

Memorandum*Office of the Inspector General*

TO: Donald L. Scott
Deputy Librarian

July 24, 2002

FROM: Karl W. Schornagel
Inspector General



SUBJECT: Organizational Alignment of Library of Congress Internal
University, Contracts Services, and Grants Management

Per your request, the Office of Inspector General considered the organizational alignment of the Library of Congress Internal University (LCIU), Contracts Services, and grants management functions to determine whether their current configuration optimizes effectiveness. In summary, LCIU could function in its current organizational alignment, or the function could be performed elsewhere within the Library without compromising its effectiveness. Contracts Services and grants (and cooperative agreements) management should be consolidated and aligned independently of existing enabling infrastructure components. Contracts Services and grants/cooperative agreements (and most other infrastructure components) would be better placed under a newly created senior-level position that focuses on administering the infrastructure activities that support the Library's operations. The paragraphs below discuss the rationale for our conclusions.

Library of Congress Internal University

To optimize effectiveness, the responsibility and authority of the Internal University, Human Resources Services, the Training and Development Advisory Board, and the Library's managers/supervisors must be clearly defined and focused on improving employee development and providing learning opportunities. Once these are defined and focused, the Internal University must be given adequate resources to perform assigned functions. We will soon issue an audit report that addresses issues about LCIU's mission and management.

Contracts Services

Contracts Services should have organizational independence from other infrastructure components and service units. Internal control is an integral component of an organization's management and it provides reasonable assurance of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. An important aspect of internal control is segregating duties so that no one person or component of an organization handles all aspects of a transaction from beginning to end. This includes initiating acquisitions, approving them, disbursing funds, and accounting. The greater the separation of these duties, the stronger an organization's control environment. Please refer to the attached *Standards for*

Internal Control in the Federal Government, GAO, November 1999, page 9, paragraphs 2 and 3, and page 14, paragraph 4.

Grant and Cooperative Agreement Management

Because of their similarities, grants and cooperative agreements and Contracts Services could be handled by the same manager. Many other federal agencies successfully combine these functions. The Library would have to recruit someone for this position, likely a GS-15.

Administering Infrastructure Support Activities

Consider appointing a senior-level manager. The manager would report to you and be responsible for all infrastructure functions except perhaps Financial Services Directorate and Information Technology Services. The position should be filled with a person whose expertise is in management and administration and whose focus is on high quality service. The ability to work well with others, effectively communicate, and manage projects are also important factors for this position. Numerous federal agencies successfully employ such a senior manager for administration of these important functions.

Often, infrastructure components report to an agency's CFO. In my experience, this structure is more successful in larger agencies where the CFO does not handle the day-to-day management of financial operations.

If you have any questions or would like to discuss these topics further, please let me know.

Attachment