"We Help Put America Through School"

Electronic Audited Financial Statements (e-Audits) & Compliance Reports

Project Kickoff

January 16, 2002

Agenda

- ❑ Introductions
- ❑ Opening Remarks – Victoria Edwards
- ❑ The Mission - The Problem & Proposed Solution
- ❑ Identification of Key Stakeholders
- ❑ Project Organization
- ❑ The Implementation Plan
- ❑ Q & A / Next Steps

Introductions –
Internal Stakeholders & Key Players

- **SFA** *(Remove? - DRCC, Case Management, PIP, ED OIG, Policy & Oversight / Audit Resolution)*
  - Communicate Goals
  - Players (Who's Here)
  - Plan
  - Expectations
  - Request Support

- **Modernization Partner**
  - Implementation – Management, Process Definition, Design and Build

- **IV&V, Security and other Support / Infrastructure Organizations**

- ***External Stakeholders will be joining us at a later date***

  (Auditors, Schools , NACUBO, OMB, AICPA, FAC – Census, CCA, ACICS, ACCSCT, SEC)

Opening Remarks

Victoria Edwards

- Recognition
- Importance
- Commitment

“Mad Dog” Results

Preliminary assessments and recommendations were performed in early and mid 2001.

- Project Feasibility Examined
  - Scope – high level expectations
  - Effort and Cost
  - Schedule
- Business Case Developed
- Investment Review Board (IRB) funding approval

Project Mission

Examine existing e-Audits & Compliance Report business processes in light of identified SFA PBO Objectives

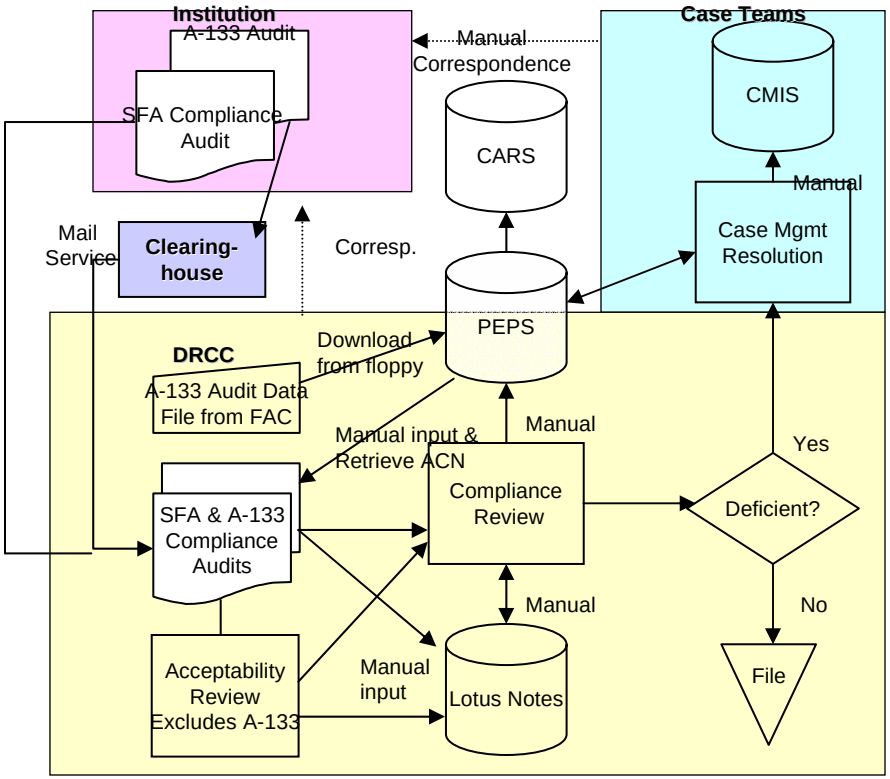
- ❑Improved Title IV Program Integrity
- ❑Improved Customer Satisfaction
- ❑Increased Employee Satisfaction / Morale
- ❑Decreased Unit Costs

Objectives

- **What are the e-Audits business drivers?**
  - A manual process for more than 13,500 documents each year
  - 2-4 copies made and handled of each document
  - Reports sometimes lost and additional copies requested from Schools
  - Current business rules force a “check-the-checker” type operation
  - Backlogs created at peak times slow down resolution process

- **What is e-Audits trying to do?**
  - Create a paperless single point of receipt for financial and compliance reports through the web.
  - Integrate business rules for automated screening
  - Design an application to provide for managing workflow, automate certain repetitive tasks and provide electronic record of school filing

Current Process Details

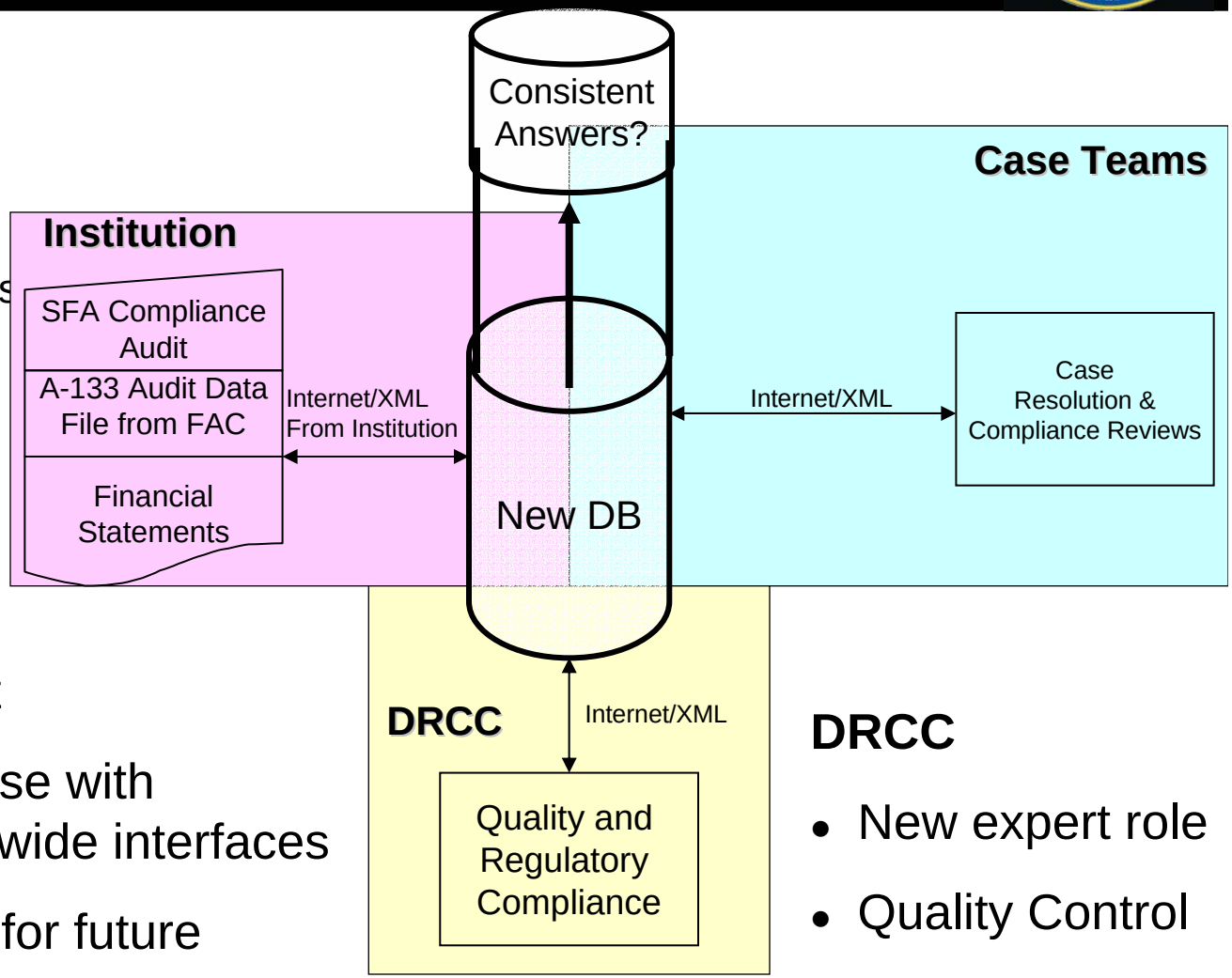


- 13,500 documents coming in annually
- Two separate review processes
- 6 people minimum touch each document
- 3-4 reviews in DRCC
- 4,000 go to Case for resolution
- Over 9,000 reports have no deficiencies
- Manually inputting data from paper
- Copied and mailed to Case Teams
- Rechecking calculations
- 1,200 ft^2 of storage space needed
- Separate copies kept in regions

The e-Audits Proposed Solution

User Interface:

- Web-based application preferred by customers.
- Open-Text or Accorde considered for Web forms



Application / Database:

- Workflow management
- Application and database with appropriate enterprise-wide interfaces
- Reusable components for future requirements

DRCC

- New expert role
- Quality Control

e-Audits – Who Benefits and How

- **Schools**

  No longer submit paper copy to SFA and must learn to use a web interface

- **Auditing Firms**

  Electronically verify accuracy of data submission through web (similar to HUD)

- **Document and Receipt Control Center** (DRCC)

  Change in role from checker to quality control and compliance update

- **Case Teams**

  New workflow process and methods to allocate resources and streamline current resolution processes

- **Federal Audit Clearinghouse**

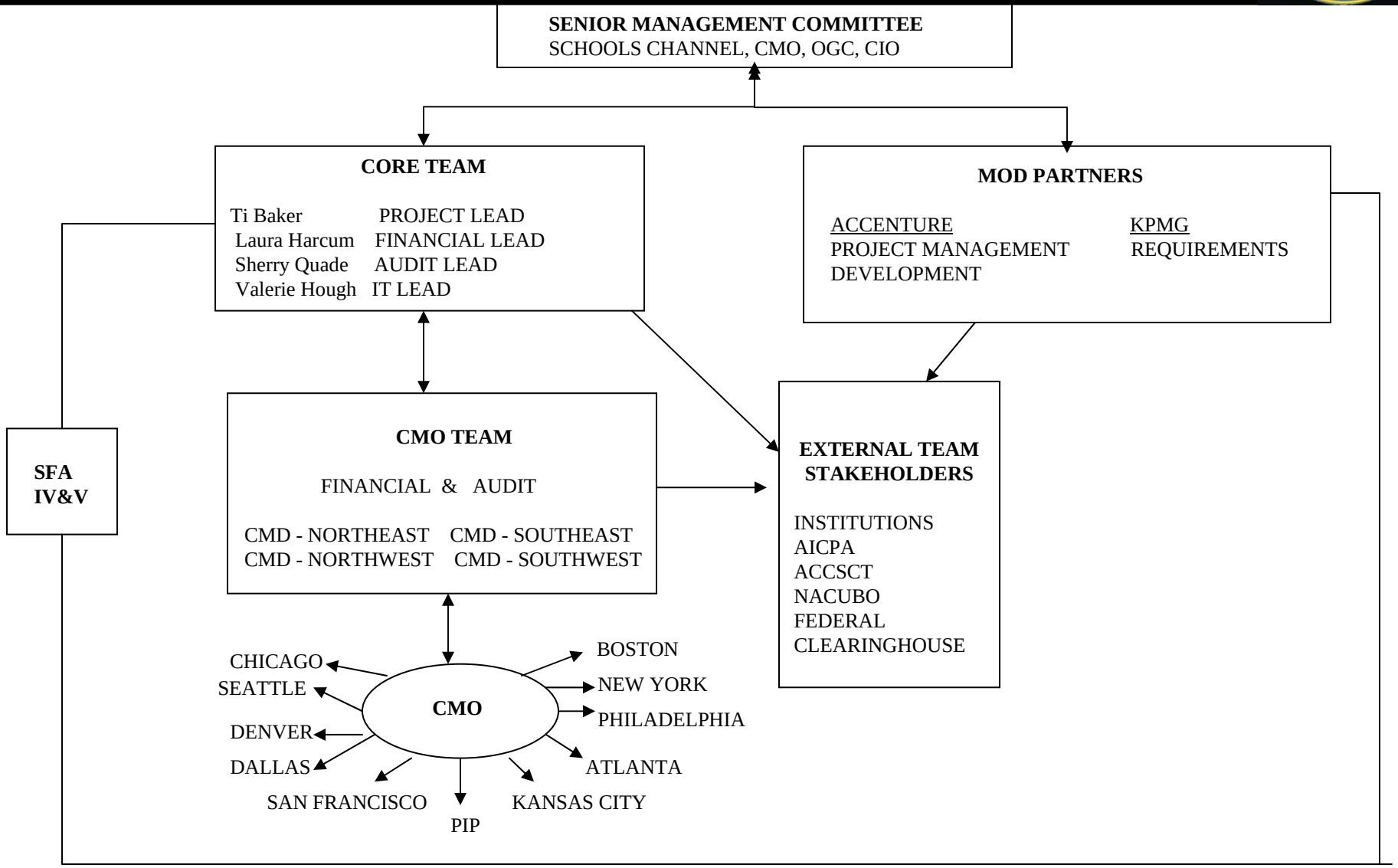
  Reduced role for processing A-133 audits for SFA

e-Audits Benefits - Details

- **What are the benefits to customer satisfaction?**
  - Immediate acknowledgment upon submission, feedback, and retrieval
  - Reduced paper and mailing costs
  - Consistency in correspondence
  - Integrate with other SFA systems using common process

- **What are the benefits to employee satisfaction?**
  - Improved and efficient access to audit data regardless of location
  - Reduced backlog of reviews
  - Improved ability to accurately identify late audits
  - Enhanced reporting capability
  - Improved responsiveness

e-Audits Organization

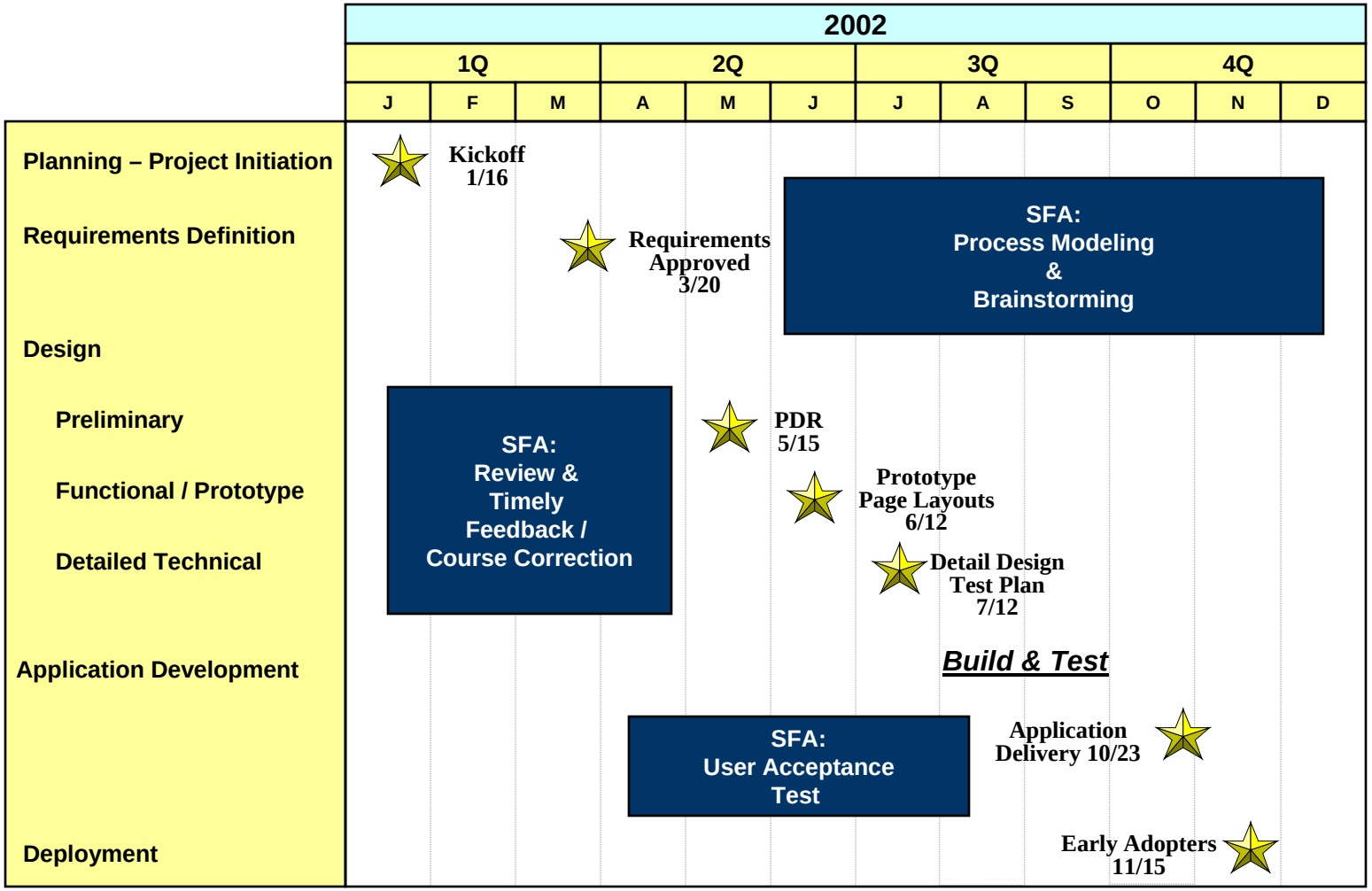


e-Audits – How and When

Gene Murphy

e-Audits – Timeline & Participation / Roles

1/16/2002



Communication

- **All (to include External Stakeholders)**
  - Quarterly status updates / program reviews

- **Core Team Members**
  - E-project – a tool provided by Mod Partner to allow for secure web access of all pertinent working files
    - Workplans
    - Issues / Risks
    - Status
  - Weekly Status Meetings

- **Internal Stakeholders**
  - Intranet access to key documentation provided by Ed
  - Monthly Bulletins

Next Steps

- *Randy / Gene to insert next steps, touchpoints.*
- *What can this group expect over the next 30-90 days.*
- *List key phone and e-mail contacts – Randy, Ti, Laura, Valerie, Gene, Bob, Jamel (too many, others?)*