

Why GAO Did This Study

In fiscal year 2015, Education awarded more than \$4 billion to over 7,000 grantees through some 80 discretionary grant programs. Over the past decade, GAO and Education's Inspector General identified various grants management and oversight challenges, including effectively monitoring grantee performance. GAO was asked to examine Education's oversight of its discretionary grants.

This report examines the extent to which Education: (1) consistently applied its discretionary grant monitoring policies, and (2) identified and shared across the department information about the performance of discretionary grantees. GAO reviewed the grant monitoring practices of three of Education's seven principal offices, which together awarded more than 80 percent of discretionary grant funds in fiscal year 2015, according to GAO's review of Education data, the most recent data available. Additionally, GAO reviewed a randomly selected, nongeneralizable sample of 75 official grant files; analyzed federal and Education grants policies and procedures; and interviewed Education grant officials and nine randomly selected grantees.

What GAO Recommends

GAO recommends Education establish and implement detailed written supervisory review procedures for official grant files and develop guidance for grant staff on using the PAM Module to share information. Education substantially agreed with both recommendations and described the procedures and training it will provide to implement them.

View [GAO-17-266](#). For more information, contact Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov.

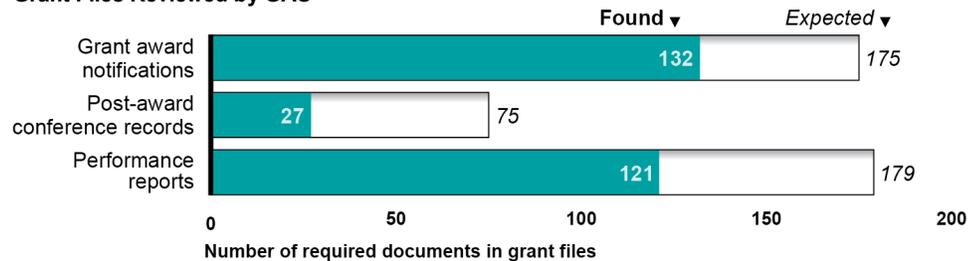
DISCRETIONARY GRANTS

Education Needs to Improve Its Oversight of Grants Monitoring

What GAO Found

U.S. Department of Education (Education) grant staff did not consistently document in the official grant files key required monitoring activities, according to GAO's review of a nongeneralizable sample of 75 discretionary grants. As a result, about \$21 million in discretionary grant funds lacked correct documentation of grantee performance in the official grant files GAO reviewed. Specifically, compared to Education's requirements for these files, almost all—69 of 75—were incomplete in terms of certain key documents (i.e., grant award notifications, post-award conference records, and annual performance reports) that should have been contained in them (see figure). Further, the three principal offices GAO reviewed—the Offices of Postsecondary Education, Elementary and Secondary Education, and Innovation and Improvement—have not established detailed written procedures for the supervisory review of official grant files, contrary to federal internal control standards, which call for entities to provide reasonable assurance that internal control objectives, such as grant monitoring, are achieved and clearly documented. By developing and implementing detailed supervisory review procedures for official grant files, Education would be better positioned to ensure the proper stewardship of its discretionary grants.

Required Key Monitoring Documentation Found in the 75 Education Discretionary Official Grant Files Reviewed by GAO



Source: GAO analysis of U.S. Department of Education (Education) official grant files. | GAO-17-266
 Note: Number of documents expected is based on Education's grant oversight policies.

Education spent about \$700,000 to develop features within the Post-Award Monitoring (PAM) Module of its grants management system that allow staff to, for example, identify and share performance information to a central location, but it has not developed guidance on its effective use by grant staff working across programs and offices. Education described several ways staff share performance information, but according to a review of official grant files and interviews with Education officials, GAO found that staff rarely used PAM to disseminate information about grantee performance, such as notable results achieved in specific grant projects. Additionally, while Education officials said they offer staff training on PAM, they have not developed guidance to clarify use of features related to grantee performance. Federal internal control standards call for pertinent information, such as grantee performance information, to be identified, captured, and distributed in a form and time frame that permits people to perform their duties efficiently. Absent guidance on how to effectively use PAM Module features to share information about grantee performance, Education will likely not be able to achieve the full potential benefits of its grants management system.