

ANNUAL AUDIT PLAN

FISCAL YEAR 2012



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

Cover: Second Floor, Southwest Pavilion, Discovery Mural by George W. Maynard in the Pavilion of the Discoverers, Library of Congress, Thomas Jefferson Building, Washington, DC. Photograph by Carol Highsmith.



OFFICE OF THE INSPECTOR GENERAL

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INTRODUCTION AND DEFINITIONS

This plan identifies the audits of Library of Congress (LOC or Library) programs, operations, and financial activities that we anticipate beginning or completing during the fiscal year (FY). A one-page description of each assignment is included after the summary pages for new (beginning on page 7) and carryover (beginning on page 32) 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 2012 and may include assignments that were in last year's audit plan that had not started by the beginning of FY 2012. Carryover audits are those that are in progress at the beginning of FY 2012. 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 LOC Strategic Plan, FYs 2011-2016, are summarized on pages 3 and 4.

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 the 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 (IT) 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 LOC, 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 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 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 2011-2016 strategic plan, the Library articulated five key strategic goals it intends to address in the coming years: *Provide Authoritative Research, Analysis, and Information to Congress; Acquire, Preserve, and Provide Access to a Universal Collection of Knowledge and the Record of America’s Creativity; Sustain an Effective National Copyright System ; Lead and Work Collaboratively with External Communities to Advance Knowledge and Creativity; and Manage Proactively for Demonstrable Results.* For each of these, the Library has focused on specific, measurable outcomes and strategies.

Strategic Goal 1: Provide Authoritative Research, Analysis, and Information to Congress

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

Strategic Goal 2: 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.

Strategic Goal 3: 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

Strategic Goal 4: 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.

Strategic Goal 5: Manage Proactively for Demonstrable Results

- Outcome 1: Infrastructure optimally supports accomplishment of the Library's strategic goals.
- Outcome 2: Integrated 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.
Innovation is systematically promoted and implemented across the Library.
The Library has staff development programs that support a collaborative and innovative culture.

NEW PROJECTS

Name	Priority	Anticipated Start Date	Page
Contracts - Selected Reviews/Bid Protests	High	2 nd Quarter	9
Information Technology Workstation Management	High	2 nd Quarter	10
Information Technology Continuity of Operations Plan	Medium	3 rd Quarter	11
Warehouse Leasing	High	3 rd Quarter	12
Plans for a New Multi-purpose Facility	High	3 rd Quarter	13
NLS Facilities	High	2 nd Quarter	14
Collections Development	High	4 th Quarter	15
Duplication of Support Services	Medium	TBD	16
Travel	Medium	TBD	17
Suspension and Debarment Program	Medium	TBD	18
Information Technology Development	Medium	TBD	19
Information Technology Server Efficiency and Utilization	High	2 nd Quarter	20
Warehouse Operations	High	3 rd Quarter	21
Strategic Sourcing	High	TBD	22
Verification of the Top Treasures and Other Collections	Medium	TBD	23
FY 2012 Library Financial Statements	High	3 rd Quarter	24
FY 2012 Madison Council Fund Financial Statements	High	3 rd Quarter	25
FY 2012 Open World Leadership Center Financial Statements	High	3 rd Quarter	26
Revolving Gift and Trust Funds (Selected Reviews)	Low	TBD	27
Center for Learning and Development	Medium	TBD	28

NEW PROJECTS

Employee Survey Follow-up	Low	TBD	29
Interpretive Programs Office	Medium	TBD	30
Development Office	Medium	TBD	31

CARRYOVER PROJECTS

Name	Anticipated Completion	Page
Fire Suppression Systems	1 st Quarter	33
IT Strategic Planning Follow-up	2 nd Quarter	34
Overseas Offices' Internal Control Reviews	3 rd Quarter	35
IT Audit of ccmMercury	1 st Quarter	36
Office of Contracts and Grants Management Staffing	1 st Quarter	37
Office of Contracts and Grants Management Evaluation	2 nd Quarter	38
ITS Controls over Contract Management and Administration	2 nd Quarter	39
Asian Division Collections Security	1 st Quarter	40
Improper Payments III	1 st Quarter	41
FY 2011 Madison Council Fund Financial Statements	2 nd Quarter	42
FY 2011 Library Financial Statements	2 nd Quarter	43
FY 2011 Open World Leadership Center Financial Statements	3 rd Quarter	44

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 and Grants Management (OCGM) 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 contract awards to competing bidders. This sometimes causes significant delays in the contracting process, and simultaneously in successful operations of the Library. In other cases, pressures to obligate funds before they expire inappropriately cause budget reallocation procedures to be misused or avoided, and contracting officers to award contracts which may lack adequate justification.

Audit Type and Objectives This will be a performance audit designed to meet multiple objectives. Our work will 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 acquisitions’ 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 which made the award protests more likely, and (4) examining a selected sample of acquisitions, for which contracts were awarded in the last quarter of the FY, 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 will support the Library’s goal on managing proactively to achieve demonstrable results, and contribute to various outcomes and strategies related to that goal. Additionally, it will positively influence the Library’s achievement of other strategic goals.

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>	Information Technology Workstation Management
<i>Activity Description</i>	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 workstation hardware and software, maintains inventories of IT materials that it purchases, employs contractors and staff to maintain and support systems, and provides the infrastructure through which the Library connects and operates, both internally and externally.
<i>Audit Type and Objectives</i>	This will be a performance audit designed to determine whether ITS implements sensible policy in managing the lifecycle of IT hardware and software used at Library workstations. Among other things, we will seek to determine whether ITS (1) refers to IT industry standards and incorporates best practices in managing workstation hardware and software, (2) makes IT lifecycle decisions in consultation with applicable service and support units, (3) obtains best values in its hardware and software acquisitions, and (4) maintains and controls inventories of IT equipment and software based on genuine needs.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Library’s goal on managing proactively to achieve demonstrable results, and will contribute to various outcomes and strategies related to that goal.
<i>Importance/Justification</i>	Library organizations have become increasingly dependent on information systems in performing daily activities and management functions. The Library spends tens of millions of dollars on IT equipment, software, and support each year. Effectively managing the lifecycle of IT hardware and software used at Library workstations is imperative and demands the application of sensible policy, generally accepted industry standards, and IT best practices.

<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 ITS were to become unavailable or required to be closed down. Among other things, the IT COOP calls for all of its sections to be periodically tested, test plans to be prepared for the plan’s individual sections, and for test plan scenarios to mimic reality as closely as possible. IT COOP testing is performed as a table-top, walkthrough, or functional (simulated event) exercise.
<i>Audit Type and Objectives</i>	This performance audit will be conducted to determine whether (1) test plans have been prepared for all sections of the IT COOP, (2) IT COOP tests have been performed at plan-specified intervals, and (3) changes have been 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 Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various outcomes and strategies related to that 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.

<i>Audit Name</i>	Warehouse Leasing
<i>Activity Description</i>	Since 1978, the Library has leased 313,800 square feet of space at a facility in Landover, Maryland. While most of that space is occupied by collections, approximately 93,000 square feet of it is devoted to Integrated Support Services (ISS)/Logistics' warehouse operations. For FY 2012, the Library's costs to lease the Landover facility were about \$2.76 million.
<i>Audit Type and Objectives</i>	We will perform this review as an attestation engagement to determine whether continuation of the lease for the Landover facility is in the Library's best economic interest. Our work will principally involve research to identify other suitable facilities in the Washington area which would provide the Library with less costly alternatives to the Landover facility.
<i>Related Strategic Plan Goals and Strategies</i>	This attestation will support the Library's 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.
<i>Importance/Justification</i>	The Library must continuously stay abreast of market prices for leased facilities, especially considering the substantial annual cost it incurs to lease the Landover facility. Equally suitable facilities for the Library's requirements may be available in the Washington, DC area at costs to lease which are below the price the Library pays to use the building in Landover.

<p><i>Audit Name</i></p>	<p>Plans for a New Multi-purpose Facility</p>
<p><i>Activity Description</i></p>	<p>The Architect of the Capitol (AOC) has engaged a consulting firm to examine the feasibility of relocating operational elements of the Copyright Office, the National Library Service for the Blind and Physically Handicapped (NLS), and ISS' Logistics Center to a new multi-purpose facility. In the study, the firm is analyzing the space requirements and current and projected workloads of the affected Library organizations. It is also evaluating a range of other matters including, but not limited to, construction/renovation costs, funding strategies, and security-, environmental-, and transportation-related concerns. The feasibility study is scheduled for completion in January 2012. When the study's results become available, they will be presented to appropriate levels within the Library for review and deliberation.</p>
<p><i>Audit Type and Objectives</i></p>	<p>We will perform this review as an attestation engagement to review and analyze the feasibility study's results. Specifically, we will closely examine the various analyses the consulting firm performed in determining relocation options for the affected Library organizations. We will give special attention to assumptions that the firm made in determining the size of facility that should be built or leased.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit will support the Library's goal on managing proactively to achieve demonstrable results. It will also contribute to various outcomes and strategies related to that goal.</p>
<p><i>Importance/Justification</i></p>	<p>Considering the long-term and high-cost commitment which may be made, it is of major importance that decisions regarding the possible relocation of affected organizations to a new facility be based on sound and circumspect analyses. Accordingly, it is critical that the analyses which emerge from the ongoing feasibility study be independently assessed, either internally or externally.</p>

<i>Audit Name</i>	NLS Facilities
<i>Activity Description</i>	NLS administers a national library program of reading materials for individuals who are visually handicapped. NLS staff manages and administers 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 provides NLS with work space for its operations totaling 88,630 square feet.
<i>Audit Type and Objectives</i>	We will perform this review as an attestation engagement to determine whether continuation of NLS' operations at the Taylor Street facility is in the Library's best economic interest. Among other things, our work will include (1) research to identify other suitable facilities for NLS' operations in the Washington, DC area which would provide the Library with less costly alternatives to the Taylor Street facility, and (2) an evaluation to determine the practical and economic feasibility of relocating NLS' operations from the Taylor Street facility to a Library facility on Capitol Hill.
<i>Related Strategic Plan Goals and Strategies</i>	This attestation will support the Library's 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.
<i>Importance/Justification</i>	It is particularly important, during this time of great concern about government spending, that the Library be prepared to continue its operations at a reduced funding level. One area where savings may be possible is in the cost that the Library pays to provide work space for its NLS operations. For FY 2012, the Library paid approximately \$1.7 million to GSA to lease the Taylor Street facility. Equally suitable facilities for NLS' operations may be available in the Washington, DC area at costs to rent which are below the cost of leasing the Taylor Street facility.

Audit Name Collections Development

Activity Description In the past, a Collection Development Office (CDO) was in place to provide guidance and oversight for the Library’s collections development and maintenance activities. However, that office was dissolved in 1995. Nevertheless, because the need for a formal collection development function has continued to exist in the Library, the Associate Librarian for Library Services (LS) is in the process of establishing and staffing a new CDO. The new office is expected to be operating by the end of FY 2012.

Audit Type and Objectives This will be an attestation engagement designed to assist the new CDO in its early stages of operation. Among other things, we will evaluate policy that the new CDO will establish to determine amounts of item copies that the Library should maintain in its collections, and procedures the new office will use to oversee implementation of that policy.

Related Strategic Plan Goals and Strategies This attestation will support the Library’s 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. It will also contribute to various outcomes and strategies related to these goals. Additionally, it will positively influence the Library’s achievement of other strategic goals.

Importance/Justification The Library estimates that its collection now encompasses more than 145 million items. The extraordinary value, size, and, in some cases, significance of the collections pose a wide range of issues that the new CDO must effectively manage. Sound and forward-looking policies will be essential to the new office in managing the collections’ quality and size.

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 seek to 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 Library’s 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. Over time, any internally established duplications of support services may have resulted in increased cost and inefficiencies in operations.

<p><i>Audit Name</i></p>	<p>Travel</p>
<p><i>Activity Description</i></p>	<p>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 have taken 1,000 or more trips during each of the last two years, and that annual spending for travel was \$1.1 million or higher during that time. Employee travel must be approved in advance by the employee’s supervisor and the Travel Officer in OCFO. 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.</p>
<p><i>Audit Type and Objectives</i></p>	<p>This will be a performance audit designed to 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, the supervisor, and/or the OCFO Travel Officer before approvals were provided for employee trips.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit will support the Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various outcomes and strategies related to that goal.</p>
<p><i>Importance/Justification</i></p>	<p>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.</p>

Audit Name Suspension and Debarment Program

Activity Description The Suspension and Debarment Program (SDP) provides the Library with established procedures to exclude firms or individuals from receiving Library contracts or grants based on conduct revealing 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/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 and Non-procurement 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 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 SDP. 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/Debarring Official, contracting officers, and program investigators, are effectively meeting their program responsibilities.

Related Strategic Plan Goals and Strategies This audit will support the Library’s 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 included in government spending, that the Library operates an effective SDP. 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>	ITS is centrally involved in the acquisition, design, development, implementation, and maintenance of information systems which are vital to the Library’s mission, and 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 Library’s goal on managing proactively to achieve demonstrable results, and will contribute to various outcomes and strategies related to that 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>	Information Technology Server Efficiency and Utilization
<i>Activity Description</i>	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, ITS 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.
<i>Audit Type and Objectives</i>	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’s main data center and at the remote computing facility. Audit work will include (1) an assessment of the utilization and idle time of the overall server capacity, (2) a comparison of the Library’s level of server utilization to generally accepted best business practices, and (3) research to determine whether outsourcing some low-risk applications would be cost-effective and sensible.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various outcomes and strategies related to that goal.
<i>Importance/Justification</i>	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 and efficiently utilized. Underutilization of IT resources will result in obsolescence of hardware and waste of funds.

<i>Audit Name</i>	Warehouse Operations
<i>Activity Description</i>	The Logistics Services Division of 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 93,000 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 review inventories of specific types of property on a sample basis to 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, the effects of year-end spending on warehouse inventory levels, and to property accountability issues identified in recent audits of the Library’s financial statements.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various strategies related to that goal.
<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.

Audit Name Strategic Sourcing

Activity Description 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 2011, OCGM transacted 2,725 procurement actions totaling a net value of \$210,314,000 excluding FedLink purchases. The Library’s FY 2011 appropriated budget under Congress’ continuing resolution amounted to \$628,677,000 with approximately 62% of those funds attributable to payroll and employee benefits with the remaining amounts devoted to non-payroll expense.

Audit Type and Objectives This will be a performance audit focused 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 a lower overall price. We will also survey other legislative and executive branch agencies to determine the feasibility and practicality of such a concept.

Related Strategic Plan Goals and Strategies This audit will support the Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various strategies related to that goal.

Importance/Justification The Library spends approximately one-third of its annual budget on non-payroll expenses. There could be an opportunity for substantial savings in the possibility of pooling purchases with other federal agencies, and potentially other agencies within the legislative branch. The pooling concept has reportedly helped over 60 agencies and military offices save more than \$200 million over four years.

<i>Audit Name</i>	Verification of the Top Treasures and Other Collections
<i>Activity Description</i>	The LOC 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. Key to access and availability of the collections is a complete and up-to-date 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 will be a series of performance audits that will determine whether the Library periodically takes inventories of its Top Treasures and other collection items. Audit work will 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 Library’s goals on acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and 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 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 Office of the Inspector General (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 2012 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, 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 2012 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 Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various strategies related to that goal.

Importance/Justification The audit will provide 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 2012 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 2012. 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 Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various strategies related to that goal.

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 2012 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 LOC. 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 LOC 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 This audit will support the Library’s goal on managing proactively to achieve demonstrable results. It will also contribute to various strategies related to that goal.

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 FYs.
<i>Related Strategic Plan Goals and Strategies</i>	These audits will support the Library’s goals on managing proactively to achieve demonstrable results, and 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.
<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.

Audit Name Center for Learning and Development

Activity Description The Center for Learning and Development (the Center) was established in 2005 to succeed the Library of Congress Internal University. Principal responsibilities of the Center include providing Library-wide training services and leadership development. In a 2003 audit report, we identified significant issues affecting the administration of the Library’s 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 will be a performance audit designed to determine whether the Center 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 seek to determine whether significant issues of our 2003 report have been 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 Library’s goal on managing proactively to achieve demonstrable results, and will contribute to various outcomes and strategies related to that 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 strategic goals.

Audit Name Employee Survey Follow-up

Activity Description The Library’s office of Human Resources Services (HRS) 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.

Audit Type and Objectives 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.

Related Strategic Plan Goals and Strategies This audit will support the Library’s goal on managing proactively to achieve demonstrable results, and help the Library recruit and retain an extraordinary range of workforce expertise. It will also contribute to various outcomes and strategies related to this goal.

Importance/Justification 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 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 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.

Audit Type and Objectives This performance audit will assess whether the IPO 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.

Related Strategic Plan Goals and Strategies This audit supports the Library’s goals on acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and 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 with the greatly increased number of visitors resulting from the opening of the new Capitol Visitors’ Center.

<i>Audit Name</i>	Development Office
<i>Activity Description</i>	The Development Office (DO), 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 DO is effectively formulating and conducting a systematic, vigorous, and productive fund-raising program. Specifically, we will determine if the DO's fund raising is comparable to other cultural institutions. We will also assess whether the DO 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 supports the Library's goals on acquiring, preserving, and providing access to a universal collection of knowledge and the record of America's creativity, providing authoritative research, analysis, and information to the Congress, and managing proactively to achieve demonstrable results. It will also contribute to various outcomes and strategies related to these goals.
<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.

CARRYOVER PROJECTS: DETAIL

<i>Audit Name</i>	Fire Alert and Suppression Systems
<i>Activity Description</i>	<p>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.</p>
<i>Audit Type and Objectives</i>	<p>This is a performance audit to 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 is reviewing 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.</p>
<i>Related Strategic Plan Goals and Strategies</i>	<p>This audit supports the Library’s goals on acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and managing proactively to achieve demonstrable results. It is also contributing to various outcomes and strategies related to these goals.</p>
<i>Importance/Justification</i>	<p>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 is examining the adequacy of the fire detection and prevention systems at the Library.</p>

<i>Audit Name</i>	Information Technology (IT) Strategic Plans and Approach – Follow-up
<i>Activity Description</i>	The Library has acquired and continues to invest in IT systems that support its various programs and activities. Its policy calls for a structured approach in the development, operation, maintenance, and replacement of these systems.
<i>Audit Type and Objectives</i>	This audit is a follow-up of our 2009 review of the Library’s plan for managing its IT infrastructure investments. We are evaluating: (1) short and long-term planning for technology; (2) capacity planning and analysis; (3) enterprise architecture, architectural development, infrastructure design, and migration strategies; (4) system development and acquisition controls; (5) the organization and management of ITS; (6) adherence to security policy, procedures, and practices; and (7) the application of evolving standards.
<i>Related Strategic Plan Goals and Strategies</i>	This audit will support the Library’s 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>	As technology advances, wise IT investment decision-making requires a continuous cycle of analysis and evaluation. In the past, many IT investments were based on unrealistic claims by technology providers. Large budget outlays were made with little accountability for results and, in many cases, payoff was an afterthought. In today’s budget environment, agencies must follow a sophisticated approach to plan and evaluate the return on their investments. This follow-up assesses whether the Library has made adequate progress on the recommendations contained in our 2009 report.

<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 recent reviews, we brought to light 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 the Library's overseas offices have basic internal controls in place to protect the offices' assets by employing self-assessing questionnaires completed by responsible officials. Information is collected and evaluated through a questionnaire based on the Government Accountability Office's <i>Standards for Internal Control in the Federal Government</i> , among other references. The questionnaires focuses on the management of payroll, purchasing, time and attendance, petty cash, and other areas.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library's goal on managing proactively to achieve demonstrable results. It also contributes 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>	Information Technology - ccmMercury
<i>Activity Description</i>	<p>It is a stand alone application with no interconnections with any other internal or external system. ccmMercury is a commercial-off-the-shelf software system used by the Correspondence Control Unit for inputting and tracking the Librarian’s correspondence. All documents are scanned into the system, which classifies and routes them to the proper office for response. Other offices in the Library have access to ccmMercury. The DO scans donor related checks and supporting documentation into ccmMercury, in effect serving as the book of original entry for donations and pledges received by mail.</p>
<i>Audit Type and Objectives</i>	<p>This is an IT application audit of ccmMercury. In an IT application audit, a standardized checklist is compared against the application, and in some cases, tests of specific application security features are performed. The objective of this audit is to determine if the application contains sufficient controls to prevent unauthorized access and corruption of data.</p>
<i>Related Strategic Plan Goals and Strategies</i>	<p>This audit supports the Library’s goal on managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to this goal.</p>
<i>Importance/Justification</i>	<p>ccmMercury is used extensively by the Librarian's Office and is the de facto standard for correspondence management for the Library. Use of ccmMercury has also expanded to other workflows such as travel. If the system was non-functional, all affected workflows would be delayed to some extent. It also serves as the first record of receipt of checks and correspondence delivered to the Librarian's Office and other unidentified cash receipts delivered to the cash office. Subsequent entry of those checks into Momentum includes references to the ccmMercury record. Therefore ccmMercury provides audit evidence to support those check receipts in Momentum.</p>

<i>Audit Name</i>	Office of Contracts and Grants Management - Staffing
<i>Activity Description</i>	OCGM is a central supporting component of the Library’s infrastructure. As such, it provides services to all of the Library’s components. Without an effective means for procuring services, supplies, and materials, the Library will not be able to function effectively and efficiently. Central to OCGM’s ability to provide adequate service is its ability to maintain an adequate level of staffing. This non-audit service compares the Library’s staffing in OCGM to that of other, comparable organizations.
<i>Audit Type and Objectives</i>	This is a non-audit service initiated at the request of OCGM management. It gathers information about staffing in various organizations comparable in size and scope to the Library enabling Library managers to make informed staffing decisions.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library’s goal on managing proactively to achieve demonstrable results, and helps the Library in recruiting and retaining an extraordinary range of workforce expertise. It also contributes to various outcomes and strategies related to this Goal.
<i>Importance/Justification</i>	At the request of management, we agreed to provide this non-audit service because of the centrally important role of the OCGM. Maintaining an adequate staffing level in this office has been a challenge for the Library for several years. This review is not intended to determine why this is the case, but rather to provide information to management to enable it to make well-informed staffing decisions.

<i>Audit Name</i>	Office of Contracts and Grants Management – Operations Follow-up
<i>Activity Description</i>	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 2011, OCGM transacted 2,725 procurement actions totaling a net value of \$210,314,000 excluding FedLink purchases. The Library’s FY 2011 appropriated budget under Congress’ continuing resolution amounted to \$628,677,000 with approximately 62% of those funds attributable to payroll and employee benefits with the remaining amounts devoted to non-payroll expense.
<i>Audit Type and Objectives</i>	In 2008, we performed an evaluation of the office’s operations. This audit is a follow-up on that review. The original report focused on determining the quality and timeliness of service provided to Library components requesting acquisition support. It considered the management structure, staffing, performance management, policy and procedures, and other management controls.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library’s goal on managing proactively to achieve demonstrable results, and helps the Library recruit and retain an extraordinary range of workforce expertise. It also contributes to various outcomes and strategies related to this goal.
<i>Importance/Justification</i>	Working with the Library's service and support units, OCGM awards and administers the contracts, grants, funded cooperative agreements, fellowships, and awards that enable the Library to fulfill its mission. The Library currently uses the Momentum Financial System for the financial and procurement system of record. The OIG conducted reviews of the contracts function in the past several years and noted performance issues that were supported by independent customer surveys. Since the last review, the section is under new leadership. Without an effective means for procuring services, supplies, and materials, the Library will not be able to function effectively and efficiently. This review is determining the amount of improvement in operations.

<p><i>Audit Name</i></p>	<p>Information Technology Services Contract Management and Administration</p>
<p><i>Activity Description</i></p>	<p>In 2008, the Library awarded an indefinite delivery, indefinite quantity (IDIQ) contract for IT customer support services with four option years. Under this IDIQ, the Library issues time-and-material task orders for IT services. The combination of IDIQ contracts and time-and-materials allows the contracting officers to receive new work on contracts quickly, because labor rates are pre-negotiated. Although this type of contract offers ITS flexibility in directing work, it also carries inherent cost risks</p>
<p><i>Audit Type and Objectives</i></p>	<p>This performance audit is determining whether ITS has adequate controls over the administration and management of the IT Customer Support Services contract to ensure cost-effective contractor work. This includes evaluating the adequacy of selected task orders, reviewing and evaluating ITS controls for managing the contract task orders, and evaluating compliance with ITS's system of controls including the Contracting Officer's Technical Representative's (COTR) administration of the contract.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit supports the Library's 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>This contract is one of the Library's largest, and as such carries inherently high risk. In addition, time-and-material contracts such as this provide no positive incentive to the contractor for cost control or labor efficiency. The contractor operating under a time-and-materials contract could conceivably work less efficiently so that more hours could be charged to the government. Because of these risks, ITS must exercise increased oversight to ensure that the contractor uses efficient methods and effective cost controls.</p>

<i>Audit Name</i>	Asian Division Collections Security
<i>Activity Description</i>	The Asian Division’s collection of over 2.8 million books, periodicals and newspapers, manuscripts, and electronic media represents the most comprehensive sources of Asian language materials outside of Asia. The collection covers the area from the South Asian subcontinent and Southeast Asia to China, Japan, Korea, and Mongolia. The Asian Reading Room is the primary public access point for researchers seeking to use the Asian collections of the LOC in the many languages of Asia. Area Specialists and Reference Librarians provide in-depth reference assistance on questions concerning Asia.
<i>Audit Type and Objectives</i>	Because of the Asian Division’s vast collection that includes numerous rare and valuable items, the OIG, the Library’s Collections Security Oversight Committee, and the Asian Division Chief are concerned about collections security. Our main objective is determining if the Asian Division’s collection security internal controls are adequate and effective. In addition to assessing the physical security controls, we are determining whether the Asian Division has adequate catalog/inventory records that fully describe the items and would be useful in proving ownership if an item were stolen and subsequently recovered.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library’s goals on acquiring, preserving, and providing access to a universal collection of knowledge and the record of America’s creativity, and managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to these goals.
<i>Importance/Justification</i>	The Library possesses thousands of items in its Asian 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, historical 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.

<i>Audit Name</i>	Improper Payments
<i>Activity Description</i>	The DO 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 DO 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 discovering whether improper payments are occurring at the Library, to determine their 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 Library’s goal on managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to this goal.
<i>Importance/Justification</i>	DO 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.

<i>Audit Name</i>	FY 2011 Madison Council Fund Financial Statements
<i>Activity Description</i>	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.
<i>Audit Type and Objectives</i>	An independent accounting firm is conducting this audit. The audit covers the Madison Council’s financial statements and activities for FY 2011. The OIG is overseeing the contract and performing quality assessments of the contractor’s work.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library’s goal on managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to this goal.
<i>Importance/Justification</i>	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.

<p><i>Audit Name</i></p>	<p>FY 2011 Library of Congress Financial Statements</p>
<p><i>Activity Description</i></p>	<p>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 CFO 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.</p>
<p><i>Audit Type and Objectives</i></p>	<p>An independent accounting firm under contract is conducting this financial audit. The audit covers the FY 2011 accounting period. The OIG is providing contract oversight and performing quality assessments of the contractor’s work.</p>
<p><i>Related Strategic Plan Goals and Strategies</i></p>	<p>This audit supports the Library’s goal on managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to this goal.</p>
<p><i>Importance/Justification</i></p>	<p>The audit is providing reasonable assurance that the financial statements are free of material misstatement, fulfills the requirements of the CFO Act of 1990, and provides the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.</p>

<i>Audit Name</i>	FY 2011 Open World Leadership Center Financial Statements
<i>Activity Description</i>	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.
<i>Audit Type and Objectives</i>	Open World relies on the Library of Congress, through an interagency agreement, to provide accounting services and support, financial reporting, and financial statements. An independent accounting firm is conducting this financial audit. The OIG is overseeing the contract and performing quality assessments of the contractor's work.
<i>Related Strategic Plan Goals and Strategies</i>	This audit supports the Library's goal on managing proactively to achieve demonstrable results. It also contributes to various outcomes and strategies related to this goal.
<i>Importance/Justification</i>	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.

LIST OF ACRONYMS

AOC	Architect of the Capitol
The Center	The Center for Learning and Development
CFO Act	Chief Financial Officer's Act of 1990
COO	Chief Operating Officer
DO	Development Office
FAR	Federal Acquisition Regulations
FTR	Federal Travel Regulation
FY	Fiscal Year
GSA	General Services Administration
HRS	Human Resources Services
IDIQ	Indefinite Delivery Indefinite Quantity
IPO	Interpretive Programs Office
ISS	Integrated Support Services
IT	Information Technology
ITCOOP	Information Technology Continuity of Operations Plan

ITS	Information Technology Services
LCR	Library of Congress Regulation
LOC or Library	Library of Congress
LS	Library Services
NLS	National Library Service for the Blind and Physically Handicapped
OCFO	Office of the Chief Financial Officer
OCGM	Office of Contracts and Grants Management
OIG	Office of the Inspector General
Open World	Open World Leadership Center
SDP	The Suspension and Debarment Program



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