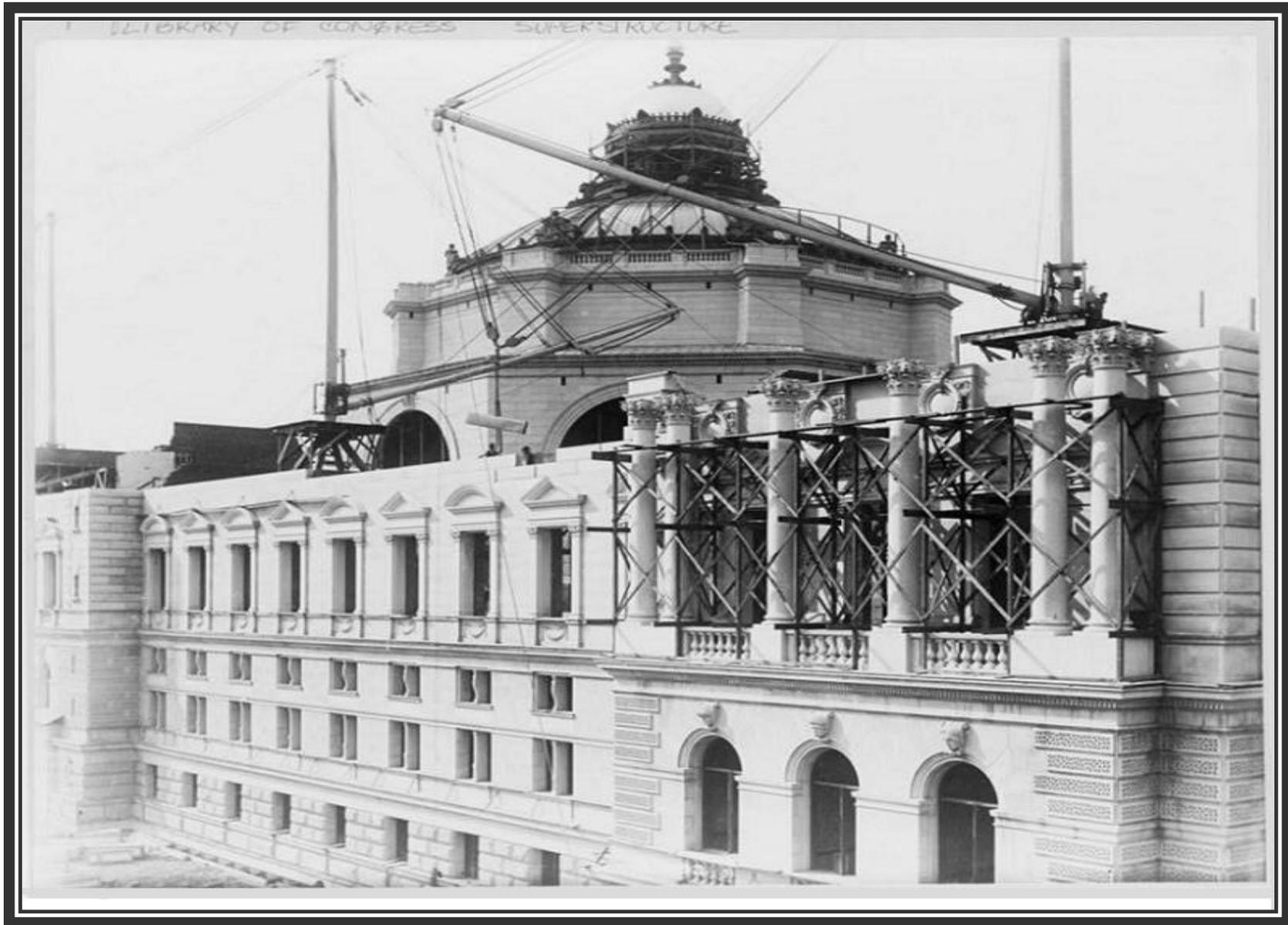


# **ANNUAL AUDIT PLAN**

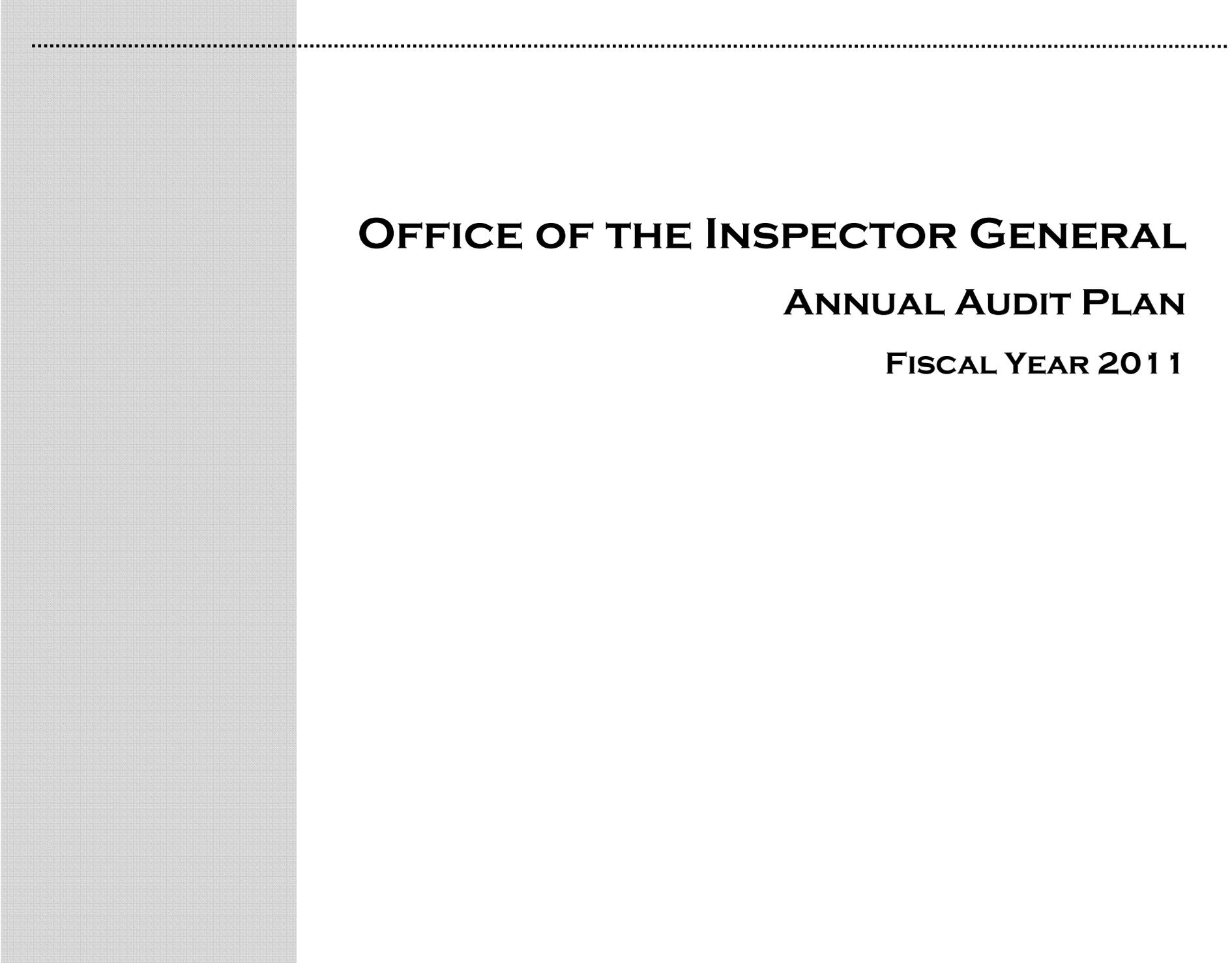
## **FISCAL YEAR 2011**



**THE LIBRARY OF CONGRESS**  
**OFFICE OF THE INSPECTOR GENERAL**

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Cover: *Photographic print of the construction of the dome, Jefferson Building, Library of Congress, October 12th, 1893.*



**OFFICE OF THE INSPECTOR GENERAL**

**ANNUAL AUDIT PLAN**

**FISCAL YEAR 2011**

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## INTRODUCTION AND DEFINITIONS

This plan identifies the audits of Library of Congress programs, operations, and financial activities that we anticipate beginning or completing during the fiscal year. A one-page description of each assignment is included after the summary pages for new (beginning on page 7) and carryover (beginning on page 28) 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 FY 2011 and may include assignments that were in last year's audit plan that had not started by the beginning of FY 2011. Carryover audits are those that are in progress at the beginning of FY 2011. Given our limited resources and the extensive analysis required to conduct audits, this plan is ambitious; accordingly, we expect to start most, but not all, of the audits in this plan. We may also conduct unscheduled reviews that delay starting planned projects.

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 2008-2013, are summarized on pages 3 and 4. The Library is currently preparing its 2011-2016 Strategic Plan, expected to be finalized and published in October 2010.

We may 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 means any declaration about whether a subject matter is based on or in conformity with the criteria selected. The subject matter of an attestation would likely be 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 collection 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 resource 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 independence needed to later audit that subject 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.

*Single Audits*—The Single Audit Act requires that state and local governments and nonprofit organizations expending \$500,000 or more in federal financial assistance in a single year be audited in accordance with the act and its implementing regulation, Office of Management and Budget (OMB) Circular A-133. Single audits are generally conducted by either state audit agencies or private certified public accounting firms and play an integral role in the government's efforts to provide oversight and ensure accountability for federal assistance funds. As the audit oversight component for the Library of Congress, we conduct quality control reviews of single audits performed on organizations that receive most of their funding from the Library (as in the Adventure of the American Mind grant program). The objective of these reviews is to determine whether the nonfederal audit was conducted in accordance with Generally Accepted Government Auditing Standards and OMB Circular A-133 requirements.

THE LIBRARY'S STRATEGIC PLAN – FY 2008 - 2013: SUMMARY

For FY 2008 and beyond, the Library has adopted a new planning process which includes participation and input from key stakeholders at every step along the way. As compared to the Library's previous strategic plan, this one has drastically pared down the number of goals. At the same time, the plan strives to implement achievable, measurable goals – the key to any realistic strategic plan. In its FY 2008 strategic plan, the Library articulated five key strategic goals it intends to address in the coming years: *content, customers, outreach, organization, and workforce*. For each of these, the Library has focused on specific, measurable outcomes and strategies to achieve them.

*The Library's mission is to make its resources available to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations.*

**Content:** Expand and preserve in accessible form a unified and universal body of knowledge and creativity.

- Outcome 1 Sustained and expanded Library content, in traditional and new formats.
- Outcome 2 Enhanced preservation and accessibility.
- Outcome 3 Increased shared content stewardship among libraries and other cooperating bodies.
- Outcome 4 Increased creative and intellectual output.

**Customers:** Improve internal and external customers' experiences in seamlessly finding and using Library resources. The Library will strive to put knowledge and information at the fingertips of all customers. In addition, the Library's resident experts and scholars provide a wide variety of products and services to Congress and the nation.

- Outcome 1 Improved customers' ability to get what they need, when they need it, with minimal effort.
- Outcome 2 Increased use of Library resources to inform scholarly, educational, and public policy discourse.
- Outcome 3 Increased use of the Library's digital resources to promote knowledge and better world understanding.

THE LIBRARY'S STRATEGIC PLAN – FY 2008 - 2013: SUMMARY

**Outreach:** Increase awareness of the value and utility of the Library. By reaching out and building broad public awareness of its services and resources, the Library will increase use of its collections.

- Outcome 1: Increased congressional use of the Library as its first choice when in need of authoritative research, services, and programs.
- Outcome 2: Maximized use of the Library.
- Outcome 3: Improved quality of life-long learning and creativity through use of the Library's services and resources.

**Organization:** Increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. The Library will enhance its internal culture and business processes to ensure their mutual support. The Library will strengthen its purposeful collaboration, leading to more efficient and effective programs and processes.

- Outcome 1: Optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity.
- Outcome 2: Improved decision-making processes.

**Workforce:** Cultivate a talented diverse community of innovators devoted to public service. The Library will refine its workforce by fostering diversity and improving and sustaining the skills of its staff.

- Outcome 1: Recognized as an employer of choice for public service through realization of human potential and high performance.

NEW PROJECTS

Name	Priority	Anticipated Start Date	Page
Fire Suppression Systems	High	2 <sup>nd</sup> Quarter	8
Verifications of Collections	High	TBD	9
Development Office	Medium	3 <sup>rd</sup> Quarter	10
Interpretive Programs Office	Medium	3 <sup>rd</sup> Quarter	11
Personnel Security Office	Medium	1 <sup>st</sup> Quarter	12
Bid Protests	Medium	2 <sup>nd</sup> Quarter	13
Warehouse Operations	Medium	4 <sup>th</sup> Quarter	14
Center for Learning and Development/TPS Program	Low	TBD	15
Information Technology Application Controls (Selected Reviews)	Medium	TBD	16
Information Technology (Selected Reviews)	Medium	TBD	17
Contracts (Selected Reviews)	Medium	TBD	18
Budget Reallocation Procedures	Medium	2 <sup>nd</sup> Quarter	19
Audit Follow-up – Transit Subsidy Program	Low	3 <sup>rd</sup> Quarter	20
Employee Survey Follow-up	Medium	4 <sup>th</sup> Quarter	21
FY 2011 Library Financial Statements	High	3 <sup>rd</sup> Quarter	22
FY 2011 Madison Council Fund Financial Statements	High	3 <sup>rd</sup> Quarter	23
FY 2011 Open World Leadership Center Financial Statements	High	3 <sup>rd</sup> Quarter	24
Revolving Gift and Trust Funds (Selected Reviews)	Low	TBD	25
Information Technology Server Efficiency and Utilization	High	TBD	26
Follow-up–Office of Opportunity, Inclusiveness, and Compliance	Medium	2 <sup>nd</sup> Quarter	27

CARRYOVER PROJECTS

Name	Anticipated Completion	Page
Telework	1 <sup>st</sup> Quarter	29
Music Division Quantitative Assessment	2 <sup>nd</sup> Quarter	30
Overseas Offices' Internal Control Reviews	1 <sup>st</sup> Quarter	31
Surplus Books Program	1 <sup>st</sup> Quarter	32
Law Library Collections Security	1 <sup>st</sup> Quarter	33
Managing a Multi-Sector Workforce	1 <sup>st</sup> Quarter	34
Improper Payments	1 <sup>st</sup> Quarter	35
FY 2010 Madison Council Fund Financial Statements	2 <sup>nd</sup> Quarter	36
FY 2010 Library Financial Statements	2 <sup>nd</sup> Quarter	37
FY 2010 Open World Leadership Center Financial Statements	3 <sup>rd</sup> Quarter	38

NEW PROJECTS

<i>Audit Name</i>	Fire Alert and Suppression Systems
<i>Activity Description</i>	The Library employs a variety of means with which it seeks to prevent or mitigate damage to collections, as well as loss of human life. Significant among these are the Library’s fire alert and suppression systems. These can be broadly classified into two categories: smoke detectors and a variety of sprinkler systems. Most of the Library is covered by smoke detection systems. All but two collections areas in the Library are protected by sprinkler systems, which come in either wet or dry pipe varieties, and some also employ certain gasses to aid in extinguishing fires.
<i>Audit Type and Objectives</i>	This will be a performance audit which will examine the adequacy of the Library’s fire alert and suppression systems and their ability to effectively protect the collections in the event of a fire. The audit will review the systems employed by the Library to determine if they are in line with best fire protection practices and appropriate for the type of use intended.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services; and contribute to Outcome 1, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity. It will also support the strategies to improve the quality of products and services, and the efficiency of delivery; and to provide a safe, secure, well-designed physical environment.
<i>Importance/Justification</i>	Protection of life and collections are among the Library’s highest priorities. The vast collections entrusted to the Library by the American people deserve to be protected in the best – and most efficient – way possible. The flammable nature of the materials stored at the Library, including paper and, in some cases, highly reactive nitrate-based film stock give rise to an especially high risk of fire occurrence and rapid spread. This project will examine the adequacy of the fire detection and prevention systems at the Library.

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<i>Audit Name</i>	Verifications of Collections
<i>Activity Description</i>	The Library of Congress is among the world’s largest, 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. Key to access and availability of the collections is an inventory. 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 is a series of performance audits and includes inventories, on a sample basis, of selected collections. In addition, these audits will focus on evaluating the condition and authenticity, in some cases, of holdings, on a sample basis.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goals on Content and Customers, to expand and preserve in accessible form a unified and universal body of knowledge and creativity, as well as to improve our internal and external customers’ experiences in seamlessly finding and using Library resources. The audit will contribute to Content Outcomes 1, 2, and 3 to result in sustained and expanded Library content, both domestic and foreign, in traditional and new formats, enhanced preservation and accessibility, and increased shared content stewardship among libraries and other cooperating bodies. The audit will also contribute to Customer Outcomes 1 and 2, to result in improved customers’ ability to get what they need, when they need it, with minimal effort, and increased use of Library resources to inform scholarly, educational, and public policy discourse.
<i>Importance/Justification</i>	There is no comprehensive inventory or condition statement which covers the Library’s collections. Although individual, 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.

<i>Audit Name</i>	Development Office
<i>Activity Description</i>	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.
<i>Audit Type and Objectives</i>	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 if 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.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goals on Content, Customers, and Outreach. The audit will contribute to Content Outcomes 1, 2, and 4 to sustain and expand Library content, both domestic and foreign, in traditional and new formats; enhance preservation and accessibility; and increase creative and intellectual output that contributes to the body of knowledge available to the Congress and other constituencies. The audit will also contribute to Customer Outcomes 1, 2, and 3 to improve customers’ ability to get what they need, when they need it, with minimal effort, increase use of Library resources to inform scholarly, educational, and public policy discourse; and increase use of the Library’s digital resources to promote knowledge and better world understanding. Finally, the audit will contribute to Outreach Outcome 2 to increase and maximize use of the Library’s resources and services by the Congress and the public.
<i>Importance/Justification</i>	Despite recent Congressional budget tightening, the Library is expected to provide the same and even enhanced level 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.

<i>Audit Name</i>	Interpretive Programs Office
<i>Activity Description</i>	The Interpretive Programs Office is responsible for developing and creating exhibits of the Library’s collections. In addition to in-house exhibits, the Interpretive Programs Office oversees the loaning of Library objects to recognized institutions and exhibition agencies, such as libraries and museums, which have established exhibition programs, an acceptable physical environment, and a full-time professional staff proficient in handling the particular material requested.
<i>Audit Type and Objectives</i>	This performance audit will assess whether the Interpretive Programs Office is effectively planning and prioritizing exhibits, cost effectively creating the exhibits, establishing accountability over the exhibit items and loaned items, and assisting service units develop exhibits.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goals on Customers and Outreach; to expand and preserve in accessible form a unified and universal body of knowledge and creativity, as well as to improve the Library’s internal and external customers’ experiences in seamlessly finding and using Library resources. The audit will contribute to Customer Outcomes 1, 2, and 3 to improve customers’ ability to get what they need, when they need it, with minimal effort, increase use of Library resources to inform scholarly, educational, and public policy discourse; and increase use of the Library’s digital resources to promote knowledge and better world understanding. The audit also will contribute to Outreach Outcomes 2 and 3 to increase and maximize use of the Library’s resources and services by the Congress and the public and improve the quality of life-long learning and creativity through use of the Library’s services and resources.
<i>Importance/Justification</i>	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 with the greatly increased number of visitors resulting from the opening of the new Capitol Visitors’ Center.

*Audit Name* Personnel Security Office

*Activity Description* The Library’s personnel security clearance program strives to implement measures to ensure that Library staff can be trusted to work with and protect classified information or collection materials of significant value and to prevent the hiring of employees who might be untrustworthy or unsuitable for Federal employment. The Personnel Security Office is responsible for administering the Library’s personnel security and suitability programs. This includes formulating program policies and procedures relating to the personnel security field; initiating, resolving, and adjudicating investigations on applicants and employees to determine employment suitability and/or eligibility for access to classified national security information and on contractors to determine suitability for building access and contract performance; maintaining the reinvestigations program; conducting defensive security briefings and debriefings; providing clearance certifications for agency employees and visitors who require access to classified information; in conjunction with the Protective Services Division, Office of Security, establishing policies and procedures to train cleared personnel in the safeguarding of classified information; and issuing and maintaining the Library of Congress National Security Manual.

*Audit Type and Objectives* This performance audit will assess whether the Library’s Personnel Security Program is 1) complying with external and internal personnel security clearance requirements and 2) operating efficiently and effectively (including effectively identifying positions that require a security clearance and ensuring clearances required for a position are obtained, updated, and terminated when unneeded).

*Related Strategic Plan Goals and Strategies* This audit will support the Goals on Content and Organization. The audit will contribute to Content Outcomes 2, and 3 to enhance preservation and accessibility, and increase shared content stewardship among libraries and other cooperating bodies.

*Importance/Justification* The damage that unauthorized disclosure of classified information can cause to national security necessitates the prompt and careful consideration of who is granted a security clearance. For example, delays reviewing security clearances for personnel who are already doing classified work can lead to a heightened risk of disclosure of classified information. Additionally, a sound oversight process is important because requests for clearances for positions that do not need a clearance or need a lower level of clearance increase costs for investigations unnecessarily.

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<i>Audit Name</i>	Contract Bid Protests
<i>Activity Description</i>	The Chief of the Office of Contracts is responsible for ensuring that the acquisition of equipment, supplies, and services is efficiently and effectively executed, and in accordance with applicable regulations. In addition to warranted officers of the Office of Contracts, other positions in the Library have been delegated contracting authority for specific situations. In some cases, unsuccessful bidders to contracts protest the award to a competing bidder, sometimes causing a significant delay to the contracting process and therefore the successful operation of the Library.
<i>Audit Type and Objectives</i>	This will be a performance audit focusing on the incidence of contract bid protests. The primary objective of this project will be to determine if there are specific avoidable risk factors inherent in the contract solicitation and awards process that give rise to a greater incidence of bid protests.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategy to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	Critical to the execution of the Library's mission is its ability to successfully contract for goods and services. Bid protests can cause the procurement process to come to a halt, often for extended periods of time, or cause the Library to defend itself by expending resources that could otherwise be put to a more productive use. It is important to identify factors that are present in such cases and determine how to improve the process so as to reduce the risk of bid protests.

<i>Audit Name</i>	Warehouse Operations
<i>Activity Description</i>	The Logistics Services Division of Integrated Support Services (ISS) manages the Library’s warehouse and inventory functions. Responsibilities for these activities include managing the receipt, storage, re-utilization, and disposal of Library property. Approximately 70,000 square feet of a leased warehouse facility in Landover, Maryland is devoted to ISS/Logistics warehouse operations. An OIG audit report, issued in March 2005, concluded that more than 20 percent of the warehouse space was not efficiently used and that excess and obsolete inventory, valued at about \$1.5 million, was stored in the warehouse.
<i>Audit Type and Objectives</i>	This will be a performance audit principally focused on ISS/Logistics’ response to our March 2005 audit report. We will determine whether warehouse space is currently used efficiently and the extent that progress has been made to reduce the amount of excess and obsolete inventory. We will put audit emphasis on the Library's policy for buying and storing goods and give special attention to the acquisition of computers and the effects of year-end spending on warehouse inventory levels.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategy to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	The substantial annual costs that the Library incurs to lease space for ISS/Logistics’ warehouse operations demands that warehouse space be efficiently used and inventory materials be effectively controlled. The effects attributable to absent/ineffective inventory controls are documented in our March 2005 audit report and subsequent follow-ups. The space needed for the Library’s inventory requirements is particularly important considering plans being developed for future storage facilities.

<i>Audit Name</i>	Center for Learning and Development/TPS Program
<i>Activity Description</i>	The Center for Learning and Development was established in 2005 to succeed the Library of Congress Internal University. This reorganization was undertaken to meet performance objectives stated in the Library’s FY 2004-2008 Strategic Plan. Principal responsibilities of the Center include providing Library-wide training services and leadership development. The Center works with service and support units in performing training needs assessments and identifying solutions to address training requirements. Solutions generally include internal or external courses that are Web-based or provided by an instructor.
<i>Audit Type and Objectives</i>	This will be a performance audit designed to 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. In addition, our objective will include an assessment of the connections between the Library’s performance management system and its training function.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Workforce, to cultivate a talented diverse community of innovators devoted to public service; and contribute to the Outcome that the Library is recognized as an employer of choice for public service. It will also support the strategies to foster a learning environment that encourages employees to contribute to the success of the organization; to ensure continuity of needed skills and expertise; to collaborate with forward-thinking human resources networks to incorporate best practices; and to increase availability and breadth of learning and development programs that enable the workforce to excel.
<i>Importance/Justification</i>	Effective training and development programs are essential to the Library’s mission. In a 2003 audit report, we identified significant issues affecting the administration of the Library’s training program. We concluded that roles and responsibilities for training staff needed to be defined, incorporated into policy, and enforced. In addition, standards were needed for course design, content, and delivery; measuring the effectiveness and value of courses; and increasing involvement of the service units in identifying training needs. Finally, there needs to be a significant correlation between training offerings and performance management at the Library. Training is the conduit through which new skills are learned and reinforced, enabling stronger performance.

<i>Audit Name</i>	Information Technology Application Controls (Selected Reviews)
<i>Activity Description</i>	The Library has numerous automated systems that collect, process, transmit, and/or disseminate data. These systems are subject to human errors, malicious attacks, natural catastrophes, and other disruptive events. Accordingly, various management, operational, and technical controls must be applied to their operations. Library organizations that are principally involved with developing policy for the systems' controls include the Office of Strategic Initiatives, Information Technology Services, and the Office of Security and Emergency Preparedness.
<i>Audit Type and Objectives</i>	This is a series of performance audits of the Library's various applications/systems. Information systems will be selected based on perceived risk, and objectives for selected system audits will be determined based on specific circumstances. In general, audit objectives will focus on management controls (e.g., certification and accreditation, security plans, etc.), operational controls (e.g., physical protection, incident response, etc.), and technical controls (e.g., identification and authentication, audit trails, etc.).
<i>Related Strategic Plan Goals and Strategies</i>	These audits will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, they will contribute to Outcome 1, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity.
<i>Importance/Justification</i>	In recent years, the Library has become more and more dependent on electronic information. System information in this form is continuously subject to new threats, especially when it is introduced through the Internet. Accordingly, a system's management, operational, and technical controls must be continuously reviewed and reaffirmed to ensure the system's protection is adequately maintained.

*Audit Name* Information Technology (Selected Reviews)

*Activity Description* Information Technology Services (ITS) is a central clearinghouse for IT services and equipment at the Library. In general, ITS specifies the desktop and other equipment standards, purchases and installs the equipment, employs contractors and staff to maintain and support systems, and provides the infrastructure through which the Library connects and operates, both internally and externally.

*Audit Type and Objectives* This is a series of performance audits of the Library’s various aspects of information technology. For example, we may evaluate, among others, the Library’s cyber security program, adoption of new and emerging technologies such as cloud computing, IT governance processes, integration of systems, support services, and hardware replacement policy and practice.

*Related Strategic Plan Goals and Strategies* These audits will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, they will contribute to Outcome 1, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity.

*Importance/Justification* As organizations become increasingly dependent on electronic resources, their policies and procedures should grow with them, enabling both good controls and the ability to grow into new technology. The Library spends tens of millions of dollars on IT equipment and support each year. Making the best use of limited resources dictates well-documented and strong policies for information technology.

<i>Audit Name</i>	Contracts (Selected Reviews)
<i>Activity Description</i>	The Chief of the Office of Contracts is responsible for ensuring that the acquisition of equipment, supplies, and services is efficiently and effectively executed, and in accordance with applicable regulations. In addition to warranted officers of the Office of Contracts, other positions in the Library have been delegated contracting authority for specific situations.
<i>Audit Type and Objectives</i>	These are performance audits. Contracts will be chosen for review based on the contract type, dollar amount, and other factors. The Defense Contract Audit Agency Contract Audit Manual will be used as guidance in conducting these audits. Contract audit activities may include reviewing accounting and financial matters to assist in the negotiation, award, administration, pricing, and settlement of contracts. We may focus on pre-award activities, such as assessing contractor qualifications and financial systems. Audits may also include a determination of whether the Library receives full benefits for its contracting expenditures.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to improve the quality of products and services, and the efficiency of delivery; to improve Library-wide business functions to minimize workflow; to improve planning/decision-making within and among service and support units; and to promote and maintain a culture that conveys an expectation of, and reinforces, open and collaborative relationships within and among service and support units.
<i>Importance/Justification</i>	On average over the last few years, the Office of Contracts has awarded contracts valued at about \$190 million annually. Agreed-upon procedures audits have been periodically performed by DCAA as requested by the contracting officers prior to negotiation. However, no post award audits have been performed. This has left the Library's contracting activities vulnerable to waste, fraud, and abuse.

<i>Audit Name</i>	Budget Reallocation Procedures
<i>Activity Description</i>	The Library implements end-of-year procedures every year to ensure that its budget is not significantly under-executed. Such procedures include, but are not limited to, establishing deadlines for obligating funds and identifying areas in need of resource reallocation. The procedures are intended to identify programs/areas that may not be able to fully execute their funds for a particular spending period and to approve the use of reallocated funds for high priority projects.
<i>Audit Type and Objectives</i>	This will be a performance audit designed to determine whether the Library’s budget reallocation procedures provide management adequate assurance that (1) all Library programs/areas will be identified which are not able to fully obligate their funding for a particular spending period, (2) programs/areas will be identified which need reallocated funding, and (3) reallocated funding is only approved for authorized, high priority projects.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcome 2, improved decision-making processes. It will also support the strategy to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	The Library has a management responsibility to fully execute its appropriations on a timely basis for authorized mission requirements. Appropriated funds that are not used before they expire raise questions regarding the intended purpose and fiscal management of those funds.

<p><i>Audit Name</i></p>	<p>Audit Follow-up - Transit Subsidy Program</p>
<p><i>Activity Description</i></p>	<p>The Library’s Transit Subsidy Program is intended to reduce employees’ contribution to traffic congestion and air pollution by expanding their use of public transportation. Through the program, the Library provides qualified employees with a tax-free transit subsidy to be used to pay for public transportation to and from work. The subsidy’s value covers an employee’s transportation expenses not to exceed the maximum amount allowed by law. The Director of Human Resources Services (HRS) establishes policies for the Library’s program in coordination with the Department of Transportation. In a 2005 audit report, we concluded that the Library needed to improve its oversight of the program.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This will be a performance audit evaluating actions taken by the Library in response to our 2005 audit and recent federal changes applicable to the program. Among other things, we will (1) evaluate the effectiveness of HRS’ policies on program eligibility; (2) evaluate controls to prevent employees who participate in the Library’s Parking Program from receiving Transit Subsidy Program benefits; and (3) evaluate Library procedures for discontinuing Transit Subsidy Program benefits when an employee separates from Library employment.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This follow-up will support the Goal on Organization – to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services – and the Goal on Workforce – to cultivate a talented diverse community of innovators devoted to public service. It will also contribute to various Outcomes and Strategies related to these Goals.</p>
<p><i>Importance/Justification</i></p>	<p>Inspectors General of various agencies have identified numerous problems associated with this federally-based program including ineligible employees receiving benefits and a lack of essential policies and procedures for preventing fraud, waste, and abuse. Moreover, the Government Accountability Office recently found that federal employees of various agencies deliberately requested transit benefits they were not entitled to and then sold or used the benefits for personal gain.</p>

<i>Audit Name</i>	Employee Survey Follow-up
<i>Activity Description</i>	The Library’s office of Human Resources Services recently conducted a survey of all Library staff. The survey was intended to determine staff satisfaction with working conditions, Library management, and other employment circumstances.
<i>Audit Type and Objectives</i>	This will be an attestation engagement evaluating the results of the survey and actions taken in response by the Library. Among other things, we will (1) evaluate and analyze the survey results; (2) evaluate the Library’s own analysis of the results; and (3) evaluate the actions the Library took following the survey.
<i>Related Strategic Plan Goals and Strategies</i>	This project will support the Goal on Organization – to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services – and the Goal on Workforce – to cultivate a talented diverse community of innovators devoted to public service. It will also contribute to various Outcomes and Strategies related to these Goals.
<i>Importance/Justification</i>	Human capital is among the Library’s most important resources. It is important to recognize employee issues and understand how to create a working environment in which full performance and job satisfaction is possible. To that end, the employee survey yielded important information about issues that may help the Library better realize its employees’ full performance and job satisfaction.

*Audit Name* FY 2011 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 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, which requires annual audits of financial statements.

*Audit Type and Objectives* This will be a financial audit conducted by an independent accounting firm under contract. The audit will cover the FY 2011 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 Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.

*Importance/Justification* The audit will provide reasonable assurance that the financial statements are free of material misstatement, fulfill the requirements of the CFO Act of 1990, 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 2011 Madison Council Fund Financial Statements

*Activity Description* The James Madison National Council is an advisory board of business people and philanthropists who contribute ideas, expertise, and financial support to the Library’s collections and programs. The James Madison National Council Fund was initiated by the Librarian of Congress to account for the financial support, and was accepted by the Library of Congress Trust Fund Board in July 1989. A gift of \$100,000 from Robert Gwinn, chairman of the board of Encyclopedia Britannica, established the fund.

*Audit Type and Objectives* This is a financial audit to be conducted by an independent accounting firm. The audit will cover the Madison Council’s financial statements and activities for FY 2011. 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 Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.

*Importance/Justification* The results of the financial audit are published in the Madison Council’s annual report. The audit provides accountability for the funds donated by the current Madison Council members, and provides information to potential donors on the Library’s use of resources.

*Audit Name* FY 2011 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 through an interagency agreement to provide accounting services and support, financial reporting, and financial statements. This is a financial audit to 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* Inasmuch as the Library performs certain functions on behalf of Open World, including accounting and budget functions, this audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.

*Importance/Justification* Open World’s FY 2010 funding was approximately \$12 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.

<i>Audit Name</i>	Revolving Gift and Trust Funds (Selected Reviews)
<i>Activity Description</i>	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.
<i>Audit Type and Objectives</i>	This is a series of 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.
<i>Related Strategic Plan Goals and Strategies</i>	These audits will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services.
<i>Importance/Justification</i>	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.

*Project Name* Information Technology Server Efficiency and Utilization

*Activity Description* The Library employs a variety of servers in its IT hardware infrastructure. The servers provide storage and processing capabilities to thousands of Library users and millions of users on the World Wide Web. To support Library operations, Information Technology Services employs four data centers populated by more than 500 servers, 225 Library-wide business enterprise applications, almost 20,000 active voice and data connections, about 5,300 workstations and 3,000 local and network printers, and offers over 2.6 petabytes (quadrillion bytes) of disk storage.

*Audit Type and Objectives* This performance audit will be geared to determining whether or not the Library is making efficient use of the servers it currently employs, both at the Library main data center and at the remote computing facility. Our objectives will be to assess the utilization and idle time of the overall server capacity and compare this to generally accepted best business practices.

*Related Strategic Plan Goals and Strategies* This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to improve the quality of products and services, and the efficiency of delivery; and to improve planning/decision-making within and among service and support units.

*Importance/Justification* In a time of limited budgetary resources and increasing availability of IT resources via application service providers, cloud services, and outsourcing, it is critical to review the IT resources available within an agency to determine if they are being properly utilized. Underutilization of IT resources will result in obsolescence of hardware and waste of funds.

*Project Name*    Audit Follow-up: Office of Opportunity, Inclusiveness, and Compliance

*Activity Description*    The Office of Opportunity, Inclusiveness and Compliance (OIC) is responsible for administering key workforce diversity programs to engender an environment in which all employees can accomplish the Library’s mission and reach their full potential without systemic barriers and discrimination. Specifically, OIC has three missions. First, to advance equal employment opportunity through programs that promote fair and equitable treatment regardless of race, color, religion, gender, national origin, age, disability, or sexual orientation. Second, to support programs that value interpersonal and institutional differences that often have a significant impact on a respectful workplace and workforce recruitment, employment, promotions, and professional development. Third, to assess and proactively address issues of discrimination, under representation, management, professional development, recruitment, and retention.

*Audit Type and Objectives*    This is a follow-up to our previous audit of the OIC’s predecessor organization, the Office of Workforce Diversity (OWD). In September 2007, we had reported that the OWD was improperly staffed, not managed effectively or efficiently, failed to collect data relevant to its mission, and in general, required a major overhaul. In response, the Library abolished the OWD and its component programs, and established the newly-formed OIC, so as to better effect its organizational mission. Three years later, we will assess the progress the OIC has made in implementing a variety of recommendations we made during that audit.

*Related Strategic Plan Goals and Strategies*    This follow-up will support the Goal on Organization – to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services – and the Goal on Workforce – to cultivate a talented diverse community of innovators devoted to public service. It will also contribute to various Outcomes and Strategies related to these Goals.

*Importance/Justification*    The Library established the OIC to consolidate the Library’s principal workforce diversity activities, partly in response to recommendations we made in our September 2007 report on the OWD. Ensuring that the OIC is functioning effectively is important to the mission of the agency because the office plays an important leadership and oversight role by ensuring a workplace exists that is free from discrimination and retaliation and values diversity, fairness, inclusiveness, and equality.

CARRYOVER PROJECTS

<i>Audit Name</i>	Telework
<i>Activity Description</i>	A Senate and House bill approved in 2010 would require Federal agencies to ensure that employees are authorized to telework to the maximum extent possible without diminishing agency operations and performance. The Library has joined the Telework movement, albeit slowly and cautiously. Teleworking has many benefits including ensuring the smooth continuity of operations in emergencies. However, permitting teleworkers to remotely access the Library’s computing resources gives attackers additional opportunities to breach the Library’s security.
<i>Audit Type and Objectives</i>	The objectives of this performance audit are to evaluate the Library’s efforts to (1) implement teleworking guidelines and procedures recommended by the Office of Personnel Management, (2) integrate teleworking into the pandemic continuity of operations plan (COOP), and (3) test and verify that teleworkers and other essential personnel can access the Library’s critical networks and systems remotely.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to improve the quality of products and services, and the efficiency of delivery; and to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	The winter 2009 H1N1 flu pandemic has made teleworking an increasingly important tool for ensuring continuity of operations for federal agencies. In May 2009, the director of the Office of Personnel Management issued a memo in which he advised federal agencies to “...maximize their telework capacity by entering into telework agreements with as many telework-eligible employees as possible and by conducting exercises to test employees’ ability to access agency networks from home.” It is critical to continued Library operations to ensure that it is prepared for a teleworking environment.

*Audit Name* Music Division Quantitative Assessment

*Activity Description* The Library of Congress is among the world’s largest, 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. Key to access and availability of the collections is an inventory. 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.

*Audit Type and Objectives* This performance audit includes inventories, on a sample basis, of selected collections within the Music Division. In addition, this audits focuses on evaluating the condition and authenticity, in some cases, of holdings on a sample basis.

*Related Strategic Plan Goals and Strategies* This audit supports the Goals on Content and Customers, to expand and preserve in accessible form a unified and universal body of knowledge and creativity, as well as to improve our internal and external customers’ experiences in seamlessly finding and using Library resources. The audit contributes to Content Outcomes 1, 2, and 3 to result in sustained and expanded Library content, both domestic and foreign, in traditional and new formats, enhanced preservation and accessibility, and increased shared content stewardship among libraries and other cooperating bodies. The audit also contributes to Customer Outcomes 1 and 2, to result in improved customers’ ability to get what they need, when they need it, with minimal effort, and increased use of Library resources to inform scholarly, educational, and public policy discourse.

*Importance/Justification* There is no comprehensive inventory or condition statement which covers the Library’s collections. Although individual, 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 continues the periodic sample inventories and condition assessments on a more expanded basis.

*Audit Name* Overseas Offices' Internal Control Reviews

*Activity Description* 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 recent reviews, we brought to light several internal control weaknesses affecting three of the Library's overseas offices.

*Audit Type and Objectives* 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 *Standards for Internal Control in the Federal Government*, among other references. The questionnaires will focus on the management of payroll, purchasing, time and attendance, petty cash, and other areas.

*Related Strategic Plan Goals and Strategies* These attestations will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, they will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. They will also support the strategies to improve the quality of products and services, and the efficiency of delivery; and to improve planning/decision-making within and among service and support units.

*Importance/Justification* 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.

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<i>Audit Name</i>	Surplus Books Program
<i>Activity Description</i>	The Library' Surplus Books Program collects materials from various sources which are not added to the collections. For example, the program receives books on exchange from other institutions which it may already have in the collections. These are placed in the program for future exchanges. The program has about 5,000 surplus books available to educational institutions (including full-time tax-supported or non-profit schools, school systems, colleges, universities, museums, and public libraries), public bodies (agencies of local, state, or national government), and non-profit tax-exempt organizations.
<i>Audit Type and Objectives</i>	We are reviewing the program to ensure that proper controls are in place. Specifically, we are reviewing controls related to validating exchanges and parties with whom books are exchanged, and physical controls related to the custody of materials in the program.
<i>Related Strategic Plan Goals and Strategies</i>	This project supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to improve the quality of products and services, and the efficiency of delivery; and to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	The Surplus Books program is a significant ambassador of goodwill to institutions around the world; ensuring strong controls will enable it to continue serving its constituents and allowing the Library to receive unique materials from around the world in exchange. Recent investigations into inappropriate sales of surplus books by program participants contributed to the addition of this review to our audit plan.

<i>Audit Name</i>	Law Library Collections Security
<i>Activity Description</i>	In two centuries, the Law Library has become the largest legal library in the world, with a collection of over 2.65 million volumes, inclusive of the largest collection of foreign legal materials, covering virtually every jurisdiction in the world. Congress passed a bill to establish a Library for its use in 1800. And in 1832, a statutory mandate required the Law Library reading room to remain open, "...[e]very day so long as either House of Congress is in session." (Codified in the US Code at 2 U.S.C. 138). Since its inception, the Law Library has expanded its critical legal research and analysis for Congress to the national public and international legal experts. A considerable amount of the Law Library's international primary and secondary legal collection items are only available from the Law Library.
<i>Audit Type and Objectives</i>	Because of the Law Library's role nationally and internationally, both the IG and the Law Librarian are concerned about collections security especially in light of the security breaches which occurred in the 1990s. Our main objectives are to determine if security is keeping pace as valuable collections are added and if the Law Library has adequate inventory records that denote rare law items.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it will contribute to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It will also support the strategies to improve the quality of products and services, and the efficiency of delivery; and to improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	The Library estimates that it possesses over 135 million items in its collections. Some of the items date back centuries and many of them are priceless or have prohibitively high replacement costs. The extraordinary value, size, and, in some cases, historic significance of the collections pose a wide array of vulnerabilities to theft and mutilation. A well-designed and effectively implemented collections security strategy is critical to counter the threats associated with these vulnerabilities.

<p><i>Audit Name</i></p>	<p>Managing a Multi-Sector Workforce</p>
<p><i>Activity Description</i></p>	<p>The Library employs a mix of government employees and contractors to accomplish its mission. Government employees bring dedication to the Library, maintain the pool of institutional knowledge, and acquire a deep and broad understanding of not just the technical aspect of their job, but also of the Library environment. Long-term employees also form relationships which often help improve interactions and transactions among varying groups. On the other hand, contractors can bring specific expertise to projects that require unique skills sets which may not be necessary in the long term. Currently, the Library spends about \$14 million a year on contracts of various kinds to fulfill those needs.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This is a performance audit focusing on the Library’s criteria for determining its labor requirements, the actual utilization of contractors, and potentially an examination of select contracts to determine if the labor mix was determined according to standards and best practices.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to improve the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; improve planning/decision-making within and among service and support units; and to promote and maintain a culture that conveys an expectation of, and reinforces, open and collaborative relationships within and among service and support units.</p>
<p><i>Importance/Justification</i></p>	<p>Library management practices must recognize the proper role of each sector’s labor force and draw on their respective skills to help it operate at its best. Policies and practices must ensure that the Library consistently identifies the proper role of each sector and achieves the best mix of public and private labor resources. Contractors provide vital expertise and the Library must continue to strengthen its acquisition practices so as to take efficient and effective advantage of the marketplace to meet its needs. At the same time, the Library must be alert to situations in which excessive reliance on contractors undermines its ability to accomplish its mission. In particular, overreliance on contractors can lead to the erosion of the in-house capacity that is essential to effective performance.</p>

<i>Audit Name</i>	Improper Payments
<i>Activity Description</i>	The Disbursing Office has complete cash management responsibility for the Library, including administration of the disbursing and collection of funds. It is managed by three staff members. During FY 2010, the disbursing office made approximately 36,863 payments totaling more than \$600 million.
<i>Audit Type and Objectives</i>	In November 2009, the President issued an Executive Order (13520) to the Heads of Departments and Agencies for reducing improper payments. Although this is not applicable to the Library of Congress, we are performing an attestation engagement that focuses on the Library’s effort for preventing and detecting improper payments through analysis of expenditures and other means for duplicate and fraudulent payments. Our objectives are to discover whether improper payments have occurred at the Library. If so, we will determine the significance and whether there appears to be a weakness in controls needed to prevent and detect improper payments.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.
<i>Importance/Justification</i>	Disbursing operations are by definition high-risk. One of the single points most vulnerable to fraud is the function that handles cash and checks. Given the large amount of funds being disbursed through the Library – over \$600 million, it is critical to ensure not only that proper controls are in place to prevent and detect possible fraud or improper payments, but also that there is some mechanism to review payments after the fact in order to validate them. Our review will result in a report as well as an ongoing monitoring program for the disbursing function.

*Audit Name* FY 2010 Madison Council Fund Financial Statements

*Activity Description* The James Madison National Council is an advisory board of business people and philanthropists who contribute ideas, expertise, and financial support to the Library’s collections and programs. The James Madison National Council Fund was initiated by the Librarian of Congress to account for the financial support, and was accepted by the Library of Congress Trust Fund Board in July 1989. A gift of \$100,000 from Robert Gwinn, chairman of the board of Encyclopedia Britannica, established the fund.

*Audit Type and Objectives* This financial audit is being conducted by an independent accounting firm. The audit covers the Madison Council’s financial statements and activities for FY 2010. The OIG is overseeing the contract and performing quality assessments of the contractor’s work.

*Related Strategic Plan Goals and Strategies* This audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.

*Importance/Justification* The results of the financial audit are published in the Madison Council’s annual report. The audit provides accountability for the funds donated by the current Madison Council members, and provides information to potential donors on the Library’s use of resources.

<i>Audit Name</i>	FY 2010 Library of Congress Financial Statements
<i>Activity Description</i>	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 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, which requires annual audits of financial statements.
<i>Audit Type and Objectives</i>	This financial audit is being conducted by an independent accounting firm under contract. The audit covers the FY 2010 accounting period. The OIG provides contract oversight and performs quality assessments of the contractor’s work.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.
<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 of 1990, 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 2010 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 through an interagency agreement to provide accounting services and support, financial reporting, and financial statements. This financial audit is being conducted by an independent accounting firm. The OIG is overseeing the contract and performing quality assessments of the contractor’s work.

*Related Strategic Plan Goals and Strategies* Inasmuch as the Library performs certain functions on behalf of Open World, including accounting and budget functions, this audit supports the Goal on Organization, to increase Library-wide synergies and flexibilities to continuously improve quality and efficiency of delivery of products and services. Moreover, it contributes to Outcomes 1 and 2, an optimized cultural, physical, and technological environment maximizing quality, efficiency, and creativity; and improved decision-making processes. It also supports the strategies to evaluate the quality of products and services, and the efficiency of delivery; improve Library-wide business functions to minimize workflow; and improve planning/decision-making within and among service and support units.

*Importance/Justification* Open World’s FY 2009 funding was approximately \$14 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.



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