

Testimony of Karl W. Schornagel,
Inspector General, the Library of Congress
House Administration Committee
October 24, 2007

Chairman Brady, Mr. Ehlert, and members of the committee, I am pleased to be able to address with you today the issue of the controls the Library has placed over its collections. The Library estimates that it possesses over 135 million items, some dating back centuries, in numerous formats.

A cornerstone of the Library's stewardship of the nation's knowledge is its collections security program. A series of thefts and mutilations of collection items in the 1990s caused the Library to rethink its posture on collections security and inventory controls – two items that are closely inter-related. Initially, the Librarian closed the stacks, both to the public and to most staff. Later, the Library created and implemented a comprehensive collections security plan. The collections were classified into five major categories: Platinum, Gold, Silver, Bronze, and Copper, and specific levels of inventory control and security were applied to each. In the ensuing years, the Library further refined its procedures.

One of the key elements in collections security is maintaining an accurate and complete inventory of what is to be secured. Unfortunately, because of the age and vastness of the collections, no inventory exists. The Library recognized this problem and embarked on a multi-year, multi-pronged effort to inventory its collections, the largest of which was the Baseline Inventory Project (BIP). This project began in fiscal 2002 and has made progress, albeit slowly, toward inventorying the collections.

It is important to recognize that unlike Wal-Mart, which was designed from the ground up with inventory control in mind, the Library – as all libraries – was designed with access to the collections as its primary purpose. The systems that the Library had used since its inception are designed to create *cataloguing* – not *inventory* records. Most items that come into the Library are catalogued – but not all are added to the collections. The Library used – and continues to use – a variety of manual and automated systems to keep track of those items which are actually added to its inventory – but no single, integrated approach, which would combine circulation information with bibliographic data, existed. The Library adopted the Integrated Library System (ILS) as a solution to this problem.

In order to be useful, an automated system must be populated with valid data. The Library loaded all of its cataloguing information into the ILS, thus building a database of everything the Library has catalogued. The next step in this process was the BIP. The Library's ongoing physical inventory of its collections will update the ILS, which will then maintain a permanent and dynamically updated record of each item in the collections. The BIP is therefore the cornerstone to this integrated approach. By default, it will take time to inventory the collections and fully populate the ILS.

At the current time, the BIP has inventoried a portion – roughly 20% – of its target, which includes 17 million items in the general, law, and area studies collections. The Library’s various special collections are inventoried to various degrees by other means.

Progress on the BIP has been slow. Nevertheless, I do not believe that this has significantly impaired the Library’s ability to secure its collections. I base my opinion on two sets of facts. First, I have confidence in the Library’s comprehensive collections security program – a program encompassing a series of policies, procedures, the Collections Security Oversight Committee, the exit inspections, in addition to special security for special collections, among other things. Second, my office has conducted several reviews of the subject over the years. In our 2001 report on collections security, we found that the Library had “taken strong action to provide an effective internal control structure over safeguarding library materials against unauthorized acquisition, use, or disposition.” Further, we have performed many reviews designed to verify the existence and condition of certain collections, in January 1999, December 2000, October 2001, October 2004, and again in March 2006. No significant issues have emerged as a result of those reviews. Therefore, on the whole, I believe that the current collections security controls are functioning effectively.

Finally, the Library is unique among institutions in asserting in its financial statements that it does not have control over its collections. This is not currently a required assertion, although the pending Federal Accounting Standards Advisory Board’s Statement of Federal Financial Accounting Standards 29 on Heritage Assets and Stewardship Land, which will be effective in fiscal year 2008, will require an auditable count of heritage assets and stewardship land, effectively requiring institutions to assert whether or not they have control over their assets. Moreover, the Library’s inability to completely and accurately account for its assets is not unique among institutions which have custody of heritage assets. At this time, we note that the National Archives and Records Administration’s FY 2006 Federal Managers’ Financial Integrity Act report indicates that the agency has a material weakness in its collections security program. Additionally, the National Forest Service, which, like the Library, is a custodian of stewardship assets, only *estimates* its inventory. The Service states that it has not been able to complete an inventory due to budget priorities.

None of this is intended to diminish the importance of accounting for one’s assets; however, I believe that a balance must be struck between the allocation of scarce resources and the need for inventory data. Clearly, control over the collections is one of the cornerstones of the Library’s operations. At the current time, however, I believe the overall system of controls is adequately designed and generally functions as intended. I will continue to probe these control systems in the future.