Challenges Facing the Department
3. OIG's Annual Work Plan
4. Reviews of FSA's Operations
5. Reviews of Institutions' Administration of Title IV Programs
6. Reviews of the Department and Institutions' Administration of the HEERF and Emergency Assistance Programs

FEDERAL INSPECTORS GENERAL

- The [IG Act](#) authorizes each OIG to—
 - Conduct and supervise audits and investigations relating to its agency's programs and operations.
 - Provide leadership, coordinate, and recommend policies for activities designed to promote economy, effectiveness, and efficiency in the agency's programs and operations; and to prevent and detect waste, fraud, and abuse in the agency's programs and operations.
 - Keep its agency head and Congress informed of problems and deficiencies in the agency's programs and operations and on the status of corrective actions.

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



MANAGEMENT CHALLENGES

- Under statute, the OIG is to [report annually](#) on the most serious management and performance challenges the Department faces.
- FY 2023 management challenges:
 1. Implementing pandemic relief laws
 2. Oversight and monitoring
 3. Data quality and reporting
 4. Information technology security
 5. Improper payments

ANNUAL OIG WORK PLAN

- OIG produces an [annual work plan](#) presenting the initiatives and priorities we intend to undertake to assist the Department in fulfilling its responsibilities to taxpayers and students.
- Work plan based on:
 - Assessment of risk to the Department's programs and operations
 - Input from the Department, Congress, and OMB
 - Management challenges

ONGOING AND PLANNED WORK

- Ongoing
 - FSA's Transition Plans for Business Process Operations (BPO) Vendors
 - FSA's Student Aid and Borrower Eligibility Reform (SABER) Initiative
 - FSA's Monitoring of Returning Borrowers to Repayment
 - FSA's Oversight of Contractor's Acceptability Review Process for Proprietary Institution Annual Audits
 - Schools' Compliance with Career Pathway Program Requirements
- Planned
 - FSA's Oversight of Reporting Requirements for Foreign Gifts and Contracts
 - Department's Assessment and Recoupment of Liabilities from Closed Colleges
 - Implementation of FSA's Unified Servicing and Data Solution (USDS)
 - Department's compliance with the Payment Integrity Information Act

FSA' IMPLEMENTATION OF CARES ACT

- FSA's Suspension of Involuntary Collection in Response to the Coronavirus Pandemic
- FSA's Processes for Waiving R2T4 Requirements, Cancelling Borrowers' Obligation to Repay Direct Loans and Excluding Pell Grants from Pell Lifetime Usage
- FSA's Implementation of CARES Act Flexibilities for Teacher Education Assistance for College and Higher Education (TEACH) Grant Service Obligations

FSA'S OVERSIGHT AND REPORTING

- Oversight of the Heightened Cash Monitoring (HCM) Payment Methods
- Oversight and Reporting of Proprietary Institutions' 90/10 Revenue Information
- Compliance with Experimental Sites Initiative Reporting Requirements

REVIEWS OF INSTITUTIONS' ADMINISTRATION OF TITLE IV PROGRAMS

- Use of Professional Judgment
 - University of Southern California (August 2023)
 - Bais HaMedrash and Mesivta of Baltimore (March 2022)
 - National Aviation Academy of Tampa Bay (September 2021)
- Controls Over Reporting Clery Act Crime Statistics
 - University of Texas at San Antonio (November 2020)
 - University of North Georgia (September 2020)

REVIEWS OF INSTITUTIONS' ADMINISTRATION OF TITLE IV PROGRAMS

- Compliance with Federal Verification and Reporting Requirements
 - The University of Southern California (February 2020)
 - South Florida Institute of Technology (September 2019)
 - DeVry University (August 2019)
 - University of Houston (November 2018)
 - College of Southern Nevada (November 2018)
 - MiraCosta College (November 2018)

DEPARTMENT OVERSIGHT OF HIGHER EDUCATION EMERGENCY RELIEF FUND

OFFICE OF POSTSECONDARY EDUCATION (OPE)

OPE administers more than 60 programs intended, in part, to increase access to quality postsecondary education. OPE's Emergency Response Unit (ERU) is responsible for administering and overseeing the HEER fund program.

- HEER Fund Reporting Requirements (February 2021)
- OPE's Oversight of HEER Fund Grants (June 2022)
- Duplicate HEER Fund Grant Awards (June 2022)
- HEER Fund Audit Resolution Activities (Ongoing)

IHE'S USE OF HIGHER EDUCATION EMERGENCY RELIEF FUND GRANTS

IHE USE OF HEER FUND REPORT THEMES

Schools should adequately document student eligibility determinations, only charge only costs incurred during the period of performance, use competitive procurement processes when required, update policies and procedures as necessary, minimize the time between drawing down and disbursing funds, and ensure that any excess funds are maintained in interest-bearing accounts.

- Lincoln College of Technology (September 2021)
- Remington College (September 2021)
- University of Cincinnati (January 2023)

EMERGENCY ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

ALLOWABLE COSTS

Schools should ensure that they use grant funds only for those activities authorized under applicable law.

Gulf Coast State College

- Gulf Coast used about \$1.8 million in 2019 Emergency Assistance program funds for activities that were not allowable in accordance with Federal requirements.
- \$1.7 million in Emergency Assistance program funds used for lost tuition revenue were not authorized under the Additional Supplemental Appropriations for Disaster Relief Act, 2019.
- Gulf Coast identified these uses of funds in a revised budget for its Emergency Assistance grant and provided an analysis related to lost tuition revenue to the Department, who approved the revised budget.

Contact Us:

Jeffrey Nekrasz at Jeffrey.Nekrasz@ed.gov

Kristin Reinhard at Kristin.Reinhard@ed.gov

Jack Sauer at Jack.Sauer@ed.gov

OIG Hotline at 1-800-MIS-USED (1-800-647-8733)

Additional information and reports at <https://oig.ed.gov/>

