



AUDIT PLAN

FISCAL YEAR 2014



THE LIBRARY OF CONGRESS
OFFICE OF THE INSPECTOR GENERAL



Cover: A large marble mosaic of the Minerva of Peace, by Elihu Vedder, stands at the top of the short staircase from the Great Hall to the Visitors Gallery overlooking the Main Reading Room of the Library's Thomas Jefferson Building.



OFFICE OF THE INSPECTOR GENERAL

ANNUAL AUDIT PLAN

FISCAL YEAR 2014

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INTRODUCTION AND DEFINITIONS

This plan identifies the audits of Library of Congress (Library) programs, operations, and financial activities that the Office of the Inspector General (OIG) anticipates conducting. A one-page description of each assignment is included after the summary pages for new (beginning on page 8) and carryover (beginning on page 34) projects. The descriptions provide an overview of the audit topic, identify the type of audit planned or in progress, and indicate the objectives of the engagement. New projects are expected to begin in fiscal year (FY) 2014. Carryover audits are those that are in progress at the beginning of FY 2014. Given our limited resources, mandatory financial statements audits, and the extensive time required to conduct audits, this plan is ambitious; accordingly, we have prioritized the audits. We may also conduct reviews that do not appear within this plan as priorities are reevaluated during the year.

In the overviews, we refer to relevant Library strategic goals that correspond to the audit described. For your reference, the mission, goals, and outcomes contained in the Library of Congress Strategic Plan, Fiscal Years 2011-2016, are summarized on pages 3 and 4.

We conduct the following types of reviews:

Attestation Engagements—Evaluations to examine, review, or apply agreed-upon procedures and report on a subject matter or an assertion about a subject matter that is the responsibility of Library management. An assertion is any declaration about whether a subject matter is based on or in conformity with the criteria selected. The subject matter of an attestation is likely more limited than that of an audit and could take several forms including: historical or prospective performance or condition, historical events, physical characteristics, analyses, systems and processes, or behavior. An attestation may involve projections of asset losses based on sampling, assertions made in a cost/benefit or breakeven analysis, validation of performance against performance measures, compliance with particular laws or regulations, evaluation of specific internal controls, or analysis of human resources issues. Some of the new audits identified in this document may be performed as attestations instead of audits. We will notify managers of any such change in an engagement memorandum before beginning the review.

Financial Audits—Assessments to provide reasonable assurance about whether the financial statements of an entity present fairly the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles or other comprehensive basis for accounting.

INTRODUCTION AND DEFINITIONS

Nonaudit Services—Professional services, other than audits and attestation engagements, which may support operations or gathering, providing, and explaining information requested by decision makers. These services may also involve providing advice or assistance to Library managers without necessarily drawing conclusions, or making recommendations. Auditors are cautious when performing nonaudit services because providing them may jeopardize the independence required to subsequently audit that area. Nonaudit services in the private sector are known as consulting services.

Performance Audits—Assessments of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision making by parties with responsibility to oversee or initiate corrective action. These audits may focus on economy, efficiency, and/or program results and include the acquisition, utilization, and security of information technology resources.

THE LIBRARY’S STRATEGIC PLAN FY 2011–2016: SUMMARY

The Library’s mission is to support the Congress in fulfilling its constitutional duties and to further the progress of knowledge and creativity for the benefit of the American people.

For FY 2008 and beyond, the Library adopted a new planning process which includes participation and input from key stakeholders at every interval in the development of the strategic plan. As compared to the Library’s previous strategic plan, this one greatly reduces the number of goals. Simultaneously, the plan implements achievable, results-oriented, measurable goals – the key to any realistic strategic plan. In its FY 2011 strategic plan, the Library articulated five key strategic goals it intends to address: *authoritative research; acquisition, preservation, and access to collections; copyright system; external communities; and proactive management.* For each of these, the Library focuses on specific, measurable, achievable, relevant, and timely outcomes.

Authoritative Research: Provide Authoritative Research, Analysis, and Information to the Congress

- Outcome 1: Products and services align to the Congressional agenda.
- Outcome 2: Products and services are provided in a timely and effective manner.

Collections: Acquire, Preserve, and Provide Access to a Universal Collection of Knowledge and the Record of America’s Creativity

- Outcome 1: Needed items are obtained for the collections.
- Outcome 2: The preservation status of the collections is continually improving.
- Outcome 3: Users can easily access the full breadth of the Library’s collections.

Copyright: Sustain an Effective National Copyright System

- Outcome 1: Expanded leadership on copyright education and analysis.
- Outcome 2: Timely, accurate, accessible public record of copyright registration, ownership, and licensing.
- Outcome 3: Effective administration of statutory licenses.

THE LIBRARY'S STRATEGIC PLAN FY 2011-2016: SUMMARY

External Communities: Lead and Work Collaboratively with External Communities to Advance Knowledge and Creativity

- Outcome 1: The Library actively seeks collaborative opportunities to meet common goals.
- Outcome 2: The Library is sought out for leadership and expertise.

Proactive Management: Manage Proactively for Demonstrable Results

- Outcome 1: Infrastructure optimally supports accomplishment of the Library's strategic goals.
- Outcome 2: Integrate planning and decision-making, build transparency and accountability, and set program priorities.
- Outcome 3: Library-wide performance management processes set clear priorities and deliver results-oriented information.
- Outcome 4: Innovation is systematically promoted and implemented across the Library.

NEW PROJECTS

Staff	Name	Priority	Anticipated Start Date	Page
	Contracts - Selected Reviews/Bid Protests	Medium	3 rd Quarter	9
	Overseas Offices' Internal Control Reviews	Medium	1 st Quarter	10
	Testing the Information Tech. Continuity of Operations Plan	High	1 st Quarter	11
	Landover Center Annex	Medium	3 rd Quarter	12
	Plans for a New Multi-purpose Facility	Medium	3 rd Quarter	13
	NLS Facilities	Medium	1 st Quarter	14
	African and Middle Eastern Division	Medium	TBD	15
	Duplication of Support Services	Medium	3 rd Quarter	16
	Travel	Low	TBD	17
	Suspension and Debarment Program	Low	TBD	18
	Information Technology Development	Medium	1 st Quarter	19
	Strategic Sourcing	Medium	1 st Quarter	20
	Verification of the Top Treasures and Other Collections	Low	TBD	21
	FY 2013 Library Financial Statements	Mandatory	1 st Quarter	22
	FY 2014 Financial Hosting Environment	Mandatory	4 th Quarter	23
	FY 2013 Open World Leadership Center Financial Statements	Mandatory	1 st Quarter	24
	Revolving Gift and Trust Funds (Selected Reviews)	Low	TBD	25
	Center for Learning and Development	Low	TBD	26
	Acquisitions & Bibliographic Access	Medium	3 rd Quarter	27
	Interpretive Programs Office	Low	TBD	28

NEW PROJECTS

Name	Priority	Anticipated Start Date	Page
Development Office	Low	TBD	29
eDeposit	High	1 st Quarter	30
Analog Collections Access	Medium	1 st Quarter	31
Collections Policy Management	High	1 st Quarter	32
Project Management Accounting	Medium	3 rd Quarter	33

CARRYOVER PROJECTS

Name	Anticipated Completion Date	Page
FY 2013 Financial Hosting Environment	1 st Quarter	35

NEW PROJECTS: DETAIL

Audit Name Contracts - Selected Reviews/Bid Protests

Activity Description It is the Library’s policy to follow the Federal Acquisition Regulation (FAR) in the procurement of goods and services unless a deviation from the FAR is determined to be in the Library’s best interest. The Chief of the Office of Contracts is responsible for ensuring that Library procurements are efficiently and effectively executed, and are processed according to the Library’s acquisition policy. In some cases, unsuccessful bidders protest when contracts are awarded to competing bidders. This sometimes causes significant delays in the contracting process, and consequently in successful operations of the Library. In other cases, the pressure to obligate funds before they expire causes the misuse or avoidance of budget reallocation procedures and contracting officers award contracts which lack adequate justification.

Audit Type and Objectives The objectives of this performance audit include (1) specifically identifying Library-acquired goods and services by categories, and using that data to select and thoroughly examine a sample of acquisitions for their conformance to applicable policy and regulations, (2) examining a selected sample of moderate- and/or low-cost acquisitions to evaluate the sensibility of the purchase decisions, (3) examining a selected sample of contracts for which the awards were protested to determine if there were avoidable risk factors inherent in the contracts’ solicitation and award processes, and (4) examining a selected sample of acquisitions, for which contracts were awarded in the last quarter of the fiscal year, to determine whether budget reallocation procedures were properly followed when applicable, and whether the awarded contracts were adequately justified.

Related Strategic Plan Goals and Strategies This audit supports the Goal on managing proactively to achieve demonstrable results, and contributes to various Outcomes and Strategies related to this Goal.

Importance/Justification The ability to efficiently, effectively, and responsibly contract for goods and services is essential for the successful execution of the Library’s mission. Accordingly, it is critically important to identify and examine issues which may be detrimentally affecting that ability, and promptly implement appropriate actions to address those matters.

<i>Audit Name</i>	Overseas Offices' Internal Control Reviews
<i>Activity Description</i>	Properly managing Library assets requires managers to minimize the risks of fraud, waste, abuse, and mismanagement that threaten an asset's purpose or existence. Internal control procedures must be actively applied and continuously evaluated to ensure that assets are adequately protected. In prior reviews, we found several internal control weaknesses affecting three of the Library's overseas offices.
<i>Audit Type and Objectives</i>	These internal control reviews are part of our continuing effort to be proactive in the Library's management activities. They will be conducted as attestations. The principal objective is to determine whether Library offices overseas have basic internal controls in place to protect the offices' assets by employing self-assessing questionnaires completed by responsible officials. Information will be collected and evaluated through a questionnaire based on the Government Accountability Office's (GAO) <i>Standards for Internal Control in the Federal Government</i> , among other references. The questionnaires focus on the management of payroll, purchasing, time and attendance, petty cash, and other areas. The Library's Internal Control Program assessments will be considered during this audit.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to this Goal.
<i>Importance/Justification</i>	Internal controls are a major part of managing an organization. They provide the first lines of defense in safeguarding an organization's assets. When properly implemented, internal controls prevent and detect fraud and help Library managers of overseas offices achieve desired results for their programs with minimal, if any disruptions.

<i>Audit Name</i>	Testing the Information Technology Continuity of Operations Plan
<i>Activity Description</i>	The Library’s Information Technology Continuity of Operations Plan (IT COOP) describes the required functions and procedures for continuing support of the Library’s critical IT systems, operations, and services in the event that the Library’s Data Center, or any IT systems supported by Information Technology Services (ITS) are unavailable or a shut-down is required. Among other things, the IT COOP calls for preparation of test plans for individual sections, periodic testing of all sections, and for test plan scenarios to mimic reality as closely as possible. IT COOP testing is performed as a table-top, walk-through, or functional (simulated event) exercise.
<i>Audit Type and Objectives</i>	This performance audit will determine whether (1) test plans are prepared for all sections of the IT COOP, (2) IT COOP tests are performed at plan-specified intervals, and (3) changes are made to the IT COOP in response to shortcomings brought to light through test exercises.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to this Goal.
<i>Importance/Justification</i>	IT COOP procedures must be periodically validated and exercised to ensure that equipment and procedures used at the Capitol Hill and Alternate Computing Facility data centers are maintained in a constant state of readiness and work as required. Moreover, IT COOP personnel must be familiar with and understand the procedures they may have to execute in the event of an emergency. IT COOP testing provides personnel named in the plan the opportunity to practice emergency procedures described in the plan, while validating the accuracy and currency of the same.

Audit Name Landover Center Annex

Activity Description Originally leased by the Library of Congress in 1975 as an intended temporary facility until the Madison Building was opened, the Landover Annex in Maryland is a multi-purpose facility still under lease and housing logistics, receiving, collections and general storage, as well as copyright deposits. The Landover Annex provides 313,800 square feet of space including 165,000 feet of collections storage despite the Architect of the Capitol’s assessment that environmental conditions are unacceptable for the storage of collections and general inventory. Approximately 93,000 square feet is devoted to Integrated Support Services warehouse operations. The Library paid \$2.76 million in lease costs in FY 2012, and approximately \$51 million over the life of the lease.

Audit Type and Objectives This performance audit will evaluate annex security, safety, environmental conditions, and inventory management. With delays in funding for the Fort Meade collection storage modules, the Landover Annex has become a critical staging area for collection materials destined for the Library’s Fort Meade purpose-built modules. As long as the funding moratorium continues, efficient management of space at Landover is critical to the Library. Therefore, we will assess compliance with general storage controls and the bona fide needs rule to assure that the Library can maximize space for storing collection materials.

Related Strategic Plan Goals and Strategies This audit supports the Library’s goal of managing proactively for demonstrable results by assuring Library infrastructure optimally supports accomplishment of the Library’s Goals. It also directly supports the Library’s Goal of acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity.

Importance/Justification Despite funding limitations and critical collection storage shortages, the Library continues to acquire collection materials to sustain its mission. Library management must maximize available storage space within existing facilities to accommodate and preserve the flow of new collection materials.

<p><i>Audit Name</i></p>	<p>Plans for a New Multi-purpose Facility</p>
<p><i>Activity Description</i></p>	<p>During FY 2013 we conducted a survey of the Library’s facilities to identify facility-related issues requiring audit fieldwork. During that survey we learned that the Library was developing plans to build or lease a multi-purpose logistics center (MPLC) housing three significant Library programs and support operations: the Integrated Support Services Logistics Center, Copyright, and the National Library Service for the Blind and Physically Handicapped (NLS). At the conclusion of our survey, planning for the MPLC was incomplete. We were advised that the Library would restart planning in FY 2014 with updated operating requirements and an impending decision point for exercising the lease renewal option for NLS’s current location, the Taylor Street Annex. However, at the request of the Register of Copyrights the Library intends to revisit the merits of including copyright deposits in the updated plan.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This review will follow the Council of the Inspectors General on Integrity and Efficiency’s <i>Quality Standards for Inspection and Evaluation</i>. We will review and assess the completeness of Library management’s decision-making for the MPLC, including each resident program/operation’s requirements and the related cost benefit analysis.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This review supports the Library’s goal of managing proactively for demonstrable results by assuring Library infrastructure optimally supports accomplishment of the Library’s Goals.</p>
<p><i>Importance/Justification</i></p>	<p>This project will assure that Library management applies fundamental best practices in the management of its assets. Specifically, efficient and economical operation of its facilities. Additionally, it will ensure the reasonableness of the operating requirements management uses in its assessment of building alternatives and the adequacy of their cost benefit analysis.</p>

<p><i>Audit Name</i></p>	<p>NLS Facilities</p>
<p><i>Activity Description</i></p>	<p>The Library’s National Library Service for the Blind and Physically Handicapped (NLS) administers a national library program of digital audio and braille reading materials for individuals who are blind, visually impaired, and/or physically handicapped. About 150 to 200 NLS staff manage and administer this program at a facility on Taylor Street in Washington, DC. The Library leases the facility from the General Services Administration (GSA), and the current lease runs through January 2016. The Taylor Street facility is 88,630 square feet and in FY 2012, the Library paid approximately \$1.7 million to GSA to lease the facility.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This performance audit will assess management controls for building security, environmental conditions, safety, and inventory management. Our review will include evaluating the adequacy of policies and procedures for general inventory management and compliance with those procedures. The inventory review will also assess compliance with the bona fide needs rule. We will evaluate space management at the facility to assure management uses the most efficient space requirements when comparing facility alternatives.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to an important Strategy related to this Goal – the evaluation of effectiveness of Library-wide governance and performance management.</p>
<p><i>Importance/Justification</i></p>	<p>This project will assure that Library management applies fundamental best practices in the management of its assets. Specifically, efficient and economical operation of its facilities. Additionally, it will ensure the reasonableness of operating requirements management uses in its assessment of building alternatives.</p>

<i>Audit Name</i>	African and Middle Eastern Division
<i>Activity Description</i>	The African & Middle Eastern Division (AMED) manages geographical collections and provides reference and bibliographic services covering more than 70 countries and regions, from South Africa to Morocco to the Central Asian republics of the former Soviet Union. In most cases, materials written in the vernacular languages of these areas must be accessed through the AMED reading room.
<i>Audit Type and Objectives</i>	The objective of our performance audit is to determine whether AMED has adequate controls in place to protect its rare and valuable collection items and perform key management functions in compliance with Library policy. We will focus on compliance with internal controls designed to protect the collections, acquire and manage the collections, and conduct daily operations.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on acquiring, preserving, and providing access to a universal collection and the goal of managing proactively to achieve demonstrable results, and contribute to various Outcomes and Strategies related to these Goals.
<i>Importance/Justification</i>	Library Services' Collections and Services Directorate, the parent organizational component of AMED, represents budget outlays of more than \$80 million and 600 staff and is responsible for developing the Library's collections in almost all languages, subjects, and formats, and managing and securing storage of 145 million items. The divisions that comprise Collections Services also play a critical role in collections inventory control. We recently completed an audit of AMED's counterpart, the Asian Division, and made several recommendations to significantly improve accountability for collections materials and management of the Library's core functions. This audit is the second in a series of audits that will focus on stewardship of the Library's collections.

Audit Name Duplication of Support Services

Activity Description The Library is supported by an enabling infrastructure, which includes a variety of support services, including human resources, contracting and procurement, IT, facilities, mail, and others. Many Library offices have established their own internal counterparts to these support activities, often because the support activity provided by the Library did not meet their actual or perceived needs at various points in time.

Audit Type and Objectives This performance audit will assess the degree to which Library offices have established duplicative internal sources of support for various infrastructural types of activities, such as human resources, contracting, facilities design and maintenance, IT, and others.

Related Strategic Plan Goals and Strategies This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to an important Strategy related to this Goal – the evaluation of effectiveness of Library-wide governance and performance management.

Importance/Justification In times of diminishing budgets and requirements to do more with less, it is imperative that the Library streamline its operations and not duplicate functions found elsewhere. The size and scope of the Library enable it to achieve economies of scale when it comes to centralized support services. Other times, the internally established duplications of support services have resulted in increased cost and inefficiencies in operations.

<i>Audit Name</i>	Travel
<i>Activity Description</i>	Employee-performed travel is an important means through which official Library business is accomplished. It is Library policy for its employees to perform official Library travel according to the Federal Travel Regulation (FTR) promulgated by the GSA. Data maintained by the Office of the Chief Financial Officer (OCFO) indicates that Library employees took more than 1,000 trips during FY 2012 and spent about \$1.3 million. Employee travel must be approved in advance by the employee’s supervisor. To be reimbursable, trip expenses claimed by an employee must be allowable according to the FTR and approved by the two Library officers who provided advance approval for the trip.
<i>Audit Type and Objectives</i>	This performance audit will determine whether official travel performed by Library employees conforms to the FTR and other applicable requirements. Our work will include extensive sampling of employee travel documents to identify purposes of recent trips taken, and determine whether the trips were adequately justified. Our work will also include determining whether cost-saving alternatives to travel, such as video conferencing, telephone calls, and e-mail, were seriously considered by the employee and the supervisor before approvals were provided for employee trips.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to this Goal.
<i>Importance/Justification</i>	Making the best use of limited travel funding is critically important during this time of significant budgeting restraint. Our audit work will determine whether employee supervisors and the OCFO Travel Officer always give serious consideration to cost-saving alternatives to travel during their reviews of proposed employee trips, and only provide approval for travel proposals which are clearly justified.

Audit Name Suspension and Debarment Program

Activity Description The Suspension and Debarment Program provides the Library with established procedures to exclude firms or individuals from receiving Library contracts or grants based on a lack of business integrity or honesty, and/or the inability to satisfactorily perform contract work. The Deputy Librarian (or designee) is both the Library’s Suspending and Debarring Official, and decisions to suspend/debar firms or individuals are made according to procedures in Library of Congress Regulation (LCR) 1630. The names of businesses and persons that are suspended and debarred are placed on the Library’s List of Those Excluded from Procurement or Nonprocurement Activities, and are also provided to the GSA, which maintains a federal government-wide list of excluded parties. Bids for Library contracts/grants received from firms or individuals included on the Library’s or GSA’s excluded lists are not evaluated for awards unless the debarring official determines that there is a compelling reason to take the bid into consideration.

Audit Type and Objectives This performance audit will determine whether the Library is implementing an effective Suspension and Debarment Program. Specifically, we will determine whether (1) constituent Library elements are effectively identifying businesses and persons that should be considered for suspension or debarment based on their conduct, and (2) key program administrators, including the Suspending and Debarring Official, contracting officers, and program investigators, are effectively meeting their program responsibilities.

Related Strategic Plan Goals and Strategies This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to an important Strategy related to this Goal – the evaluation of effectiveness of Library-wide governance and performance management.

Importance/Justification It is particularly important, during this time of high concern about waste and fraud in government spending, that the Library operates an effective Suspension and Debarment Program. This program provides important tools to help the Library protect its interests by requiring steps be taken to ensure contracts and grants are only awarded to responsible sources. Inadequate attention devoted to suspensions and debarments could foster the perception that the Library is not serious about holding business contractors accountable for their conduct.

<i>Audit Name</i>	Information Technology Development
<i>Activity Description</i>	Information Technology Services (ITS) is centrally involved in the acquisition, design, development, implementation, and maintenance of information systems which are vital to the Library’s mission. ITS strives to comply with the Software Engineering Institute’s Capability Maturity Model and other industry-recognized IT standards in its system development methodology. Systems developed according to generally accepted IT standards will comply with the Library’s current and planned IT architecture, and most likely provide safe and reliable long-term performance.
<i>Audit Type and Objectives</i>	This will be a performance audit designed to evaluate the efficiency and effectiveness of ITS’ process for structuring, planning, and controlling the development of the Library’s vital information systems. Our work will include an assessment of ITS’ compliance with the Library’s System Development Life Cycle policy, and application of generally accepted IT standards, including the Software Engineering Institute’s Capability Maturity Model, in its system development methodology.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on managing proactively to achieve demonstrable results, and will contribute to various Outcomes and Strategies related to this Goal. Moreover, it will positively influence achievement of the Library’s other Strategic Goals.
<i>Importance/Justification</i>	Highly recognized organizations of the IT industry, such as the International Standard Organization and the Software Engineering Institute, provide standards and guidance to assist the planning and development of information systems. It is imperative that ITS strive to comply with industry-recognized IT standards in its system design and development methodology to provide assurance that the information systems the Library uses to perform daily activities and management functions will be safe, secure, and reliable in their operation.

<i>Audit Name</i>	Strategic Sourcing
<i>Activity Description</i>	<p>The Office of Contracts and Grants Management (OCGM) is a central supporting component of the Library’s infrastructure. As such, it provides services to all of the Library’s components. During FY 2012, OCGM transacted 2,427 procurement actions totaling a net value of \$196,327,495 excluding OCGM purchases for the Library’s Federal Library and Information Network (FedLink). FedLink serves federal libraries and information centers as their purchasing, training, and resource-sharing consortium. Since 2005, FedLink has participated in the Federal Strategic Sourcing Initiative (FSSI) that identifies products and services that could be purchased more efficiently through strategic sourcing. The Library’s Federal Research Division reported that potential savings from FSSI could be \$140 million to \$555 million over the next 4 years, depending on participation. Currently less than 30 of the 90 federal military and civilian agencies participate in FSSI.</p>
<i>Audit Type and Objectives</i>	<p>This performance audit will focus on determining if the Library has taken any action toward the concept of “Strategic Sourcing” (i.e., pooling purchases with other federal agencies to achieve lower prices). We will survey other legislative and executive branch agencies to determine the feasibility and practicality of such a concept. We will also determine the progress in obtaining FSSI participation, also surveying other federal agencies.</p>
<i>Related Strategic Plan Goals and Strategies</i>	<p>This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to this Goal.</p>
<i>Importance/Justification</i>	<p>The Library spends approximately one-third of its annual budget on supplies and services. There could be an opportunity for substantial savings by pooling purchases with other federal agencies, including those within the legislative branch. The pooling concept has reportedly helped over 60 agencies and military offices save more than \$200 million over four years. Federal agencies that could potentially participate in FSSI collectively spend more than \$250 million annually on information resources, creating a substantial opportunity for additional government-wide cost efficiencies.</p>

<i>Audit Name</i>	Verification of the Top Treasures and Other Collections
<i>Activity Description</i>	The Library of Congress is among the world’s largest libraries, with collections spanning languages around the globe and media of every kind, from wax cylinders to books on vellum. The collections date back centuries, containing rare, unique, and one-of-a-kind items. In addition, the Library holds over 12 million books in its general collections. A complete and up-to-date inventory is key to access, availability, and accountability of the collections. Although a baseline inventory project was started about ten years ago, other funding priorities have taken precedence, resulting in an incomplete inventory of the collections.
<i>Audit Type and Objectives</i>	This series of performance audits will determine whether the Library periodically takes inventories of its Top Treasures and other collection items. Audit work may include confirming the authenticity of the Top Treasures, and verifying or performing inventories of other collection items on a sample basis. Special attention will be given to the condition of the holdings.
<i>Related Strategic Plan Goals and Strategies</i>	These audits will support the Goals on (1) acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and (2) managing proactively to achieve demonstrable results. They will also contribute to various Outcomes and Strategies related to these Goals.
<i>Importance/Justification</i>	There is no comprehensive inventory or condition statement which covers the Library’s collections. Although limited inventories and condition descriptions can be found for segments of the collections, the Library cannot, as a whole attest to their overall condition. The OIG has performed, in conjunction with KPMG, limited inventory and condition assessments of certain collections. This project will continue the periodic sample inventories and condition assessments on a more expanded basis.

Audit Name FY 2013 Library of Congress Financial Statements

Activity Description The Library’s programs and operations are subject to oversight by the Joint Committee on the Library which is comprised of members of the U.S. House of Representatives and the Senate. The Library relies primarily on appropriated funds to support its programs and operations. However, the Library also receives funds from other agencies for services provided under the Economy Act and other statutes, and from the public in the form of gifts and trusts. The Chief Financial Officer’s Act of 1990 (CFO Act) was enacted to improve accounting, financial management, and internal controls to assure the issuance of reliable financial information, and to deter fraud, waste, and abuse of government resources. The Library has elected to comply with the CFO Act’s requirement of having annual audits of financial statements performed.

Audit Type and Objectives This financial audit will be conducted by an independent accounting firm under contract. The audit will cover the FY 2013 accounting period. The OIG will provide contract oversight and perform quality assessments of the contractor’s work.

Related Strategic Plan Goals and Strategies This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to this Goal.

Importance/Justification The audit will provide reasonable assurance that the financial statements are free of material misstatement, fulfill the applicable requirements of the CFO Act, and will provide the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.

<i>Audit Name</i>	FY 2014 Library of Congress Financial Hosting Environment
<i>Activity Description</i>	<p>The U.S. Congress as part of its ongoing efforts to achieve efficiencies, cost savings, and consistency in legislative branch financial management operations and reporting, developed a vision for all legislative branch agencies to receive core financial accounting system services from one legislative branch entity, the Library of Congress. Currently, the Library cross-services the U.S. Capitol Police (USCP), Congressional Budget Office, Open World Leadership Center, and Office of Compliance with its Momentum Financial System (Momentum). Momentum operates securely within the Library’s dedicated financial hosting environment (FHE), comprised of the computers, communications, and operating system software that support Momentum.</p> <p>Leveraging Congress’ vision, the Library and the agencies it cross-services engage a single independent public account (IPA) to audit their individual annual financial statements, and the Library’s FHE. In conducting the financial statements audits, the IPA is required to examine the FHE and Momentum systems of internal control by applying the American Institute of Certified Public Accountants’ Statements on Standards for Attestation Engagements No. 16, <i>Reporting on Controls at a Service Organization</i>, and the GAO’s <i>Federal Information System Controls Audit Manual</i>.</p>
<i>Audit Type and Objectives</i>	This general system and application controls audit is being conducted by an independent accounting firm under contract. The audit covers the FY 2014 accounting period. The OIG provides contract oversight and performs quality assessments of the contractor’s work. Note: The audit of the FY 2013 FHE began in the 4 th quarter of FY 2013 and is categorized as a carryover audit between FY 2013 and FY 2014. See pages 34 and 35.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to this Goal.
<i>Importance/Justification</i>	The audit provides reasonable assurance that the financial statements are free of material misstatement, fulfill the requirements of the CFO Act, and will provide the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.

Audit Name FY 2013 Open World Leadership Center Financial Statements

Activity Description The Open World Leadership Program was established in 1999 by Congress to bring emerging Russian political and civic leaders to the United States to meet their American counterparts and observe American-style democracy and free enterprise in action. The objective was to increase mutual understanding between Russia and the United States in support of Russia’s efforts to create a civil society. In December 2000, Congress established a permanent independent agency to house the program now known as the Open World Leadership Center (Open World) at the Library of Congress. In February 2003, Congress expanded the scope of Open World to include the 11 other Freedom Support Act countries, as well as the Baltic republics, and authorized a new initiative for Russian cultural leaders.

Audit Type and Objectives Open World relies on the Library of Congress to provide accounting services and support, financial reporting, and financial statements through an interagency agreement. This financial audit will be conducted by an independent accounting firm. The OIG will oversee the contract and perform quality assessments of the contractor’s work.

Related Strategic Plan Goals and Strategies This audit will support the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to this Goal.

Importance/Justification Open World’s FY 2013 funding was \$8 million. The annual appropriation is augmented by private donations from the business and philanthropic communities. Providing independent assurance of Open World’s accountability for its funds and resources is important for its continued support.

Audit Name Revolving Gift and Trust Funds (Selected Reviews)

Activity Description In accordance with the provisions of the Trust Fund Board Act of 1925, the Library is authorized to accept gifts, bequests, or devises of property. These are to be used for the benefit of the Library, its collections, or its services. In general, the principal amount of Gift and Trust Funds is either restricted, in that it may not be spent, or unrestricted. Donors may also impose additional restrictions which often relate to purpose or time. Library fund managers administer and oversee the funds to ensure they are used as directed by the donors and in accordance with laws, regulations, and Library policy.

Audit Type and Objectives This is a series of performance audits that the OIG may perform on the revolving Gift and Trust Funds. The objectives of the audits are to determine whether: (1) financial information is accurate and complete, (2) expenditures are in compliance with all applicable laws and regulations, and (3) the fund manager is adequately performing his or her fiduciary duties. Audits may cover the last one to three fiscal years.

Related Strategic Plan Goals and Strategies These audits will support the Goals on (1) managing proactively to achieve demonstrable results, and (2) acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity. They will also contribute to various Outcomes and Strategies related to these Goals.

Importance/Justification Utilizing a portion of our audit resources periodically to review selected gift and trust funds will ensure that gift and trust funds are properly managed and that financial information about the funds is fairly presented.

Audit Name Center for Learning and Development

Activity Description The Center for Learning and Development was established in 2005 to provide Library-wide training services and leadership development. In a 2003 audit report, we identified significant issues affecting the administration of the Library’s previous training program, and concluded that roles and responsibilities for training staff needed to be defined, incorporated into policy, and enforced. We also concluded that standards were needed for course design, content, and delivery; measuring the effectiveness and value of courses; and increasing the involvement of the service units in identifying training needs.

Audit Type and Objectives This performance audit will determine whether the Center for Learning and Development provides adequate direction and coordination of training and development activities for Library employees. We will put audit emphasis on the extent that the Library’s leadership development objectives have been achieved. We will also determine whether the significant issues identified in our 2003 report were addressed, and whether service unit training budgets are based on assessments of staff development needs.

Related Strategic Plan Goals and Strategies This audit will support the Goal on managing proactively to achieve demonstrable results, and will contribute to various Outcomes and Strategies related to this Goal. Moreover, it will positively influence achievement of the Library’s other Strategic Goals.

Importance/Justification Connections exist between service unit annual plans, staff performance plans, individual development plans, and staff training. When staff development and training are strongly supported and adequately funded by management, staff performance will likely be effective, and significant contributions will likely be made to the Library’s Goals.

<i>Audit Name</i>	Acquisitions and Bibliographic Access (ABA) Directorate
<i>Activity Description</i>	The directorate acquires (via purchase and otherwise), processes, and catalogs materials from Africa, Latin America, Western Europe, Asia, the Middle East, Germanic and Slavic countries, and the U.S. and other Anglo countries. ABA also operates the Cooperative and Instructional Programs Division that trains and coordinates various cataloging programs; manages overseas operations in Nairobi, Cairo, Jakarta, Islamabad, Rio de Janeiro, and New Delhi; provides acquisition and cataloging policy and standards Library-wide; and handles liaison with U.S. libraries and publishers.
<i>Audit Type and Objectives</i>	The objective of our performance audit is to determine whether ABA has adequate controls in place to perform its function in compliance with the Comptroller General’s <i>Standards for Internal Control in the Federal Government</i> and Library policy. We will focus on compliance with internal controls designed to acquire and manage the collections, protect the collections, and conduct daily operations.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on acquiring, preserving, and providing access to a universal collection and the goal of managing proactively to achieve demonstrable results, and contributes to various Outcomes and Strategies related to these Goals.
<i>Importance/Justification</i>	ABA performs critical functions for the Library including acquiring digital and analog materials for the collections and making them accessible; managing risks to the Library’s collections through inventory and physical security controls; and administering Books for the General Collections fund in support of the acquisition of books and serial publications, online content, special formats, and domestic and foreign materials of legislative research value. ABA also manages a separate fund for the purchase of law materials, distributes surplus books to nonprofit institutions nationwide, acquires library materials from developing countries for U.S. libraries on a cost recovery basis, and manages the Cataloging in Publication program. ABA received for processing more than 1.2 million items in FY 2012. It employed 475 people and accounted for more than \$86 million of the Library’s operating budget, the largest directorate budget in Library Services, the Library’s largest service unit. Budget obligations included \$60 million in salaries and benefits, nearly \$17 million in equipment purchases, and \$6 million in purchases of goods and services. A well designed and executed system of management controls in ABA is critical.

Audit Name Interpretive Programs Office

Activity Description The Interpretive Programs Office (IPO) is responsible for developing and creating exhibits of the Library’s collections. In addition to in-house exhibits, the IPO oversees collection material loans to libraries, educational institutions, and museums, which have established exhibition programs, an acceptable physical environment, and a full-time professional staff proficient in handling the particular material requested.

Audit Type and Objectives This performance audit will assess whether the IPO is effectively planning and prioritizing exhibits, economically creating the exhibits, establishing accountability over the exhibit items and loaned items, and assisting service units to develop exhibits.

Related Strategic Plan Goals and Strategies This audit supports the Goals on (1) acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and (2) managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to these Goals.

Importance/Justification Library exhibits are the cornerstone of the Library’s outreach to the public. Exhibits add interpretive and educational value to the Library’s resources, enhance the quality of the creative works, and highlight the importance of the Library's contributions to the nation's well-being and future progress. Using exhibits to enhance the experience of Library visitors is even more important due to the increased number of visitors resulting from the new Capitol Visitors’ Center.

<i>Audit Name</i>	Development Office
<i>Activity Description</i>	<p>The Development Office, in consultation with the Librarian and other senior Library managers, formulates and implements a comprehensive private-sector development plan for the Library. This includes identifying funding priorities, developing strategies to obtain private monies, and securing appropriate funding. Private-sector funding supports a broad range of Library programs: special acquisitions, exhibitions, conservation and preservation of the collections, special events and publications, public relations initiatives, other outreach programs and services including the National Book Festival, and more recently, digitization for online distribution.</p>
<i>Audit Type and Objectives</i>	<p>This performance audit will assess whether the Development Office is effectively formulating and conducting a systematic, vigorous, and productive fund-raising program. Specifically, we will determine whether the Development Office’s fund raising is comparable to other cultural institutions. We will also assess whether the Development Office is effectively assisting other units in their fund-raising efforts, and ensure proper controls to safeguard donors’ personal information are present.</p>
<i>Related Strategic Plan Goals and Strategies</i>	<p>This audit supports the Goals on (1) acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, (2) providing authoritative research, analysis, and information to the Congress, and (3) managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to these Goals.</p>
<i>Importance/Justification</i>	<p>Despite recent Congressional budget tightening, the Library is expected to provide the same and even enhanced levels of service to the Congress and the American public. Private-sector funding supports a broad range of Library programs: special acquisitions, exhibitions, conservation and preservation of the collections, special events and publications, public relations initiatives, and other outreach programs and services including many of the Library’s high profile initiatives.</p>

Audit Name eDeposit

Activity Description The eDeposit Initiative is to acquire electronic content from copyright deposits and is considered critical to the Library’s ability to incorporate electronic works into its collections. In July 2005, the Office of Strategic Initiatives, Library Services, and the Copyright Office initiated the eDeposit Initiative eJournal project, the first phase in the eDeposit Initiative. The eJournal project’s goal was to develop an in-house production system for ingesting electronic journals through copyright deposit.

Audit Type and Objectives This performance audit will determine the status of efforts to ingest and make available for use digital-born content. This review is closely related to our FY 2013 audit of collections development and the Library’s progress in developing infrastructure and policy to incorporate accessible digital collections.

Related Strategic Plan Goals and Strategies This audit will support the Goals on acquiring, preserving, and providing access to a universal collection of knowledge and on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to this Goal.

Importance/Justification The eDeposit Initiative will implement strategic goals 2 and 3 in the Library’s Digital Strategic Plan (2003), objectives of the National Digital Information Infrastructure Preservation Program Plan (2002), and recommendations in the *LC 21 Report* (2000) by the National Academy of Sciences. This initiative was also an important aspect of the Librarian’s 2009 Management Agenda, strategic goals of the Copyright Office Strategic Plan 2004-2008, and the Library’s current agency-wide strategic plan. The eDeposit Initiative has made progress by completing its early design milestones; however, it now appears to be years behind schedule.

Audit Name Analog Collections Access

Activity Description The Library has 21 reading rooms that are used by researchers to access in-person the Library’s vast collections of more than 155 million items. The Main Reading Room in the Thomas Jefferson Building is the principal reference and book service point for the Library’s general collections. Researchers can request collection items in-person or contact the Library in advance to have items pulled from the “stacks” and coordinated with their visit. The Library also offers researchers a special search service. Using a Web-based form, researchers may request the Library to conduct a more extensive search for materials not on the shelf.

Audit Type and Objectives The objective of this performance audit is to determine the quality and timeliness of service provided to readers requesting Library analog collections materials in the reading rooms. We will test these measures by requesting items on a sample basis over time.

Related Strategic Plan Goals and Strategies This audit will support the Goals on acquiring, preserving, and providing access to a universal collection of knowledge and on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to these Goals.

Importance/Justification One of the Library’s operational goals is to provide access to its collections. Specifically, the Library’s Strategic Plan specifies that as a public benefit, the Congress and the American people have a universal collection of knowledge that is valuable, usable, and easily accessible today and into the future. The Library’s related outcome provides that users can easily access the full breadth of the Library’s collections.

Audit Name Collections Policy Management

Activity Description To meet its mission, the Library added to its collections more than 3.5 million items of various types and formats in FY 2012; another half million items were collected and added to unprocessed arrearages. Total collections exceed 155 million items and the Library’s growing arrearages are collectively approaching 30 million. At the same time, the Library has digitized and made available on its Web site close to 40 million primary source files. The Library’s collecting policy (the amounts and types of items it acquires) has remained mostly unchanged since the 1940s.

Audit Type and Objectives This attestation will determine whether the Library considers the usage and research value of various categories of collections in shaping acquisition and retention policies. The review will sample long-term usage and research relevance of various components of the Library’s collections and may recommend factors to consider in acquiring collections material. The review may also explore cooperative partnerships with other research libraries.

Related Strategic Plan Goals and Strategies This audit will support the Goals on acquiring, preserving, and providing access to a universal collection of knowledge and on managing proactively to achieve demonstrable results. It will also contribute to various Strategies related to these Goals.

Importance/Justification The OIG issued a report in September 2013 on collections development that addressed the predicament the Library faces in continuing to collect and manage the volume of materials it has in the past under current resource restrictions. Specifically, reduced budget, staff, and storage resources make collecting at present levels unsustainable in the long-term. We anticipate that this review will aid the Library’s new Collection Development Office to reconsider collections policy and efficiency options.

<i>Audit Name</i>	Project Management Accounting
<i>Activity Description</i>	Reliable information on the costs of federal programs and activities is crucial for effective management of government operations. Project cost accounting is especially important for fulfilling the objectives of assessing operating performance, demonstrating results, and providing accountability to the Congress and stakeholders about specific budgetary initiatives. Agencies must be able to provide information that helps appropriators and other interested parties determine the costs of specific programs and activities and the composition of, and changes in, those costs. Accurate and comprehensive project cost accounting provides the foundation for agency transparency in its programs and related performance results.
<i>Audit Type and Objectives</i>	This financial audit will assess whether the Library adequately accounts for its major projects, especially those where the Library requested Congressional funding to support new initiatives. Our audit will determine if the Library complies with Statement of Federal Financial Accounting Standards 4: <i>Managerial Cost Accounting Standards and Concepts</i> . Specifically, we will determine whether the Library provides reliable and timely information on the full cost of its programs, activities, and outputs. Accurate and reliable cost accounting is necessary for Congressional and Library officials' decision making to allocate resources, authorize and modify programs, and evaluate performance.
<i>Related Strategic Plan Goals and Strategies</i>	This financial audit will support the Library's goal of managing proactively to achieve demonstrable results. It will also contribute to the Library's effectiveness in measuring its accomplishment of all strategic goals by ensuring that underlying project/program cost accounting is accurate, reliable, and transparent.
<i>Importance/Justification</i>	The current federal budget environment requires that agency management demonstrate performance results for Congressional supported initiatives. Agencies must establish full cost accountability for programs/projects that enable management, stakeholders, and appropriators to assess their budget integrity, operating performance, stewardship, and systems of control. In an increasingly difficult budget environment, inadequate project/program cost accounting will weaken the Library's justifications for new initiative funding.

CARRYOVER PROJECTS: DETAIL

<p><i>Audit Name</i></p>	<p>FY 2013 Library of Congress Financial Hosting Environment</p>
<p><i>Activity Description</i></p>	<p>The U.S. Congress as part of its ongoing efforts to achieve efficiencies, cost savings, and consistency in legislative branch financial management operations and reporting, developed a vision for all legislative branch agencies to receive core financial accounting system services from one legislative branch entity, the Library of Congress. Currently, the Library cross-services the U.S. Capitol Police (USCP), Congressional Budget Office, Open World Leadership Center, and Office of Compliance with its Momentum Financial System (Momentum). Momentum operates securely within the Library’s dedicated financial hosting environment (FHE), comprised of the computers, communications, and operating system software that support Momentum.</p> <p>Leveraging Congress’ vision, the Library and the agencies it cross-services engage a single independent public account (IPA) to audit their individual annual financial statements, and the Library’s FHE. In conducting the financial statements audits, the IPA is required to examine the FHE and Momentum systems of internal control applying the American Institute of Certified Public Accountants’ Statements on Standards for Attestation Engagements No. 16, <i>Reporting on Controls at a Service Organization</i>, and the GAO’s <i>Federal Information System Controls Audit Manual</i>.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This general system and application controls audit is being conducted by an independent accounting firm under contract. The audit covers the FY 2013 accounting period. The OIG provides contract oversight and performs quality assessments of the contractor’s work.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit supports the Goal on managing proactively to achieve demonstrable results. It will also contribute to various Outcomes and Strategies related to this Goal.</p>
<p><i>Importance/Justification</i></p>	<p>The audit provides reasonable assurance that the financial statements are free of material misstatement, fulfill the requirements of the CFO Act, and will provide the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.</p>



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