

TO: Secretary Riley
FROM: COO Greg Woods
OSFA
RE: Weekly Report
DATE: December 5, 2000

PRINCIPAL OFFICE'S WORK ON PRESIDENTIAL INITIATIVES

Nothing to report.

OFFICIAL'S ACTIVITIES

- **Access America For Students:** As Chairman of the AAFS Steering Committee, COO Greg Woods will preside over a meeting of the Committee on December 7, 2000, at the White House Conference Center.
- **Electronic Access Conference:** Chief Operating Officer Greg Woods will deliver the opening remarks at the third and final EAC's on December 12, 2000, in Phoenix, Arizona. He will also lead a Town Hall Meeting while at the Conference and convene a meeting on electronic identification.
- **California Association of Student Financial Assistance Administrators:** Chief Operating Officer Greg Woods will deliver remarks at CASFAA's annual conference in San Diego, California, on December 17, 2000.

DEPARTMENT NEWS

GAO Issued Final Report on Agencies' Use of Performance Agreements: The General Accounting Office (GAO) issued its final report, *Management for Results: Emerging Benefits from Selected Agencies' Use of Performance Agreements*. The House Committee on Government Reform requested that GAO review federal agencies that have begun to use performance agreements to align executive performance expectations with organizational goals. SFA was selected to be included in this review because the chartering legislation requires it to use performance agreements (VHA and DOT were included in the review because of their experience in using performance agreements). As the title suggests, the report is positive and includes no audit recommendations.

GAO found that all of the agencies used results-oriented performance agreements with their senior political and career executives to define accountability for specific goals and objectives, monitor progress, and contribute to performance evaluations. Although each agency tailored its performance agreements to reflect its individual mission and goals, common benefits emerged from their use. GAO noted that though SFA is in the early stages of implementing its performance agreements, officials stated that they believe the concept is effective and worth replicating at lower levels of the agency and have begun to take preliminary steps to achieve this goal.

GAO Issued Report on Government Wide Review of Improper Payments: The General Accounting Office (GAO) issued its latest review of improper payments based on agencies fiscal year 1999 financial statements (original review was based on agencies' fiscal year 1998 financial statements). In GAO's view, improper payments include payments that should not have been made or were made for incorrect amounts irrespective of whether the agency had effective controls in place. As was the case last year, GAO generally confined its critique to the 12 of the 24 CFO Act agencies reporting improper payments. However, as it did last year the report included a paragraph reference to the Department of Education-- citing the Department's student financial assistance programs as a source of improper payments. GAO points out that the student financial assistance programs have been designated as high risk since 1990.

IG Entrance Conference for "Cookies" Audit: The entrance conference is scheduled for December 8, 2000. The audit concerns ED's compliance with the Treasury and General Government Appropriations Act of 2001. This act specifies that the OIG has 60 days from the date of enactment to review and report on the Department's collection or review of singular data or the creation of aggregate lists that include personally identifiable information about individuals who access any Internet site. Also, it specifies the need to disclose ED's agreements with third parties to collect, review, or obtain such information. The IG is preparing for the audit now so that it can ensure it meets the 60-day time period. The IG has requested the following information: (1) a complete list of cookies used by ED; (2) the "definition" for each cookie; (3) the code that identifies the cookies; and (4) how the information obtained by these cookies is used. OCIO has the lead on this office; IRD has coordinated SFA participation.

CONGRESSIONAL TESTIMONY

Nothing to report.

LEGISLATIVE ACTIVITY

Nothing to report.

REPORTS

Nothing to report.