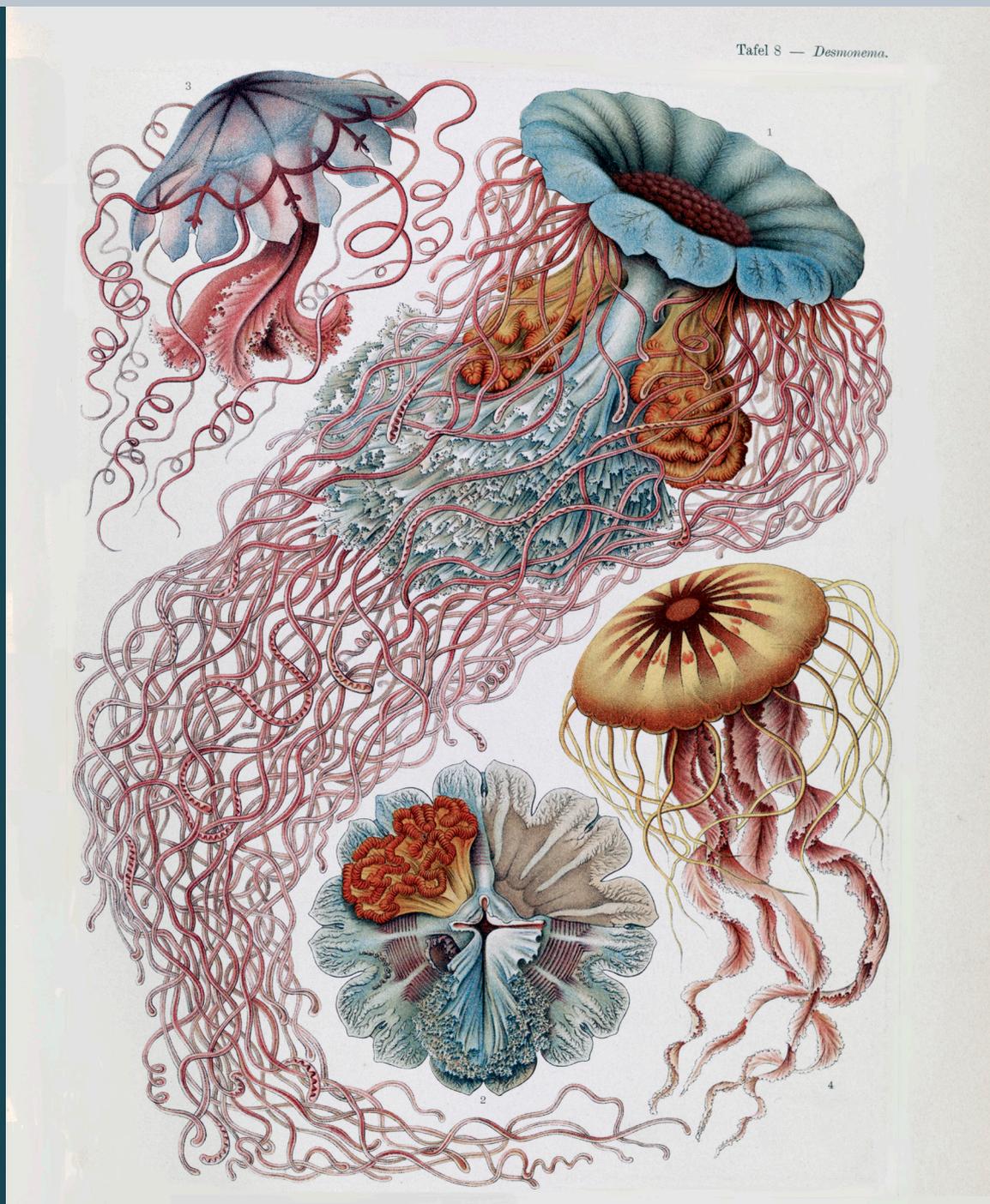


# LIBRARY

LIBRARY  
OF CONGRESS



Office of the Inspector General  
Semiannual Report to Congress  
September 2018



This edition of the Office of the Inspector General's Semiannual Report to Congress showcases the Library of Congress collection materials of Ernst Haeckel. A German biologist, Haeckel created exquisitely rendered depictions of flora and fauna. The Library's Prints and Photographs Division holds a copy of *Kunstformen der Natur* in its Case Book Collection. Each year, the Library publishes books, calendars and other printed products featuring its vast content. The puzzles, calendar, and sticker book above are just a few examples of recent publications. Library publications can be purchased in bookstores nationwide and from the Library Shop. The catalog of Case Book holdings is available online at [www.loc.gov/pictures/collection/casebk](http://www.loc.gov/pictures/collection/casebk).

FRONT COVER: ERNST HAECKEL, *DISCOMEDUSAE - SCHEIBENQUALEN*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWING FOUR DIFFERENT TYPES OF JELLYFISH.

REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

ABOVE [CLOCKWISE]: ERNST HAECKEL, *ART FORMS IN NATURE* 2018 CALENDAR, ERNST HAECKEL, *ART FORMS IN NATURE* 2019 CALENDAR, ERNST HAECKEL, *SEA ANEMONES, ART FORMS IN NATURE*, *HUMMINGBIRDS* PUZZLE, *ART FORMS IN NATURE* PUZZLE, AND ERNST HAECKEL: *ART FORMS IN NATURE* STICKER BOOK, LIBRARY OF CONGRESS PUBLICATIONS IN ASSOCIATION WITH POMEGRANATE COMMUNICATIONS.

REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS



September 30, 2018

## MESSAGE FROM THE INSPECTOR GENERAL

This was a busy semiannual period. Librarian Dr. Carla Hayden initiated an organizational realignment, individuals were named to key leadership positions, and after extensive work the Library is poised to implement a new strategic plan. As part of her efforts to make the Library more user-centered, the Librarian has created the Center for Exhibits and Interpretation and the Center for Learning, Literacy, and Engagement, among other changes. The Librarian also selected Mark Sweeney to serve as Principal Deputy Librarian. Individuals were also selected to serve in leadership positions associated with the new units created by the realignment.

Regarding the new strategic plan, I testified with the Librarian before the House Committee on Administration in July on the Library's strategic planning activities. I noted that the Library historically has not been effective in its strategic planning activities, but that, under Dr. Hayden's leadership and with the new strategic plan, the Library has an opportunity to better focus on results. We also issued a report on strategic planning, an area we consider to be one of the Library's top management challenges. We will continue to monitor this area, such as whether the Library's service units complete their directional plans in support of the overall strategic plan in early 2019. The execution of the strategic plan will be more difficult than its creation. The adage "make haste slowly" applies well to the circumstances — that is, the Library needs to perform activities with the proper balance of urgency and diligence to ensure the success of its execution efforts.

During this semiannual period, we issued reports in several areas, including strategic planning, information technology, contracting, and financial management. Our investigators also recovered approximately \$94,000 in overpayments to a Library employee because of improper time and attendance charges.

The Library implemented 47 of our recommendations from prior semiannual periods. Eighteen of the recommendations are not identified here because they were in reports that were not released publicly.

A handwritten signature in blue ink, appearing to read "Kurt W. Hyde".

Kurt W. Hyde  
Inspector General

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ABOVE: ERNST HAECKEL, ASCIDIAE - SEESCHIEDEN. ILLUSTRATION IN: KUNSTFORMEN DER NATUR, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWING A VARIETY OF SEA SQUIRTS.  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

## PROFILES

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### LIBRARY OF CONGRESS

The Library is the research and information arm of the United States' national legislature and the world's largest knowledge reserve. As of October 1, 2018, the Library's mission is to engage, inspire, and inform Congress and the American people with a universal and enduring source of knowledge and creativity. This mission is accomplished through the work of approximately 3,100 permanent employees.

Founded in 1800, the Library is also the nation's first federal cultural institution, holding more than 167 million physical items on approximately 838 miles of bookshelves. These items include books and other print materials, recordings, photographs, maps, sheet music, and manuscripts. In addition to its three Capitol Hill buildings and Taylor Street Annex in Washington, DC, the Library operates six overseas offices and stores collections material in purpose-built facilities in Maryland and at the Packard Campus of the National Audio-Visual Conservation Center in Culpeper, Virginia.<sup>1</sup>

The Library has six primary components; the Library Collections and Services Group manages three traditional library operations:

- Office of the Librarian
- Chief Operating Office
- Office of the Chief Information Officer
- Library Collections and Services Group
  - Law Library
  - Library Services
  - National Library Services for the Blind and Physically Handicapped
- U.S. Copyright Office
- Congressional Research Service

**The Office of the Librarian** provides leadership and executive management to the Library, overseeing the implementation of the Library's mission. It includes the Principal Deputy Librarian, the Office of Communications and External Relations, and the Office of the Chief of Staff. The Office of the Chief of Staff includes two new centers that focus on user engagement and fostering access to the Library's collections for research, teaching, and visitor education: the **Center for Exhibits and Interpretation** and the **Center for Learning, Literacy, and Engagement**.

**The Chief Operating Office** manages and administers the Library's non-information technology infrastructure functions and daily operations, including oversight of the Human Capital Directorate, the Financial Services Directorate, the Contracts and

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<sup>1</sup> Additionally, the Library has materials stored per interagency contracts in Cabin Branch and Landover, Maryland and Pittsfield, Massachusetts as well as per contract in Fredericksburg, Virginia. The Library also has materials stored in its overseas offices.

Grants Directorate, the Integrated Support Services Directorate, the Security and Emergency Preparedness Directorate, and business enterprises that operate on a cost recovery basis.

**The Office of the Chief Information Officer** ensures that the Library's centrally managed information technology (IT) resources meet current and future mission requirements and operate effectively to serve Congress and the American people, while also providing IT services, security, and expert guidance on IT matters within the Library.

**The Library Collections and Services Group (LCSG)** oversees units responsible for acquiring, stewarding, describing, and serving Library collections and manages fellowships and internships. The LCSG includes: the **Law Library**, which assists Congress and the legislative process by providing comprehensive research on foreign, comparative, international, and U.S. law and other legal reference services; **Library Services**, which performs the traditional functions of a national library, such as acquisitions, cataloging, preservation, and reference services for both digital and conventional collections and operates the National Audio-Visual Conservation Center and the American Folklife Center, among other programs; the **National Library Service for the Blind and Physically Handicapped**, which is a national program that circulates books and magazines in braille and audio formats to people with temporary or permanent low vision, blindness, or a physical disability that prevents them from reading or holding the printed page; and the **John W. Kluge Center**, which brings together the world's best thinkers to contribute to the conversation about the challenges facing democracies in the 21st century through residential fellowships, lectures, and other research opportunities.

**The U.S. Copyright Office** administers the nation's copyright laws for the advancement of the public good, offers services and support to authors and users of creative works, and provides expert impartial assistance to Congress, the courts, and executive branch agencies on questions of copyright law and policy.

**The Congressional Research Service** supports the legislative process by providing, exclusively to Congress, objective, confidential, and nonpartisan assessments of public policy issues and legislative options for addressing those issues.

In fiscal year (FY) 2017, the Library

- drew nearly 1.9 million visitors to its Capitol Hill buildings;
- responded to more than 1 million reference requests from Congress, the public, and other federal agencies;
- circulated approximately 21 million copies of braille and recorded books and magazines to more than 470,000 blind and physically handicapped reader accounts; and
- registered over 450,000 copyright claims.

## OFFICE OF THE INSPECTOR GENERAL

This year we mark the 40th anniversary of the Inspector General Act and the creation of the original 12 offices of inspector general. The Library's Office of the Inspector General (OIG) was established in 1988 as a non-statutory office deriving its authority from the Librarian of Congress. OIG became statutory with the passage of the Library of Congress Inspector General Act of 2005 (2 U.S.C. § 185), with a mandate to

- independently conduct and supervise audits and investigations of fraud, waste, and abuse relating to the Library;
- lead, coordinate, and recommend policies to promote economy, efficiency, and effectiveness; and
- keep the Librarian of Congress and the Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the Library.

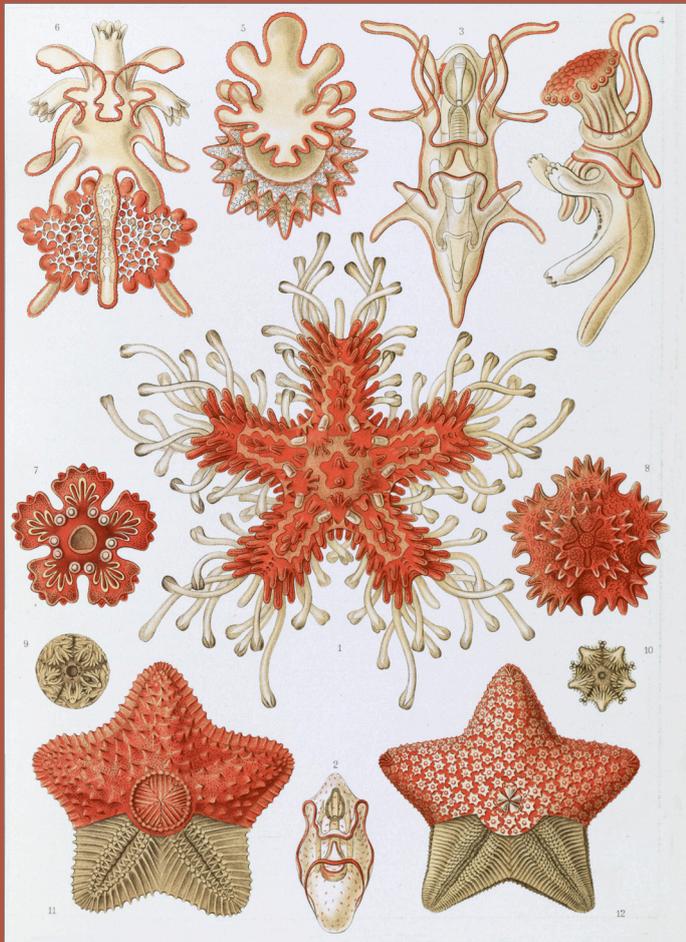
We are part of a community of Inspectors General through the Council of Inspectors General on Integrity and Efficiency (CIGIE) who collectively oversee operations in the executive and legislative branches. In the years to come, we look forward to continuing our efforts to provide independent and effective oversight, such as through our Semiannual Reports to Congress as required by the Inspector General Act. Every 6 months we provide Congress with this report detailing our independent oversight of the Library. The semiannual report presents information on

- the Library's top management challenges;
- significant audits, investigations, and other activities of the OIG;
- OIG's review of legislation and regulations affecting the Library; and
- Library decisions on OIG recommendations and the status of implementation, along with any resulting monetary benefits.

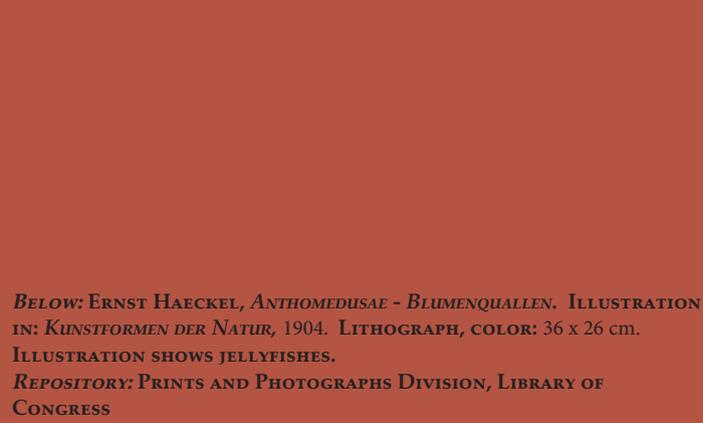
**The Audits Division** conducts in-depth reviews that address the efficiency, effectiveness, and economy of the Library's programs, activities, and functions; provides information to responsible parties to improve public accountability; facilitates oversight and decision-making; and initiates corrective action as needed.

The Audits Division also contracts with an independent public accounting firm that examines whether financial statements fairly present financial positions, results of operations, and budgetary resources. The firm also assesses whether the Library and other entities have adequate financial reporting internal control systems that comply with applicable laws and regulations. OIG reports are available at [www.loc.gov/about/oig](http://www.loc.gov/about/oig).

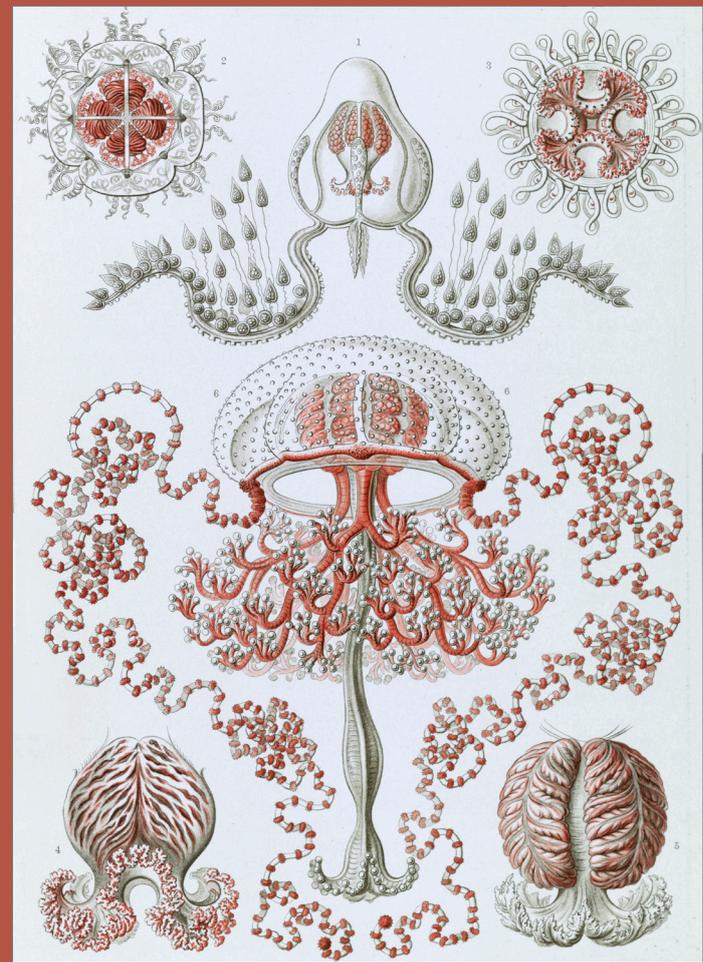
**The Investigations Division** addresses alleged or suspected wrongdoing by agency employees, contractors, or others responsible for handling federal resources. Violations of Library regulations or fraud committed against the Library can result in administrative sanctions and criminal or civil prosecution. Contact information for the OIG Hotline is located on the inside back cover of this report.



**ABOVE: ERNST HAECKEL, ASTERIDEA - SEESTERNE. ILLUSTRATION IN: KUNSTFORMEN DER NATUR, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWING STARFISH IN THE PHYLLUM ECHINODERMATA. REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS**



**BELOW: ERNST HAECKEL, ANTHOMEDUSAE - BLUMENQUALLEN. ILLUSTRATION IN: KUNSTFORMEN DER NATUR, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS JELLYFISHES. REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS**



## TOP MANAGEMENT CHALLENGES

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This section summarizes activities taken by the Library to address its top management challenges, as identified by OIG. In addition to the **Financial Management and Reporting** top management challenge discussed in detail below, the Library has five ongoing top management challenges:

- **Strategic Planning and Performance Management.** Many of the Library's management challenges over the years have flowed from a historic lack of proper strategic planning and performance management.
- **Collections Storage.** The Library has historically acquired materials faster than they can be processed, made accessible, and safely stored.
- **Digital Strategic Planning and Execution.** A more strategic approach to digital services and collections is necessary because of the pace of digital innovation and the need for the Library to act on many fronts to execute a timely and cost effective digital transformation.
- **Information Technology Infrastructure.** The key to the Library successfully developing a modern IT environment is the Office of the Chief Information Officer using a strategic approach to improve its IT governance, establishing accountability for IT investments, implementing a well-designed and functioning primary computing facility, and employing IT best practices.
- **Contracting.** An area of long-standing challenge, the Library needs to prioritize the importance of an effective organization-wide procurement function.

OIG selects and assesses certain top management challenges to evaluate for our semiannual report. For this semiannual period ending in September 2018, we focused on Financial Management and Reporting, a newly identified top management challenge that we address in this report for the first time. OIG plans to evaluate the Collections Storage top management challenge in our March 2019 semiannual report. In addition to the summaries provided in our semiannual report, OIG will issue reports that provide more detailed information on the results of our evaluations. Conducting more formal assessments of progress made is in line with the direction provided by the Chairman of the Committee on House Administration, who stated that he wanted the Library to address and resolve the top management challenges identified by OIG.

### FINANCIAL MANAGEMENT AND REPORTING

Given recent results, we have identified financial management and reporting as a new top management challenge for the Library; OIG has not identified financial management and reporting as a top management challenge in our previous semiannual reports to Congress. We believe the Library needs to take immediate action to make

improvements in order to maintain an unmodified (clean) financial statement audit opinion. Further deterioration of the Library’s financial reporting internal controls will increase the possibility for a material misstatement of the Library’s financial statements and may jeopardize its twenty-two year history of unmodified audit opinions.

The Library of Congress has undergone annual financial statement audits since FY 1995 and received unmodified (clean) opinions since FY 1996. In August 2018, we issued the results of the FY 2017 financial statement audit performed by an independent public accounting firm for the period ending September 30, 2017.<sup>2</sup> The firm identified a material weakness and three significant deficiencies in internal controls over financial reporting and an instance of non-compliance with laws and regulations. A material weakness indicates that there is a reasonable possibility that a material misstatement of the Library’s financial statements would not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Recently, the combination of reportable conditions indicates that there has been a deterioration in the Library’s ability to process, record, and manage its reporting of financial data, particularly when reviewing the results of the financial statement audits over the past three fiscal years. As shown in Table 1, the Library has experienced an increase in reportable conditions over time. Reportable conditions are findings reported on either the independent auditor’s report, the report on internal control over financial reporting, or the report on compliance with laws, regulations, contracts, and grant agreements. A reliable system of internal control over financial reporting is vital for an agency to accurately and reliably report on its financial transactions and position. Agency management relies on its financial reporting for decision-making and accountability to Congress and the American taxpayer.

**TABLE 1: SUMMARY OF FINANCIAL STATEMENT FINDINGS FOR FY 2015 - 2017**

FY	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY	NONCOMPLIANCE WITH LAWS AND REGULATIONS <sup>3</sup>	MANAGEMENT LETTER COMMENTS
2015	-	-	-	2
2016	-	4	-	6
2017	1	3	1	7

<sup>2</sup> Results of the *Library of Congress’ FY 2017 Financial Statement Audit*, 2017-FN-101, August 2018. In addition to the description provided here, the report is referenced in the Audits, Surveys, and Reviews section of this semiannual report.

<sup>3</sup> Prior to FY 2017, the Library’s last non-compliance related finding with laws and regulations was in FY 2005.

We are encouraged that the Library has already developed a corrective action plan in response to the audit that addresses each reportable condition.<sup>4</sup> We should note that the Library is not alone in facing difficulties in this area. In its consolidated report on top management and performance challenges for the federal government, CIGIE identified financial management as a top management challenge for agencies government-wide.<sup>5</sup> According to CIGIE, agencies' ability to track and report financial data has not kept pace with agency needs as government programs and operations have grown in complexity.

The Office of the Chief Financial Officer (OCFO) is responsible for the formulation, execution, and presentation of the Library's budget and provides accounting, travel, disbursing, financial systems, and financial reporting services for the Library's appropriated, gift, trust, revolving, and reimbursable funds.<sup>6</sup> OCFO maintains the Legislative Branch Financial Management System (financial management system) for seven agencies (Library of Congress, United States Capitol Police, Congressional Budget Office, Architect of the Capitol, Government Accountability Office, Office of Compliance, and Open World Leadership Center), two congressional funds (Capitol Preservation Commission Fund and Senate Preservation Fund), and the Medicare Payment Advisory Commission. The financial management system was installed at the Library in FY 2005, and since then various upgrades have occurred with further enhancements planned in FY 2019.

The FY 2017 financial statement audit identified a material weakness in the Library's financial reporting process. The material weakness involved the improper reporting of investment gains and losses and other accounting errors, which had not been identified by Library management. Most notably, the audit identified a \$28.7 million accounting error made by the Library when recording unrealized gains and the gains on the disposition of investments.

The retirements of experienced OCFO staff impacted the audit and contributed in part to the improper reporting identified by the audit. The Library stated that retirements of experienced OCFO staff in FY 2017 contributed to heavier workloads for processing transactions and delays in OCFO providing necessary schedules and related supporting documentation. This led to an inordinate amount of time spent on making adjustments to the financial statements, which delayed the completion of the audit by nearly two months. For example, adjusting a \$349,000 misstatement identified by the independent public accounting firm would have delayed the audit by an additional month. As a result, the Library chose not to revise the entry due to the administration and resources required to make the adjustment.

The audit also found that retirements of experienced staff resulted in OCFO's managers and supervisors spending the majority of their time processing transactions.

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<sup>4</sup> For management's detailed response to the reportable deficiencies, please refer to the independent public accountant's open recommendations schedule in Table 4C of this semiannual report.

<sup>5</sup> *Top Management and Performance Challenges Facing Multiple Federal Agencies*, April 2018.

<sup>6</sup> The Chief Financial Officer reports to the Chief Operating Officer.

One of those retirements involved a key individual who was heavily relied upon during financial statements audits and for processing more complex transactions. The loss of this key person was further exacerbated by the lack of documentation for the financial management system's workflows and internal controls. Consequently, OCFO's managers and supervisors had limited time to perform the kind of high-level reviews and analyses of the information reported in the financial management system that could have enabled them to identify the improper reporting found by the audit. According to the Library's corrective action plan, well-documented procedures may result in fewer accounting errors.

The three identified significant deficiencies involved weaknesses in internal controls over financial reporting and were repeat findings from the FY 2016 financial statement audit

- The first significant deficiency involved \$1.5 million in unliquidated obligations that remained open for periods of one to four years without any activity. There were also \$3.3 million in unliquidated obligations that did not have support or activity to justify remaining as open obligations. The Library's corrective action plan states that it has been working to refine its procedures to review unliquidated obligations and to close-out contract actions when no future outlays are expected.
- The second significant deficiency involved lack of support and untimely recording of new obligations. The lack of support resulted in a reportable condition for non-compliance with laws and regulations. The Library's corrective action plan identifies the interfaces of two subsidiary financial systems as the cause for this finding and states that the Library will explore system solutions, strengthen processes, and update procedures to ensure proper recordation and reconciliation between systems.
- The third significant deficiency resulted from the Library not validating its accounts payable accrual methodology for expenses attributable to the Federal Library and Information Network (FEDLINK) to ensure that the accrual was supportable. The Library's corrective action plan states the intent to review the current accrual methodology and assess additional options for validating data on an earlier schedule.

As the Library's programs and operations continue to grow in complexity, stringent reporting requirements become increasingly necessary to ensure program integrity, efficiency, and transparency. OIG will monitor progress made on milestones established in the Library's corrective action plan and provide an update on this top management challenge in our March 2019 semiannual report. OIG will also report the results of the FY 2018 financial statements audit, scheduled for completion by April 2019, in our September 2019 semiannual report. At that time, we will make a determination as to whether financial management and reporting remains a top management challenge for the Library.



ABOVE: ERNST HAECKEL, *ACTINIAE - SEEANEMONEN*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWING A VARIETY OF SEA ANEMONES.  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

## AUDITS, EVALUATIONS, AND REVIEWS

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We issued nine reports during this semiannual period.

### TIER 1 SYSTEMS DISASTER RECOVERY COMPLIANCE EVALUATION

REPORT No. 2017-IT-102

APRIL 2018

OIG engaged an information technology contractor to evaluate the Library's current status in the preparation of contingency plans and a risk and business impact analysis of Library systems. The evaluation further examined whether key business continuity and disaster recovery documentation was complete and accessible, backup procedures met the expected recovery targets, and the procedures and frequency of the testing of the recovery plans were compliant with policy.

Generally, the Library is operating in accordance with information technology security policies, procedures, and National Institute of Standards and Technology guidance for contingency plans, including the planning process for completing business impact analyses, defining backup strategies and recovery methods, and defining related policy statements. However, several new observations and recommendations were made addressing missing elements of the contingency plans, the lack of a clear policy for identifying critical systems, gaps in backup procedures, and the need for centralized storage of systems recovery-related documentation.

Library management agreed with all of our recommendations. We are not providing specific information about the findings and recommendations because of the sensitive nature of the information contained in the report. The report was not issued for public release.

### CONTINUED, PERSISTENT FOCUS NEEDED TO STRENGTHEN THE LIBRARY'S STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

REPORT No. 2018-SP-103

JULY 2018

OIG analyzed the steps taken to develop a more robust Library-wide strategic plan supported by aligned service unit plans and an integrated enterprise-wide risk management framework. We have identified the strategic planning and performance management area as a top management challenge in our semiannual reports to Congress since September 2011. We believe that many of the Library's management challenges over the years have flowed from a historic lack of proper strategic planning and performance management. More recently, especially since Dr. Hayden's arrival, this area has improved.

As part of the evaluation, we identified practices that would further strengthen this area. We presented the practices as guidance and intend to refer to this guidance in future evaluations and semiannual reports.

OIG identified six practices:

- Improve the Library's focus on customers/users;
- Implement a planning and performance culture at the executive level;
- Create a strategic plan that meets federal government standards;
- Create a better human capital linkage to strategic planning and performance management;
- Link budgetary resources to expected performance results; and
- Manage risk across the Library's service units when planning and conducting performance management.

OIG believes it will take the Library years to successfully develop and implement a more robust strategic planning framework, one that includes goals with specific and aggressive outcomes that can be used to evaluate performance using verifiable performance metrics. OIG did not make recommendations that required a management response. The Inspector General appeared before the Committee on House Administration on July 25, 2018 to testify about strategic planning at the Library.

## STRENGTHEN CERTAIN DATA CENTER PHYSICAL SECURITY CONTROLS

REPORT NO. 2018-IT-101

AUGUST 2018

OIG evaluated the effectiveness of selected physical and environmental security controls within the Library's Primary Computing Facility (PCF) from September 1, 2017 through March 15, 2018. Information technology physical security is defined as the various measures or controls that protect an organization from a loss of computer processing capabilities caused by theft, fire, flood, intentional destruction, unintentional damage, mechanical equipment failure, and power failures. Physical security measures should be sufficient to deal with foreseeable threats.

OIG found that certain physical controls were working effectively and made recommendations to strengthen security at the PCF. Library management agreed with all of our recommendations. We are not providing specific information about the findings and recommendations because of the sensitive nature of the information contained in the report. The report was not issued for public release.

## RESULTS OF THE LIBRARY OF CONGRESS' FY 2017 FINANCIAL STATEMENT AUDIT

REPORT No. 2017-FN-101

AUGUST 2018

OIG contracted with an independent public accounting firm (IPA) to conduct the Library's financial statement audit. For the twenty-second consecutive year, the Library received an unmodified (clean) opinion on the Library's financial statements. In the auditor's opinion, the financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

The IPA reported an internal controls material weakness resulting from significant delays in the financial statement closing process and in preparing the financial statements. The IPA noted errors made in financial reporting and related supporting schedules not identified during Library management's review. The IPA also noted significant deficiencies regarding the internal controls for 1) untimely de-obligation of funds, 2) lack of support and untimely recording of new obligations, and 3) lack of validation for the accounts payable accrual.<sup>7</sup> In addition, the IPA found an instance of noncompliance with laws and regulations regarding the lack of support for bulk obligations. Given these findings, OIG has identified financial management and reporting as a new top management challenge for the Library. For more details, see this semiannual report's top management challenges section and the IPA's open recommendations schedule in Table 4C.

## FY 2017 FIDUCIARY FUND FINANCIAL STATEMENT AUDIT

REPORT No. 2017-FN-103

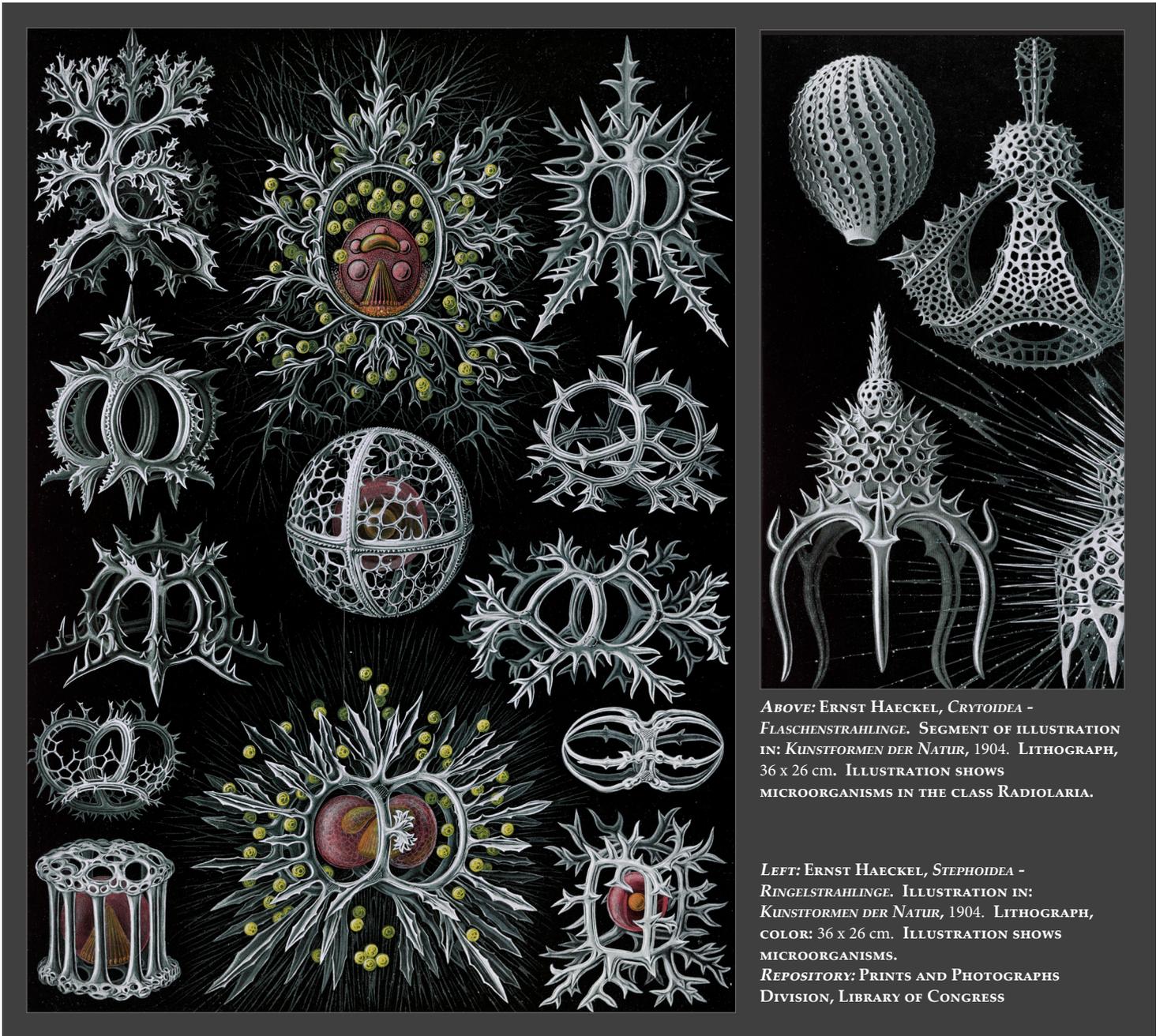
AUGUST 2018

OIG contracted with an IPA to audit the Library's FY 2017 Copyright Office fiduciary fund financial statements as of and for the fiscal year ending September 30, 2017, and to provide a report on internal control over financial reporting and compliance with laws and regulations. The fiduciary fund resides in the Copyright Licensing Division.

The IPA reported that the financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles; there were no material weaknesses or significant deficiencies in internal control over financial reporting; and there was no reportable noncompliance with provisions of laws and regulations.

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<sup>7</sup> A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.



ABOVE: ERNST HAECKEL, *CRYOIDEA - FLASCHENSTRAHLIGE*. SEGMENT OF ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, 36 x 26 cm. ILLUSTRATION SHOWS MICROORGANISMS IN THE CLASS RADIOLARIA.

LEFT: ERNST HAECKEL, *STEPHOIDEA - RINGELSTRAHLIGE*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS MICROORGANISMS.  
 REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

AUDIT OF SELECTED INTEGRATED SUPPORT SERVICES CONTRACTS AND TASK ORDERS

REPORT No. 2017-SP-104B  
 AUGUST 2018

OIG contracted to audit select contracts solicited, awarded, and administered by Integrated Support Services (ISS). The objective of the audit was to evaluate ISS's compliance with the Library of Congress Federal Acquisition Regulation Supplement, which provides guidance for solicitation, award, administration, and closeout of the Library's contracts.

The contractor determined that ISS complied with Library policies and procedures governing the procurement, award, and administration of the contracts, with the exception of issues found and remedied by Library management prior to the contractor's audit in the monitoring and administration of one indefinite delivery indefinite quantity contract and its related task orders. Given that there were no reportable conditions, no recommendations were made.

#### FY 2017 OPEN WORLD LEADERSHIP CENTER FINANCIAL STATEMENT AUDIT

REPORT No. 2017-FN-105

AUGUST 2018

The Open World Leadership Center (Open World) hosts emerging political and civic leaders from post-Soviet countries through its congressionally sponsored exchange program. Librarian Dr. Carla Hayden sits on Open World's Board of Trustees.

OIG contracted to audit Open World's financial statements for FY 2017. The auditor found that the financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The auditor also examined internal controls over financial reporting and did not identify any reportable conditions. The auditor also found no instances of noncompliance with laws and regulations or other matters that were required to be reported in accordance with U.S. generally accepted government auditing standards.

#### OCIO DEMONSTRATES IMPROVEMENT IN ITS 2018 DISASTER RECOVERY EXERCISE

REPORT No. 2018-IT-102

SEPTEMBER 2018

OIG contracted with an information technology contractor to review the Office of the Chief Information Officer's (OCIO) conduct of the February 2018 disaster recovery exercise and compare those results to the lessons learned from the previous July 2016 power maintenance shutdown and disaster recovery exercise.

The evaluation found that testing results demonstrated significant improvement compared to prior exercises indicating that OCIO and system owners implemented many of the lessons learned from previous exercises. OCIO and participating service units utilized pre-established plans, methods, and communications lines to test the PCF's disaster recovery capabilities, capture lessons for improvements, and return the systems to operation at the PCF within the scheduled exercise window. This exercise included OCIO recovering mission critical (Tier 1) systems at the alternate computing facility during the planned PCF power maintenance shutdown.

Library management agreed with all of our recommendations. We are not providing specific information about the findings and recommendations because of the sensitive nature of the information contained in the report. The report was not issued for public release.

## STEADY PROGRESS, BUT THERE ARE GAPS IN OCIO'S ROAD MAP TO MODERNIZE ITS INFORMATION TECHNOLOGY ENVIRONMENT

REPORT No. 2018-SP-102

SEPTEMBER 2018

As part of a series of reports on the Library's progress in addressing its top management challenges, OIG conducted an evaluation to establish a baseline for assessing the Library's development of a modern IT environment. With a baseline established, going forward OIG will measure the Library's IT development activities, the adequacy of development plans, and the associated transparency provided by the OCIO.

In addition to the baseline, the evaluation focused on determining whether OCIO was using a strategic approach to improve its IT governance, establishing accountability for IT investments, implementing a well-designed and functioning PCF, and employing IT best practices. This required OCIO to establish short-, mid-, and long-term goals. A well-designed plan will provide OCIO with an effective format for conveying its progress to Library management and informing key stakeholders, such as Congress, about the resources needed and the level of effort required to accomplish the desired result.

Our evaluation identified seven key initiatives that demonstrate important progress by OCIO toward a modern IT environment and are vital foundational elements in its development: OCIO remediating a significant number of open OIG and Government Accountability Office audit recommendations; implementing an IT Strategic Plan; issuing the IT Program Modernization Plan; centralizing the Library's IT function in OCIO; upgrading the authority and span of control of the Project Management Office; initiating Technology Business Management as its business analysis and cost accounting methodology; and coordinating with the Copyright Office to develop a modified U.S. Copyright Office Provisional IT Modernization Plan.

Although we found OCIO has made progress towards improving IT operations and movement towards a modern and efficient IT environment, it has not adequately articulated plans and a vision to that end. Also, OCIO must address gaps in the Modernization Plan and in other initiatives that are part of the current baseline. OIG did not make recommendations that required a management response.

## **OTHER OIG AUDIT ACTIVITIES**

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### INSPECTOR GENERAL TESTIFIED AT HEARING ON STRATEGIC PLANNING

The Inspector General appeared before the Committee on House Administration on July 25, 2018 to testify about strategic planning at the Library. Librarian Dr. Carla Hayden and Director of Strategic Planning and Performance Management Dianne Houghton also testified.

## REVIEW OF LEGISLATION AND REGULATIONS

**TABLE 2: REVIEW OF LIBRARY OF CONGRESS REGULATIONS (LCRs) AND DIRECTIVES (LCDs)**

REVIEWED	COMMENTS BY THE OFFICE OF THE INSPECTOR GENERAL
LCR 4-250, <i>Social Media</i>	We suggested clarifying language that, due to independence issues, the OIG will not be subject to approvals, reviews or evaluations by other units in the Library. We suggested providing a list of allowable social media sites that employees may follow, as well as clarifications to some definitions, undefined terms, and approvals; possible administrative action; and the role of the Office of the Chief Operating Officer, which is listed as a responsible office.
LCD 9-110.7, <i>Attorney and Law Clerk Qualifications</i>	We offered no comments.
LCR 9-1610, <i>Senior Level Executive System</i>	We offered no comments.
LCR 1-610, <i>Planning and Organizational Performance Management</i>	We suggested clarification language in the responsibilities section.
LCR 1-630, <i>Integrated Risk Management and Internal Control</i>	We posed questions regarding additional guidance associated with service unit-level annual performance goals, suggested listing Office of Management and Budget Circular A-123, and suggested clarifications to the definitions and responsibilities sections.
LCR 4-211, <i>Domains and Subdomains</i>	We suggested clarifying that, due to independence issues, the OIG will not be subject to approvals, reviews or evaluations by other units in the Library.
LCR 1-130, <i>Changes in Library Organization and Organizational Functions</i>	We suggested changes to clarify the independence of the OIG with respect to reorganizations.
LCD 1-130.1, <i>Reorganizations – Approval and Implementation Process</i>	We suggested language clarifying that the Inspector General has the authority to approve internal reorganizations within the OIG. We also suggested clarification to definitions, some terms, and timeframes.
LCD 1-110.1, <i>Processing Details</i>	We suggested addressing details to/from outside the agency and posed other questions intended to clarify meaning.
LCD 1-110.2, <i>Processing Temporary Promotions</i>	We suggested wording changes for clarification purposes and questioned how notification is documented.
LCR 7-210, <i>Procurement – Goods and Services</i>	We suggested changes to the responsibilities of the Director of the Office of Contracts and Grants Management and the Chief of the Contracting Office and adding a section to address responsibilities of the Chief Financial Officer.
LCD 9-1920.1, <i>Phased Retirement Program</i>	We offered no comments.
LCR 9-1830, <i>Adverse Actions – Employees in the AFSCME Local 2910 Bargaining Unit</i>	We suggested excluding OIG employees from being able to serve as representatives. We also suggested defining certain terms and clarifying references to the human resources office.
LCR 9-1310, <i>Obligation to Fulfill Position Requirements</i>	We requested clarifications on performance improvement plans.
LCR 9-1820, <i>Adverse Actions – Non-Bargaining Unit Staff, GS-15 and Below</i>	We suggested excluding OIG employees from being able to serve as representatives. We also suggested clarifying the use of various terms and references to the human resources office.

## INVESTIGATIONS

As shown in Table 3, during this reporting period, OIG issued five investigative reports and one referral. We opened eight investigations, closed seven, and forwarded one to Library management for administrative action. No complaints were opened, closed, or converted to investigations. With regard to our hotline program, we received thirty-seven hotline communications. Thirteen hotline communications were referred to management. Three hotlines were converted to investigations.

**TABLE 3: INVESTIGATIVE DATA<sup>8</sup>**

ACTIVITY	TOTAL
Investigative Reports Issued (selectively summarized below) <sup>9</sup>	5
Referrals to the Department of Justice:	1
Referrals to State and Local Authorities:	1
Indictments/Criminal Informations Resulting from Prior Referral to Prosecuting Authorities:	-
Investigations Opened:	8
Investigations Closed:	7
Investigations Forwarded to Library Management for Administrative Action:	1
Complaints Opened:	8
Complaints Closed:	7
Complaints Converted to Investigations:	-
Hotline Communications Converted to Investigations:	3
Hotline Communications Received:	37
Hotline Referrals to Management:	13

## SIGNIFICANT INVESTIGATIONS

### EMPLOYEE MISCONDUCT, TIME AND ATTENDANCE IRREGULARITIES

As reported in our March 2018 semiannual report, the hotline received notification that a Library employee was leaving work to engage in personal activities without taking adequate leave. OIG reviewed leave and other records and, when interviewed with the evidence, the employee admitted to leaving work daily for personal activities over the past year without taking appropriate leave. An investigative report was issued and referred to Library management for action. Library Management, in conjunction with the National Finance Center, corrected the employee's timecards and charged the employee as Absent Without Official Leave for over 1,583 hours. The employee was required to pay back approximately \$94,000 for having been overpaid.

<sup>8</sup> Data in this table were compiled from a review of the Office of Investigation's database and files.

<sup>9</sup> Five reports were issued, one was forwarded to Library management.



ABOVE: ERNST HAECKEL, *TROCHILIDAE - KOLIBRIS*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS HUMMINGBIRDS.  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

## UNIMPLEMENTED RECOMMENDATIONS

We obtained comments from Library management on the status of all open recommendations.<sup>10</sup> OIG summarized the comments provided for recommendations made in our publicly released reports and provide them in tables 4A and 4B below. The assertions made in tables 4A and 4B are the representations of Library management and not of the OIG. OIG periodically performs follow-up audits, inspections and evaluations, and reviews to verify implementation.

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMI-ANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
<b>Office of the Librarian / Development Office</b>				
The Library's Controls for Three Gift Funds Are Generally Working but Need to Be Enhanced	2016-PA-102 September 2017	Development Office	3	Report summary: OIG examined whether the Library's internal controls for three gift funds were designed, implemented, and working effectively.  The Development Office should update its procedures manual to include a requirement for timely and periodic reconciliations of Raiser's Edge and Momentum data on donations, and then adhere to it—Stakeholders agreed to quarterly reconciliations between relevant Raiser's Edge and Momentum data on donations. The requirement for timely and periodic reconciliation has been noted as a critical business process and will be included in revised policies and procedures documentation. The estimated completion date is the second quarter of FY 2019.
The Library's Controls for Three Gift Funds Are Generally Working but Need to Be Enhanced	2016-PA-102 September 2017	Development Office	4	The Development Office, in consultation with OCFO and Office of General Counsel (OGC) as appropriate, should update its procedures manual to include guidance on how to handle a donor's request to change a grant agreement's terms and conditions, and then adhere to it. The guidance should address how and by whom the request would be reviewed and how it would be memorialized, such as in a new grant agreement and/or in Raiser's Edge—Stakeholders agreed to procedures to best manage donor requests for changes to grant agreements, including review, approval, and recordation requirements utilizing Raiser's Edge and CCM software. The process to manage gifts and grant agreements throughout their life-cycle, including changes to terms, has been noted as a critical business process and will be included in revised policies and procedures documentation. The estimated completion date is the second quarter of FY 2019.
The Library's Controls for Three Gift Funds Are Generally Working but Need to Be Enhanced	2016-PA-102 September 2017	Development Office	5	The Development Office, in consultation with OCFO and OGC as appropriate, should develop a systematic approach to assigning gift requirement responsibilities to stakeholders, update its procedures manual to include guidance on how to implement the approach, and then adhere to it. As part of the approach, assignments should be made soon after a grant agreement has been established, such as at an orientation meeting among stakeholders—Stakeholders agreed on respective roles and responsibilities, and the Development Office has been utilizing the existing functions of Raiser's Edge and CCM software to identify requirements and assign specific tasks/milestones. The process to manage gifts and grant agreements throughout their life-cycle, from draft language to termination, has been noted as a critical business process and will be included in revised policies and procedures documentation. The estimated completion date is the second quarter of FY 2019.

<sup>10</sup> These status updates are management assertions and have not been audited.

## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
The Library's Controls for Three Gift Funds Are Generally Working but Need to Be Enhanced	2016-PA-102 September 2017	Development Office	6	The Development Office, in consultation with OCFO and OGC as appropriate, should develop a systematic approach to monitoring stakeholders' compliance with gift requirements, update its procedures manual to include guidance on how to implement the approach, and then adhere to it. As part of the approach, compliance should be tracked using an electronic database. The Library should also consider whether OCFO and/or OGC should perform general oversight on a periodic basis considering the risks associated with noncompliance—The Development Office tracks gifts and grants to the Library of Congress in Raiser's Edge, a separate fundraising database. The process to manage gifts and grant agreements throughout their lifecycle, including oversight and reconciliation of information between electronic databases, will be included in revised policies and procedures documentation. The estimated completion date is the second quarter of FY 2019.
<b>Office of the Librarian / Office of the Chief Information Officer</b>				
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	4	Report summary: OIG evaluated the Library's System Development Life Cycle methodology for acquiring, designing, implementing, and maintaining IT systems.  Establish a budget methodology to track project development costs and measure variances against approved costs—To ensure the Library's Project Management Life Cycle (PMLC) and Systems Development Life Cycle (SDLC) methodologies are being followed, the Project Management Office (PMO) has expanded its project reporting to include all IT projects library-wide. For each project, the cost, schedule and scope baselines are established and linked to an approved IT investment during the formal initiation of the project. As projects are executed, PMO then collects weekly project updates which include a current status on the project schedule, scope, and cost health, along with the overall project risk. All projects with yellow or red health status are based on variances from approved baselines. Troubled and at risk projects are reviewed during a monthly PMO project status review meeting with OCIO management and project stakeholders to discuss the mitigation and contingency plans to move the projects to green health status. PMO also tracks and reports actual vs. planned completion dates for all completed projects to show final schedule variances across the portfolio. The Library submitted the PMO Weekly Project Portfolio Report to OIG as evidence. In order to address OIG's questions on total allocated/planned costs, costs-to-date, and costs-to-completion data for each project, the Library submitted budgeted costs as documented in the project charter and project personnel budget spreadsheets for the U.S. Copyright DMCA project as an example. This information specifically addressed the need to provide total allocated/planned costs for projects. The Library has now also implemented the collection of actual project hours to show actual Full Time Equivalent (FTE) costs to-date and budgeted FTE costs to completion. As evidence of this, the Library submitted the August 2018 Project FTE cost variance reports to OIG for their review. The estimated date of completion is the first quarter FY 2019.

## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	V.1.A	Align current cost development processes for IT investments to coincide with requirements for Office of Management and Budget (OMB) reporting, such as the use of an earned value management system to track costs on high-risk projects, as discussed in <i>Capital Programming Guide, V.3.0, Supplement To OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets</i> —OCIO has begun to track expended hours on PMO managed projects, which will help identify variance between actual versus budgeted personnel costs, analyze the reasons for variance, and take steps to minimize project cost overruns. Understanding the actual costs for projects also provides useful historical information which can be used to better plan future IT investments and projects. The estimated date of completion is the fourth quarter of FY 2019.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	V.1.B	Implementation of these practices may require procedural changes used by the service units for reporting expenditures and systemic modifications to the Library's financial management system (Momentum) and the budget system (Clarity) that are used for tracking costs—OCIO captured the total planned FY 2018 non-personnel agency investment spending at a sufficient level of granularity to allow for detailed monitoring and tracking through OCFO's Library of Congress Budget System (LCBS) and Momentum. OCFO and OCIO issued a joint call to the Information Technology Steering Committee to ensure LCBS spending data recorded for the full fiscal year reconciles with the approved IT Investment Plan. The reconciled spending data captured in LCBS now allows continuing monitoring of IT investments within Momentum. The Operating Committee also has approved and given agency-wide access to select OCIO financial and acquisitions management staff to Momentum data. Continuous monitoring of agency-wide IT investment execution is now performed throughout the execution year. The Library will only be able to fully address this recommendation once the Library is able to implement a Technology Business Management (TBM) tool that interfaces with OCFO's various systems, which is not expected to be finalized for several years. The estimated date of completion is the fourth quarter of FY 2020.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	V.2.C	Institute better tracking of IT investments through changes in the Momentum and Clarity financial systems—See the status update provided for recommendation V.1.B for 2014-IT-101. The estimated date of completion is the fourth quarter of FY 2020.



## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT No. ISSUE DATE	OFFICE	REC. No.	SUMMARY AND STATUS OF RECOMMENDATION
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VII.1.A	The Chief of Staff should implement a continuous improvement program within the Executive Committee and Information Technology Steering Committee (ITSC) to identify opportunities for process improvement in the areas of cost accounting, performance management, and all areas of the ITSC—The Library has been continually improving the processes associated with cost accounting, performance management, and all areas of the ITSC. Costs for IT investments are now estimated by OCIO rather than in service units to ensure a level of consistency in estimating techniques. OCIO is implementing a TBM model which is intended to incorporate metrics to improve performance management and decision-making. By definition, TBM is a continuous improvement program which follows a maturity model from financial data capture to the provision of performance management information, which will eventually show business value as the program matures. A contract has been awarded for a TBM expert consultant to provide expertise and a recommendation for a TBM tool to ensure full TBM implementation. TBM has the full support of the Librarian, the Chief Information Officer, and the Executive Committee, and is tracked as part of the Library’s annual performance management program. The Library submitted evidence for this recommendation, which OIG is currently reviewing.
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	2	Report summary: OIG evaluated the Library’s efforts to ingest and make available for use electronic works (born-digital content).  Recommendation: The Librarian should require the Architecture Review Board to: ensure that the eCollections Strategy and related activities are sufficiently addressed in the Enterprise Architecture’s current or “as-is” environment, the target or “to-be” environment, and the roadmap leading from the “as-is” to the “to-be” environment; sufficiently address and reduce the risk of implementing duplicative, poorly integrated, and unnecessarily costly eCollection activities; and sufficiently address the need for “robust security” to prevent “loss, alteration, and unauthorized access” of eCollections items—The Library is collecting evidence to submit with a request to close this recommendation.



**OPPOSITE:** ERNST HAECKEL, *MUSCINAE - LAUBMOOSE*. SEGMENT OF ILLUSTRATIONS IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS MOSSES. **REPOSITORY:** PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

**LEFT:** ERNST HAECKEL, *NEPENTHACEAE - KANNENPFLANZEN*. SEGMENT OF ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS PITCHER PLANTS. **REPOSITORY:** PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT No. ISSUE DATE	OFFICE	REC. No.	SUMMARY AND STATUS OF RECOMMENDATION
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	4	The Librarian should take the following steps to implement better governance and accountability in order to ensure timely implementation of the Librarian's vision to acquire digital works: create a mechanism for the Librarian and the Librarian's immediate leadership team to receive executive-level reports on a regular basis on eCollection activities, mandate their review, and take timely action as necessary to ensure that such activities stay in-line with the Librarian's vision and with senior leadership's cost, schedule, and performance expectations; provide greater clarity on the role of the Executive Committee (EC) in monitoring and overseeing cross-cutting IT programs; and ensure the EC's consistent involvement, support, and oversight of the eDeposit Program and the eSerials Project—eCollection activities continue, as documented in the quarterly EC Report. The eCollection Steering Committee and OCIO leadership met with representatives from OIG on this recommendation in September 2018 and pursuant to that meeting, a request to close recommendations 1, 4, and 5 is forthcoming. The estimated date of completion is the first quarter FY 2019.
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	5	ITSC does not have the necessary data to align IT goals, objectives, and priorities with the strategic needs and plans of the Library. The Librarian should do the following to correct this: direct the CFO to provide information on the full universe of IT investments budgeted in each fiscal year for eCollection activities to the ITSC on an ongoing basis, as well as provide actual year-to-year costs for budget versus actual comparisons; require ITSC to formulate approval and monitoring criteria that align with the Library's organizational priorities as stated in an eCollections Strategy and associated enterprise architecture, as well as with common requirements spanning the Library's service units for ingesting and protecting electronic works; and require the chair of the ITSC to report regularly to the Librarian, her designee, and/or the EC about ITSC decisions and oversight issues related to the schedule, cost, and performance of eCollection activities—eCollection activities continue, as documented in the quarterly Executive Committee Report. The eCollection Steering Committee and OCIO leadership met with representatives from OIG on this recommendation in September 2018 and pursuant to that meeting, a request to close recommendations 1, 4, and 5 is forthcoming. The estimated date of completion is the first quarter FY 2019.
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	6	To improve the organizational and financial management of its eCollection activities, the Librarian needs to require that service units: adopt and implement Library-wide best practices for standardizing program and project management to increase the likelihood of delivering effective digital transformations on time and on budget; and collect, track, and use quantitative data demonstrating variances in project delivery and investment targets to inform management oversight and reporting, including budget, planning, and investment decision-making going forward. This information should be used as part of the Library's performance management process—See the status update provided for recommendation 4 for 2013-IT-105. The estimated date of completion is the first quarter of FY 2019.

## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	7	For all technology investments, the Librarian should: (1) require service units and sponsors of significant IT investments (regardless of funding source) to complete a business case document that demonstrates how each IT project would meet organizational needs; outlines benefits, estimated costs, and risks, including the results of a cost-benefit analysis; and establishes a preliminary schedule for implementation; (2) require the business case document to be submitted to the ITSC for review during an early phase of product development and require the business case to be periodically reviewed and verified by ITSC with respect to the business need(s) being supported; (3) direct the CFO to develop the capability to fully project, capture, and track the actual costs of IT-related activities, including payroll costs; and (4) require the Strategic Planning Office or another unit to develop the capability for the Librarian and her immediate leadership team to monitor significant IT investments across the Library's various planning, budgeting, program/project management, and financial accounting systems to reveal inefficiencies and ineffectiveness in order to address problems in a timely manner—Tracking of actual IT expenditures against plan continues to evolve in FY 2018. Initial reports have been presented to the ITSC for review. End-of-year reporting on FY 2018 plan execution will leverage financial system reporting as the trusted source of data to perform variance and trend analyses. The Library will submit the end-of-year report as evidence to OIG. The estimated date of completion is the first quarter FY 2019.
<b>Office of the Librarian / Chief Operating Office</b>				
The Library's Controls for Three Gift Funds Are Generally Working but Need to Be Enhanced	2016-PA-102 September 2017	Office of the Chief Financial Officer	1	OCFO should update Directive 6-320.1 to include a timeliness requirement for the deposit of gifts. The Disbursing Office should also update its procedures manual to include the requirement and then adhere to it—Revisions to Library of Congress Regulation (LCR) 6-320 and Library of Congress Directive 6-320.1 have been provided to OGC for circulation to the LCR Working Group. The estimated date of completion is the second quarter of FY 2019.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	4	Report summary: OIG completed an interim report to alert Library management that the Library gift shop's participation in the purchase card program needed greater oversight.  Library gift shop management should conduct a review to determine whether other amounts were overpaid since August 2015, the start of OIG's period under review, and recover any overpayments as appropriate, in addition to the \$2,500 identified in this audit for the short time period selected—According to gift shop management, the vendor was not overpaid. The gift shop received additional items, although the quantity was not updated on the order or receipt. As a result, there was no overpayment to recover. OIG has requested documentation showing that there was no overpayment and that additional items were received.

## UNIMPLEMENTED RECOMMENDATIONS

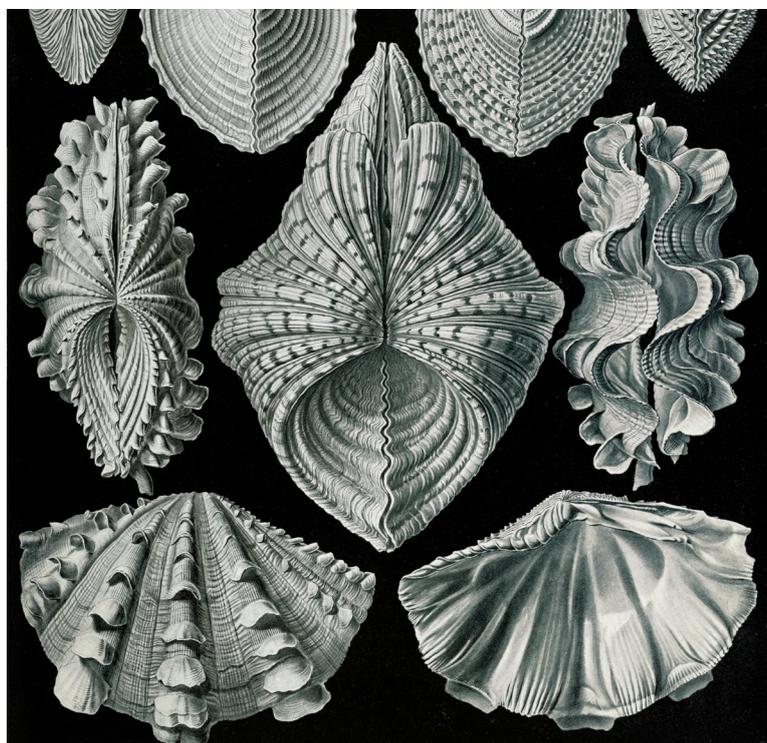
**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY AND STATUS OF RECOMMENDATION
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	14	<p>Report summary: The audit evaluated actions taken to remedy deficiencies previously identified by OIG.</p> <p>The Chief Operating Officer (COO) should conduct a full evaluation of the Momentum acquisition module's internal control design to ensure the appropriate controls are implemented for assuring the reliability and accuracy of contract and related financial data—To address challenges with Momentum and related information systems, following-on to the 2014 Momentum Gap Analysis, the COO engaged a contractor to assess and benchmark the Library's implementation and configuration of Momentum with other agencies to improve acquisition information, system performance, and metrics to ensure internal controls are in place and working as intended. The COO exercised an option to have the contractor support the Office of Contracts and Grants Management (OCGM) and OCFO in the development of business requirements for improved internal controls, transition to digital files, data reporting, validation and visualization, and system usability and configuration. In addition to this information provided by the Library, OIG has asked for additional information. Upon receipt, we will consider closing the recommendation for the March 2019 semiannual report.</p>
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	15	The COO should revise OCGM's policies and procedures to require quality assurance processes for verifying that all systems are operating as designed and compliance is adequate—Data and system verification procedures are scheduled to be issued during the first quarter of FY 2019. The estimated date of completion is the first quarter FY 2019.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	16	The COO should develop and implement an OCGM quality assurance program to assure the completeness of contract documentation and consistency between Momentum system data and hard copy contract files—The QA process implemented in FY 2018 includes paper-based files. During the first quarter FY 2019, OCGM Procurement Analyst will develop a process to assure consistency between Momentum system data and hard copy contract files. The estimated date of completion is the first quarter FY 2019.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	18	The COO should develop and install a daily automated reconciliation process for balancing contract/task order open obligations by number and amount between Momentum's acquisition and financial modules—In addition to the steps taken related to 2016-PA-101 recommendation 14 above, OCFO is testing system assurance reports and is on track for addressing the recommendation in the first quarter of FY 2019.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	19	The COO should update the November 2014, Momentum Acquisition System Gap Analysis by evaluating the design of system internal controls, the electronic audit trail/workflow, and data input validation—See the status update provided for recommendation 14 for 2016-PA-101.

## UNIMPLEMENTED RECOMMENDATIONS

**TABLE 4A:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

SUBJECT	REPORT No. ISSUE DATE	OFFICE	REC. No.	SUMMARY AND STATUS OF RECOMMENDATION
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	20	The COO should develop quality assurance program performance metrics—Quality Assurance measures and statuses are reported as part of the FY 2018 Risk Assessment Mitigation Planning process. Quality Assurance program performance metrics are being developed in FY 2019. The estimated date of completion is the first quarter FY 2019.
<b>Library Services</b>				
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library Services	1	To become more cost efficient and to ensure that eCollection activities are meeting the Library's strategic business objectives, the Library needs an overarching, transformative eCollections Strategy for collecting electronic works that does the following: groups programs, projects, and other IT work together to facilitate effective portfolio management of activities related to collecting electronic works, including born-digital works; identifies the Library's organizational priorities related to these programs and projects and other IT work, makes investment decisions, and allocates resources accordingly; and focuses on meeting common requirements that span across the Library's service units—The Library is collecting evidence to submit with a request to close this recommendation.

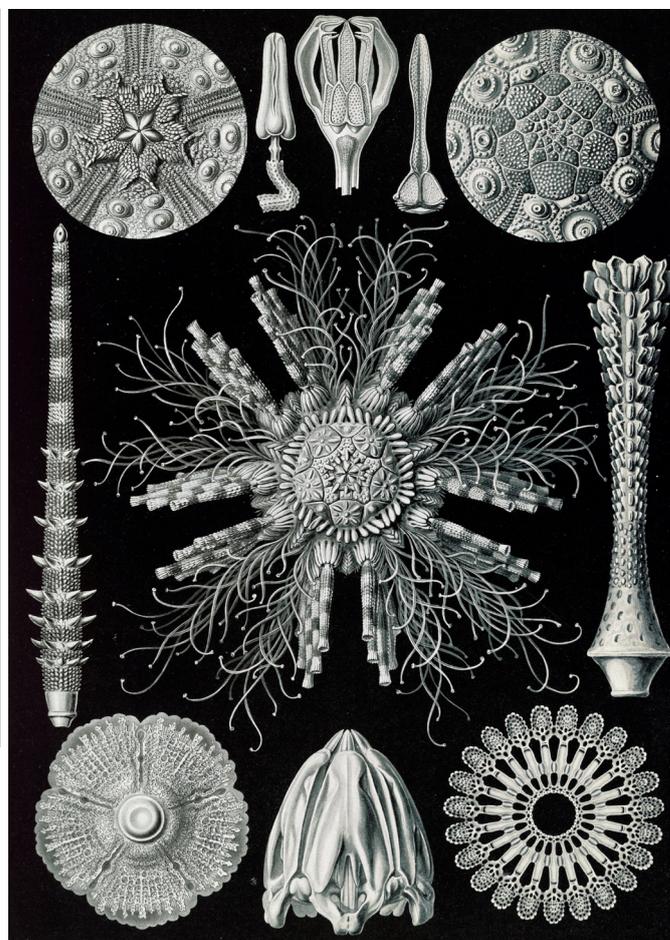


ABOVE: ERNST HAECKEL, *ACEPHALA - MUSCHELN*. SEGMENT OF ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH: 36 x 26 cm. ILLUSTRATION SHOWING A VARIETY OF MOLLUSKS.

RIGHT: ERNST HAECKEL, *ECHINIDEA - IGELSTERNE*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904. LITHOGRAPH: 36 x 26 cm.

ILLUSTRATION SHOWS SEA URCHINS AND SAND DOLLARS.

REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS



## IMPLEMENTED AND CLOSED RECOMMENDATIONS<sup>11</sup>

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
<b>Office of the Librarian / Office of the Chief Information Officer</b>				
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	IV.1.B	Report summary: OIG reviewed the Library's internal controls for tracking IT investments.  Provide training and awareness of the IT Steering Committee (ITSC) oversight process for mid- and senior-level managers across the Library (all services units)—OCIO submitted evidence of having addressed the recommendation.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	V.2.A	Use primary source documentation throughout the ITSC process. Part of the ITSC package should include financial system information, budgetary information, acquisition system information, as well as performance monitoring information—OCIO submitted evidence of having addressed the recommendation.
<b>Office of the Librarian / Chief Operating Office</b>				
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	1	Library gift shop management, in consultation with the Program Coordinator, should develop, document, and implement controls to facilitate the ability of the Library gift shop's cardholder and approving official to prevent split purchases—Business Enterprises' (BE) buying team now must use a specific vendor code for each transaction, which corrects past practice that allowed use of a miscellaneous vendor code. This new process identifies each vendor in Momentum and on the purchase order, which makes it easier for the approving official to identify and prevent split purchases.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	2	OCCGM should provide the Library gift shop with alternative ordering methods that provide the gift shop greater purchasing flexibility and they should be implemented—BE has worked with OCCGM and has awarded 28 new indefinite delivery indefinite quantity contracts to satisfy BE's requirements.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	3	Library gift shop management should develop, document, and implement independent receipt and acceptance procedures. The procedures should prohibit the acceptance of goods that have not been authorized, properly obligated for in Momentum, and properly invoiced. The procedures should also require evidence of independent receipt and acceptance for cardholder payment and for the approving official to conduct reviews to help ensure adherence to this requirement—Documentation for receipt and acceptance and momentum documentation have been updated in BE's finance and accounting written operational procedures.

<sup>11</sup> These status updates are management assertions and have not been audited.

## IMPLEMENTED AND CLOSED RECOMMENDATIONS

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	5	OCFO's Program Coordinator should require that the Library gift shop's buyer, purchase card holder, and approving official take or repeat all required purchase card trainings as stated in Library Directive 7-220.1, section 5.2, including the General Services Administration's Smart Pay Purchase Card Training and the Program Coordinator's Administrative training, Financial Management System training, and Federal Acquisition training (for the approving official)—All BE staff with a purchase card role have taken appropriate training and submitted proof of coursework completion to the OCFO purchase card coordinator as of December 2017.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	6	Library gift shop management, in consultation with OCFO's Program Coordinator, should develop, document, and implement controls to facilitate the ability of the Library gift shop's approving official to detect improper reconciliations—BE's finance and accounting unit now uses RVs to commit funds for merchandise items. Since implementation, 553 RV documents have been created. Once merchandise is received, and vendors have submitted their invoices, the RVs get converted into OC documents for vendor pay. OCFO also added controls to require a specific vendor code on OC documents so that the approving officials are able to ensure the vendor on the OC is the same as the vendor on the reconciled charge. These processes were established to help detect and prevent improper reconciliations.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	7	Library gift shop management should maintain proper documentation, such as including proper documentation in Momentum—All BE staff with a purchase card role have taken appropriate training and submitted proof of coursework completion to OCFO as of December 2017. Requirements for supporting documentation to be attached in Momentum have been updated in BE's finance and accounting written operational procedures.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	8	The Program Coordinator should monitor more closely the gift shop's compliance with internal controls and program requirements—The Program Coordinator and Assistant now monitor all cardholders more closely through the consistent performance of quarterly compliance reviews and quarterly transactions reviews. Reviews are based on guidelines documented in the Purchase Card Program Standard Operating Procedures.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	9	The Program Coordinator should assess the nature and extent of the Library gift shop's policy violations identified by OIG and take appropriate action for violations—OCFO has assessed the nature and extent of the policy violations and determined the following actions were appropriate: all staff should be retrained; OCFO should perform quarterly compliance reviews; and OCFO and BE should document internal gift shop procedures.

## IMPLEMENTED AND CLOSED RECOMMENDATIONS

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	10	Library gift shop management should establish expectations and hold its purchase card program personnel accountable for routinely upholding the program's internal controls and requirements, including the buyer, cardholder, and approving official—All BE staff with a role in the payment/procurement process have accountability for following proper fiscal procedures included in the their FY 2018-2019 annual performance plan.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	11	The Program Coordinator should examine the role of the approving official in the purchase card program and determine in greater specificity the activities approving officials should perform to fulfill their responsibilities and uphold the program's internal controls and requirements, such as preventing and/or detecting split purchases and improper reconciliations—OCFO has examined the role of the approving official and determined that much of the confusion was due to the merging of authorizing approving official and Momentum approving official roles and responsibilities. In some cases, it is the same person. In other cases, the roles are performed by different people. The Program Coordinator has identified the authorizing approving officials for each cardholder and ensured they have a signed designation letter on file, which summarizes their responsibilities. E-mails were also sent to all approving officials and cardholders on December 20, 2017, reminding them of their responsibilities.
Library Management Needs to Exercise Stronger Oversight of the Library Gift Shop's Participation in the Purchase Card Program	2015-PA-102 January 2018	Office of the Chief Financial Officer	12	The Program Coordinator should communicate guidance on these activities to approving officials through Library policy, a written memorandum, and/or training as appropriate—E-mails were sent to all approving officials and cardholders on 12/20/2017, reminding them of their responsibilities. Reminders will be sent annually.
Limited Number of Improper Payments Found During Nine-month Period	2017-SP-101 March 2018	Office of the Chief Financial Officer	1	Report summary: OIG reviewed a nine-month period, October 1, 2016, through June 30, 2017, for certain improper payments and purchases.  The Program Coordinator should counsel the cardholders and approving officials responsible for the seven split purchases identified by OIG—The Program Coordinator has been counseled regarding the importance of tracking and documenting follow-up on potential split purchases identified and going forward. Follow-up includes: monitoring purchases made by the same cardholder within a short time frame to the same vendors or for similar goods or services; and obtaining documentation adequate to determine whether the transactions represent split purchases pursuant to FAR 13.003(c)(2) or whether the transactions were appropriate individual transactions. Where split purchases are identified, the Program Coordinator will take action to include remedial training, counseling, suspension or removal of the cardholder's buying privileges, and recommend disciplinary action to the cardholder's supervisor as appropriate. The cardholders and approving officials for the transactions identified have been contacted and counseled.

## IMPLEMENTED AND CLOSED RECOMMENDATIONS

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Limited Number of Improper Payments Found During Nine-month Period	2017-SP-101 March 2018	Office of the Chief Financial Officer	2	OCFO should assess whether the approving officials associated with the erroneous payments and the transactions lacking sufficient documentation require additional training and/or whether counselling should be initiated by their supervisors—OCFO has sent e-mails to the approving officials and their supervisors reminding them of approving official responsibilities when reviewing payments for approval and will track future instances. If OCFO determines that an approving official or Contracting Officer Representative (COR) has erroneously approved invoices on numerous occasions, OCFO will notify the supervisor and provide a recommendation for additional training or require the supervisor to identify a new approving official/COR.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	1	The Librarian should require the COO to articulate a strategic, integrated, and agency-wide vision for the procurement function where the COO holds managers accountable for their contributions to the procurement process.—The COO obtained input from Library service units and articulated a vision for the procurement function to improve the efficiency and effectiveness of the acquisition workforce, operations, and technology. The vision delineates critical activities and milestones to define success, track progress, and correct deficiencies.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	2	The COO should institute successful strategic planning practices as outlined by the Office of Strategic Planning and Performance Management, with heads of OCGM, OCFO, Human Resources Services (HRS), and other key stakeholders (project team), and produce agreed upon strategic goals with short-term (one year), mid-term (three years), and long-term (five years) goals. The COO should have the plan ready by the end of the second quarter of FY 2018—The COO issued a plan to improve contracting in the second quarter with the strategies, outcomes, initiatives, and milestones to address areas needing greater attention to support the Library's strategic plan and supporting directional and operational plans. This Library-wide effort consists of three cornerstones essential to an efficient, effective, and accountable acquisition process: enhance the planning and delivery of contract services, streamline procedures and optimize available resources, and implement practical information technology solutions. The COO established project teams with: HRS and OCGM to optimize the acquisition workforce, OCFO and OCGM to assess and improve technologies, and Library Services and OCGM to address operational improvements.

*RIGHT: ERNST HAECKEL, OSTRACIONTES. - KOFFERFISCHE. - KANNENPFLANZEN. SEGMENT OF ILLUSTRATION IN: KUNSTFORMEN DER NATUR, 1904. LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION SHOWS BOXFISHES. REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS*



## IMPLEMENTED AND CLOSED RECOMMENDATIONS

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT No. ISSUE DATE	OFFICE	REC. No.	SUMMARY OF RECOMMENDATION AND ACTION
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	3	The COO should develop strategies and tactics (as part of 2 above) to accomplish the target state of the procurement function for the short-, mid-, and long-term strategic goals along with valid annual performance goals and valid and reliable performance measures— The acquisition workforce project team identified acceptable and optimal staffing levels, realigned funding, and recruited five senior and twelve staff-level positions. The team also expanded career ladder positions and the telework program and implemented an employee recognition program to improve retention. The operations project team executed a plan to increase the proficiency of CORs across the Library, including: identifying the optimal mix of staffing and performance standards; conducting a competency assessment; and implementing a comprehensive training program. The new OCGM procurement analyst, as the Library's acquisition career manager, oversees the OCGM and COR certification and training program. The COO Technology project team, comprised of staff from CFO and OCGM assessed the Library's implementation and configuration of Momentum with other agencies' use of Momentum to improve acquisition information, system performance, and metrics to ensure internal controls are in place and working as intended. Execution of these projects is tracked through Annual Performance Goals (APGs) and Risk Analysis and Management Plans (RAMPs) that measure progress and ensure effective controls are in place.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	4	The COO should use Project Management Body of Knowledge (PMBOK) best practices to develop and implement a project plan with a critical path for achieving the procurement strategic plan that includes all components (e.g., work breakdown structures, milestones, performance targets and metrics, and methods for tracking and reporting progress)— The COO project teams used PMBOK best practices to develop and implement project plans for achieving the procurement strategic plan to include work breakdown structures, milestones, performance targets and metrics, and methods for tracking and reporting progress.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	5	The COO should include in the critical path activities to address the 18 recommendations OIG made in the March 2012 report that remain outstanding. The Director should submit an action plan to the COO with planned steps and target dates for fully resolving all of the recommendations. The COO should make the development of the plan an element in the Director's FY 2018 performance plan—The Director, OCGM executed an action plan and fully resolved all of the 2012 OIG recommendations.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	6	The COO should report quarterly to the Executive Committee and Librarian the COO's progress toward annual strategic and performance goals for the procurement function— The COO reports quarterly to the Executive Committee on APGs related to the plan to improve procurement and the associated projects. The Director, OCGM reports monthly to the Contracts Working Group and semi-monthly to the Operations Committee on execution of the plan to improve contracts.

## IMPLEMENTED AND CLOSED RECOMMENDATIONS

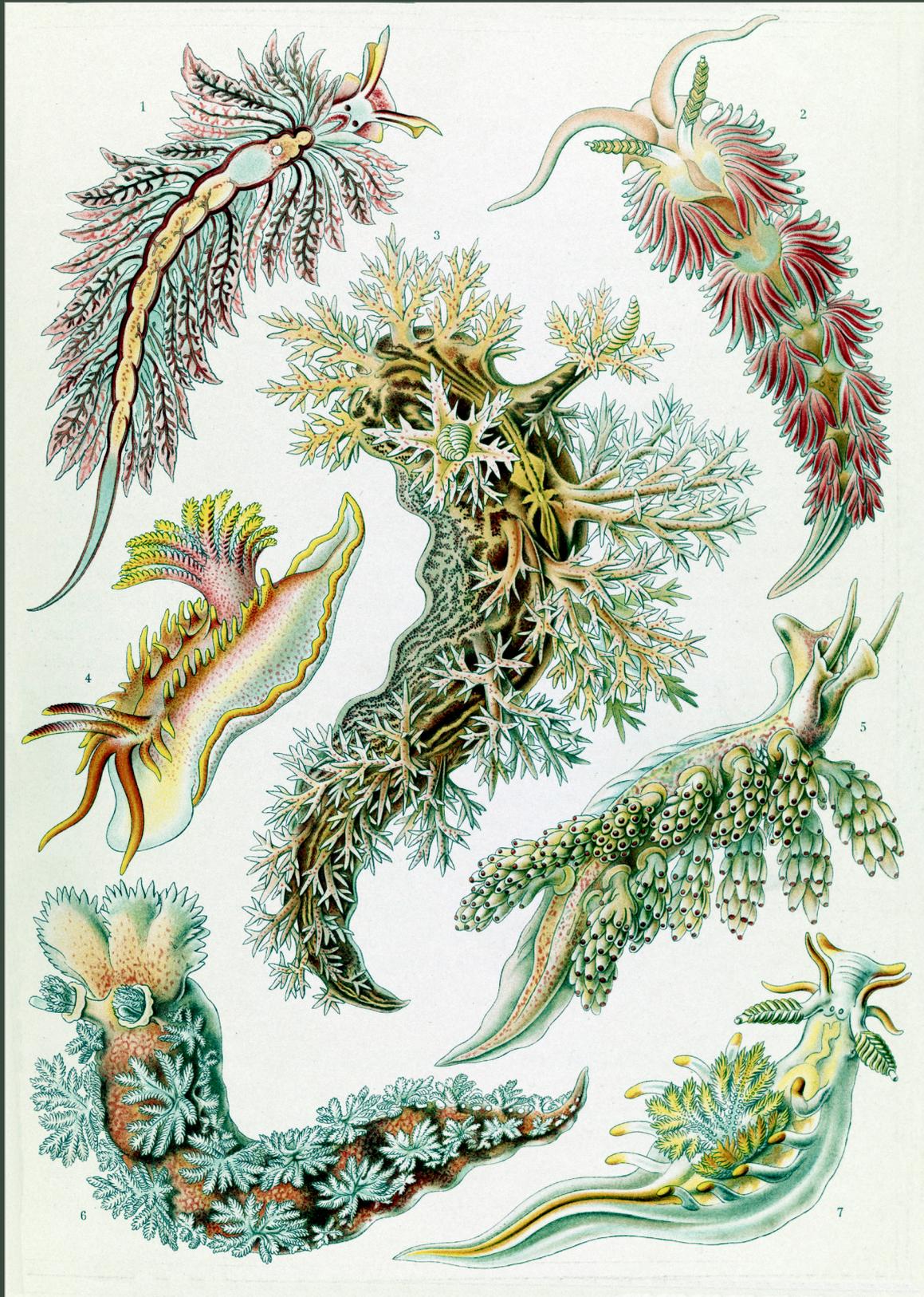
**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT NO. ISSUE DATE	OFFICE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	7	The COO should engage the Director and HRS to immediately prioritize the development of a strategic workforce plan for the procurement function that has metrics focused on reducing average vacancy terms, reducing attrition, and emphasizing position longevity. The plan should be developed using a PMBOK approach, include comprehensive strategies for recruiting, retaining, and developing procurement personnel, and include performance measures to evaluate the plan's progress in addressing human capital goals—The acquisition workforce project team developed and implemented a strategic workforce plan that identified acceptable and optimal staffing levels, realigned funding, and fully staffed the procurement function. OCGM expanded career ladder positions and the telework program and implemented an employee recognition program to improve retention. The procurement analyst, as the Library's acquisition career manager, oversees the OCGM and COR certification and training program. Individual development plans are in place for all staff to improve critical competencies. The Director, HRS reports metrics to the COO who reports them to the Operations Committee. The focus is on reducing the average vacancy terms. In addition to this information provided by the Library, OIG has asked for additional information. Upon receipt, we will consider closing the recommendation for the March 2019 semiannual report.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	8	The COO should, as indicated by the strategic workforce plan, expedite HRS' efforts to fill key senior- and staff-level vacancies, including the following as appropriate: Contracts Chief, Policy Analyst, two Supervisory Senior Contracting Officers, two GS-13s, three GS-12s, two GS-9s, and one GS-7—OCGM recruited and selected five senior positions including a Chief of Contracts, Chief Procurement Analyst, and three Supervisory Contracting Officers. OCGM also hired twelve staff-level positions including a procurement analyst, four Lead Contracting Officers, three senior Contract Specialists, and five career-ladder Contract Specialists.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	9	The COO should update the Director's performance expectations to include performance metrics and time frames for filling key positions as indicated by the strategic workforce plan.—The Director's performance plan requires recruitment and selection of candidates for the Chief of Contracts, Policy Analyst, and Supervisory Contracting Officer for IT Modernization by March 31, 2018.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	10	The COO should develop a mechanism for evaluating and predicting procurement staff levels to anticipate trends and hiring needs in order to initiate the hiring process in a timely manner when positions need to be filled—The COO reviews historical attrition rates to anticipate, budget, and fill positions for the coming fiscal year to include existing and projected vacancies.

## IMPLEMENTED AND CLOSED RECOMMENDATIONS

**TABLE 4B:** SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS WHICH WERE IMPLEMENTED OR CLOSED DURING THIS PERIOD

SUBJECT	REPORT No. ISSUE DATE	OFFICE	REC. No.	SUMMARY OF RECOMMENDATION AND ACTION
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	11	The OCGM Director, with assistance from HRS and service unit management as appropriate, should develop and implement policies and procedures for OCGM management, and the relevant contracting officer, to participate in evaluating COR performance as part of the annual employee performance appraisal process. The policies and procedures should outline performance expectations for COR performance, including COR internal control-related responsibilities—COR standards have been implemented and incorporated into the CORs performance plans. The COR Delegation Memo has been updated to include the COR Performance Standards and a checklist for Contracting Officer review of COR performance. COR expectations have been incorporated into acquisition workforce training courses.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	12	The OCGM Director should develop and maintain an accurate roster of active CORs and the contracts they manage—The Director, OCGM maintains a list of CORs, including their certification level, on active and inactive contracts.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	13	The OCGM Director, HRS, and service unit management should evaluate COR workload in an effort to distribute COR assignments more evenly, which should facilitate the elimination of unnecessary CORs and the reduction of costs associated with training CORs—The COO led Library-wide assessment of COR workload and competency and executed a plan to optimize and increase the proficiency of CORs across the Library. Through the Operations Committee and the Human Capital Advisory Board, the COO promulgated performance standards for CORs and their supervisors. The OCGM Director deployed a checklist and review form for use by COs, CORs, and their supervisors to ensure CORs are performing their delegated duties and maintaining accurate and complete records.
Incremental Improvement Has Been Made to Modernize the Office of Contracts and Grants Management	2016-PA-101 February 2018	Office of Contracts and Grants Management	17	The COO should obtain assistance from cataloging and systems experts within the Library to design and install an OCGM contract file management process that appropriately tracks contracts files. The system should include a full battery of reports for managing and retrieving missing files, conducting full or partial file inventories, and removing expired files.—The COO and Director, OCGM established a plan of action for records management. The Director assigned an individual to inventory active and inactive contract files and reports. The COO secured assistance from a cataloging expert from World Digital Library to assess, design, and deploy an OCGM contract file management process, including reports for managing and retrieving missing files, conducting file inventories, and removing and appropriately disposing of closed files. The digital cataloger reviewed existing contract file procedures, identified opportunities to improve the management of digital records, and deployed a contract file catalogue to track files, file locations, and status linked to Momentum/FRS reports.



ABOVE: ERNST HAECKEL, *NUDIBRANCHIA. - NACKKIEMEN-SCHNECKEN*. ILLUSTRATION IN: *KUNSTFORMEN DER NATUR*, 1904.  
LITHOGRAPH, COLOR: 36 x 26 cm. ILLUSTRATION OF MARINE MOLLUSKS.  
REPOSITORY: PRINTS AND PHOTOGRAPHS DIVISION, LIBRARY OF CONGRESS

## UNIMPLEMENTED FINANCIAL STATEMENT RECOMMENDATIONS

The objective of the financial statement audit is to obtain reasonable assurance that the Library's financial statements are free of material misstatements. OIG summarized the Library's FY 2017 financial statement audit recommendations and the Library's corrective action plan in table 4C below.<sup>12</sup> Details on recommendations are provided for the auditor's publicly released reports but not for management letter comments distributed internally to Library management. The implementation of recommendations will be evaluated during the Library's FY 2018 financial statement audit.

**TABLE 4C: FY 2017 FINANCIAL STATEMENT RECOMMENDATIONS MADE BY THE INDEPENDENT PUBLIC ACCOUNTANT**

SUBJECT	REPORT NO. ISSUE DATE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
<b>Internal Control Over Financial Reporting Reportable Findings</b>			
<b>Office of the Librarian / Office of the Chief Financial Officer</b>			
Improper Reporting of Investments	2017-FN-101 August 2018	I.1	Perform an analysis of current financial reporting processes to identify any complex processes that could be simplified or eliminated, to include an analysis on how transactions are reported in the financial reporting system. If OCFO does not have the bandwidth to perform such an analysis, it should consider hiring an outside consultant with expertise and knowledge of best practices in Federal financial reporting processes—The Library will issue a contract to review accounts in Momentum, uses for creation of financial reports, documentation of external financial reports, and to map General Ledger accounts to reports. The contractor is to provide analysis of methods to simplify processes. The Library will also consider hiring a contractor to analyze current financial reporting processes with an aim to streamline and gain efficiencies in accordance with Government best practices. The target for awarding a contract is November 15, 2018.
Improper Reporting of Investments	2017-FN-101 August 2018	I.2	Once financial reporting processes are reviewed and simplified, where possible, document all steps needed to report financial transactions in desk guides or procedures documents—The Financial Reports Office (FRO) is documenting procedures as needed.
Improper Reporting of Investments	2017-FN-101 August 2018	I.3	Perform an assessment of who should be performing the processes, such that procedures are assigned to the lowest level feasible, to allow for a detail review below the management level, where possible—OCFO will perform an assessment of tasks to streamline processes, determine appropriate levels for review, complete standard operating procedures (SOPs) and desk guides, and identify skill gaps and positions needed in FRO. The estimated date of completion is the fourth quarter of FY 2019.
Improper Reporting of Investments	2017-FN-101 August 2018	I.4	Develop and establish high-level analytical procedures at the supervisor and manager level to facilitate the identification and correction of errors in financial reporting processes—See the status of recommendation update provided for recommendation I.3. FRO is also researching tools needed to monitor operations on an ongoing basis.
Improper Reporting of Investments	2017-FN-101 August 2018	I.5	Establish and document procedures to record corrections, including prior-period corrections, in accordance with United States Standard General Ledger guidance. The Library should use these procedures to ensure that corrections posted to the financial management system are properly reflected on the Balance Sheets, Statement of Changes in Net Position, and Statement of Budgetary Resources, as well as that current period results are not impacted by prior-period adjustments—The Library will hire an outside accounting firm to review investment process and general ledger posting models for investment with recommendation for future state. The Library will also compare best practices with Pension Benefit Guaranty Corporation and consult with an investment manager on potential software tools available to streamline processes. The estimated date of completion is the first quarter of FY 2019.

<sup>12</sup> OIG contracted with an independent certified public accounting firm to complete the Library's FY 2017 financial statement audit.

# UNIMPLEMENTED FINANCIAL STATEMENT RECOMMENDATIONS

**TABLE 4C: FY 2017 FINANCIAL STATEMENT RECOMMENDATIONS MADE BY THE INDEPENDENT PUBLIC ACCOUNTANT**

SUBJECT	REPORT NO. ISSUE DATE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Improper Reporting of Investments	2017-FN-101 August 2018	I.6	Establish and document procedures to perform a quarterly reconciliation of non-Treasury investments, to include reconciling all investment, realized and unrealized gain and loss accounts. As part of the quarterly reconciliation, Library personnel should compare the market value of investment per statements received from the financial institutions with the investment balance recorded in the financial system. Any difference noted in the market value should be recorded as an adjustment to the balance of Market Adjustment-Investments account and the unrealized gain or loss accounts. The Library should also use this reconciliation to ensure the appropriate historical cost and current market value amounts are recorded in memo accounts used to create the investment footnote that accompanies the financial statements, as well as to ensure that current period realized and unrealized gains and losses are properly reported on the financial statements—See the status of recommendation update provided for recommendation I.5. The estimated date of completion is the second quarter of FY 2019.
Untimely Deobligation of Funds	2017-FN-101 August 2018	II.1	Strengthen the process to review open obligations and ensure that the status of open obligations, to include the identification of older obligations, is formally documented and reviewed by the appropriate personnel, as well as that action is taken to timely deobligate unneeded funds. One alternative that the OCFO should explore is the possibility of using an unliquidated obligations (ULOs) aging report in Momentum to identify all ULOs with no activity in the previous six months, filtered by obligation origination date. Working with the OCGM, this report could be used as the basis for a periodic review of obligations. The Contracting Officers (COs) or Contracting Officer's Representatives (CORs), in conjunction with the service units, should perform this review to determine if obligations are still valid or to identify obligations that are no longer needed so that the COs and CORs can take action to deobligate the funds—OCGM moved inactive contracts report to production on March 2, 2018. OCGM uses this report to monitor reductions of backlogged unliquidated obligations and report per annual planning goal process. Also, OCGM contracted for contract closeout support services. As of September 30, the backlog has been reduced by 60% from the beginning of the fiscal year. OCGM and OCFO will review current reports and procedures for monitoring unliquidated obligations and update documentation of the contract closeout process. A closeout procedure was published in September of 2018.
Untimely Deobligation of Funds	2017-FN-101 August 2018	II.2	Continue to train personnel, service units, the Office of Contracts, and the OCFO on the ULO review process, specifically on how to execute the review, in addition to understanding the importance of de-obligating unneeded funds in a timely manner—See the status of recommendation update provided for recommendation II.1 above.
Untimely Deobligation of Funds	2017-FN-101 August 2018	II.3	OCFO should monitor the review process to ensure service units are providing an accurate status on open obligations in a timely manner and, when necessary, the COs are issuing contract modifications and de-obligating funds timely—The Library will deploy a de-obligation metric to measure the reduction of inactive contracts with unliquidated balances. The estimated date of completion is the first quarter of FY 2019.

# UNIMPLEMENTED FINANCIAL STATEMENT RECOMMENDATIONS

**TABLE 4C: FY 2017 FINANCIAL STATEMENT RECOMMENDATIONS MADE BY THE INDEPENDENT PUBLIC ACCOUNTANT**

SUBJECT	REPORT NO. ISSUE DATE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
Untimely Deobligation of Funds	2017-FN-101 August 2018	III.1	Update the process for Acquisitions & Bibliographic Access (ABA) purchases to ensure that obligations are not recorded in Momentum prior to the Library entering into a legally binding agreement to make a purchase. If the Library has a need to reserve funds prior to entering into a legally binding agreement, it should consider recording a commitment for these amounts—OCFO, Library Services (LS), and OGC met to discuss solutions. For FY 2018, FRO will record a standard voucher to adjust the Integrated Library System (ILS) bulk obligation in Momentum to actual open obligations on September 30, 2018 based on ILS reports and accrue invoices not received. For FY 2019, the Financial Systems Office (FSO) and LS will develop and test a new process to change the bulk purchase obligation to a requisition and implement obligate and pay. As the Library develops requirements for a replacement to ILS/Voyager, the Library will address current system limitations and ensure a new system provides flexibilities to accommodate all necessary recording, commitment, and obligation requirements. The estimated date of completion is the second quarter of FY 2019.
Untimely Deobligation of Funds	2017-FN-101 August 2018	III.2	Formally document the updated process for ABA purchases in Library policies and procedures, as appropriate, to ensure all Library employees understand and are recording commitments and obligations in accordance with the Library's policies and procedures—OCFO and ABA will update policies and procedures to incorporate the solution for FY 2018 and the revised processes for FY 2019 to reflect the changed recording, commitment, and obligation procedures. The estimated date of completion for FY 2018 and FY 2019 policies and procedures is the fourth quarter of FY 2018 and the second quarter of FY 2019, respectively.
Untimely Deobligation of Funds	2017-FN-101 August 2018	III.3	Strengthen and better integrate the obligation process for Federal Library and Information Network (FEDLINK) transactions to ensure there are no delays between the approval of a purchase order and the recording of obligations, as well as ensure all obligations are supported by an approved purchase order. This could be accomplished by implementing a periodic reconciliation between purchase orders that were approved in the FEDLINK system and obligations recorded in Momentum—The Library will improve untimely recording of obligations by migrating to Momentum, pending the availability of funding. FRO and FEDLINK will discuss performing monthly reconciliations between the System Management Information Network and Momentum.
Untimely Deobligation of Funds	2017-FN-101 August 2018	III.4	Ensure that all Library personnel with the responsibility for recording obligations in Momentum understand the importance of recording obligations timely. This could be accomplished through training and enforced through periodic reviews of obligations to ensure obligations are recorded promptly after approval—The Chief Operating Office will identify obligating officials in Momentum and, in coordination with the offices involved in obligating funds, develop and issue guidance on recording responsibilities.
Validation of Accounts Payable Accrual	2017-FN-101 August 2018	IV.1	Modify the FEDLINK processes and/or system to capture the date that customers receive goods or services—The Library will hire an outside accounting firm to review FEDLINK's accrual methodology and recommend processes to validate and modify FEDLINK's process or system to capture receipt date. The estimated date of completion is the second quarter of FY 2019.
Validation of Accounts Payable Accrual	2017-FN-101 August 2018	IV.2	Implement a process to regularly validate the accounts payable (AP) accrual methodology for FEDLINK by comparing the estimate to actual data. OCFO should review the results of the validation and update the AP accrual methodology for FEDLINK, as necessary, to ensure estimates accurately reflect actual data—See the status of recommendation update provided for recommendation IV.1. In the interim, FRO will create the FEDLINK AP Accrual for June, July, August and September 2018. FEDLINK and FRO will manually validate the data for each month. FEDLINK and FRO will create a SOP for this new accrual methodology and validation process that will also reinstate prior procedures where FEDLINK was part of the validation process. The estimated date of completion is the second quarter of FY 2019.

# UNIMPLEMENTED FINANCIAL STATEMENT RECOMMENDATIONS

**TABLE 4C: FY 2017 FINANCIAL STATEMENT RECOMMENDATIONS MADE BY THE INDEPENDENT PUBLIC ACCOUNTANT**

SUBJECT	REPORT NO. ISSUE DATE	REC. NO.	SUMMARY OF RECOMMENDATION AND ACTION
<b>Compliance with Laws, Regulations, Contracts, and Grant Agreements Reportable Findings</b>			
Lack of Support for Bulk Obligations	2017-FN-101 August 2018	I.1	Update the process for ABA purchases to ensure that obligations are not recorded in Momentum prior to the Library entering into a legally binding agreement to make a purchase. If the Library has a need to reserve funds prior to entering into a legally binding agreement, it should consider recording a commitment for these amounts— See the status of recommendation update provided for recommendation III.1.
Lack of Support for Bulk Obligations	2017-FN-101 August 2018	I.2	Formally document the updated process for ABA purchases in Library policies and procedures, as appropriate, to ensure all Library employees understand and are recording commitments and obligations in accordance with the Library's policies and procedures— OCFO and ABA will update policies and procedures to incorporate a solution for FY 2018 and revised processes for FY 2019 to reflect changes to recording, commitment, and obligation procedures.
<b>Management Letter Comments (Internal control deficiencies not required to be included in the audit report)</b>			
<b>Office of the Librarian / Office of the Chief Information Officer</b>			
IT-2017-01	2017-FN-102 December 2017	-	Not for public release.
IT-2017-02	2017-FN-102 December 2017	-	Not for public release.
IT-2017-03	2017-FN-102 December 2017	-	Not for public release.
IT-2017-04	2017-FN-102 December 2017	-	Not for public release.
IT-2017-05	2017-FN-102 December 2017	-	Not for public release.
IT-2017-06	2017-FN-102 December 2017	-	Not for public release.
IT-2017-07	2017-FN-102 December 2017	-	Not for public release.

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## REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT

**TABLE 5: REPORTING REQUIREMENTS UNDER THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED<sup>13</sup>**

IG ACT REFERENCE	OIG REPORTING REQUIREMENTS	PAGE NUMBER
Section 4(a)(2)	Review of legislation and regulations.	16
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	5, 10-15
Section 5(a)(2)	Recommendations for corrective action.	19-26, 35-38
Section 5(a)(3)	Significant outstanding recommendations.	19-26, 35-38
Section 5(a)(4)	Matters referred to prosecutorial authorities.	17
Section 5(a)(5)/ Section 6(c)(2)	Information or assistance unreasonably refused or not provided.	N/A
Section 5(a)(6)	Listing of completed audit, inspection and evaluation, and investigative reports.	10-15, 17
Section 5(a)(7)	Summary of significant reports.	10-15
Section 5(a)(8)	Statistical table pertaining to questioned costs for audits, inspections and evaluations, and investigations.	39-40
Section 5(a)(9)	Statistical table pertaining to funds recommended to be put to better use for audits, inspections and evaluations, and investigations.	39-40
Section 5(a)(10)	Prior OIG reports unresolved, uncommented upon, desired timetable for achieving a management decision.	N/A
Section 5(a)(11)	Significant revised management decisions.	N/A
Section 5(a)(12)	Management decision disagreements.	N/A
Section 5(a)(13)	Information described under Section 804(b) of the Federal Financial Management Improvement Act of 1996.	N/A
Section 5(a)(14)	Information regarding peer reviews involving the OIG.	40
Section 5(a)(15)	List of any outstanding recommendations from any peer review conducted by another OIG.	40
Section 5(a)(16)	List of any peer reviews conducted by the IG of another OIG during reporting period.	40
Section 5(a)(17)	Statistical tables pertaining to OIG investigations.	17
Section 5(a)(18)	Description of the metrics for OIG investigative table.	17
Section 5(a)(19)	Reports involving senior Government employees where allegations were substantiated, including the facts and circumstances of the investigation and status and disposition of the matter.	N/A
Section 5(a)(20)	Instance of whistle blower retaliation.	N/A
Section 5(a)(21)	Attempted agency interference with OIG independence, including budget constraints designed to limit OIG capabilities; and incidents where agency has resisted, objected, or significantly delayed access to information	N/A
Section 5(a)(22)	Inspections, evaluations, audits, and investigations of senior Government employees undisclosed to the public.	N/A

**TABLE 6: FY 2002–PRESENT FUNDS QUESTIONED OR PUT TO BETTER USE**

FUNDS QUESTIONED AND PUT TO BETTER USE	RATIO: FUNDS QUESTIONED AND PUT TO BETTER USE TO OIG DISCRETIONARY BUDGET <sup>14</sup>
\$74,732,130	2.12:1

<sup>13</sup> Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30.

<sup>14</sup> Total budget minus 1) unreimbursed cost of mandatory financial statement audits, including the cost of OIG staff to oversee financial statement activity, and 2) any unobligated funds returned to the Library for resource reallocation.

**TABLE 7: FY 2018 AUDITS WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS**

	NUMBER OF AUDIT REPORTS	TOTAL FUNDS PUT TO BETTER USE
No management decision was made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	-
Management decision made during the reporting period		
Value of recommendations agreed to by management:	-	-
Value of recommendations not agreed to by management:	-	-
No management decision made by the end of the reporting period		
Less than six months old:	-	-
More than six months old:	-	-

**TABLE 8: FY 2018 AUDITS WITH QUESTIONED COSTS**

	NUMBER OF AUDIT REPORTS	TOTAL QUESTIONED COSTS	UNSUPPORTED COSTS
No management decision made by the start of the period:	-	-	-
Issued during the period:	-	-	-
In need of management decision during the period:	-	-	-
Management decision made during the reporting period:			
Value of recommendations agreed to by management:	-	-	-
Value of recommendations not agreed to by management:	-	-	-
No management decision made by the end of the reporting period:			
Less than six months old:	-	-	-
More than six months old:	-	-	-

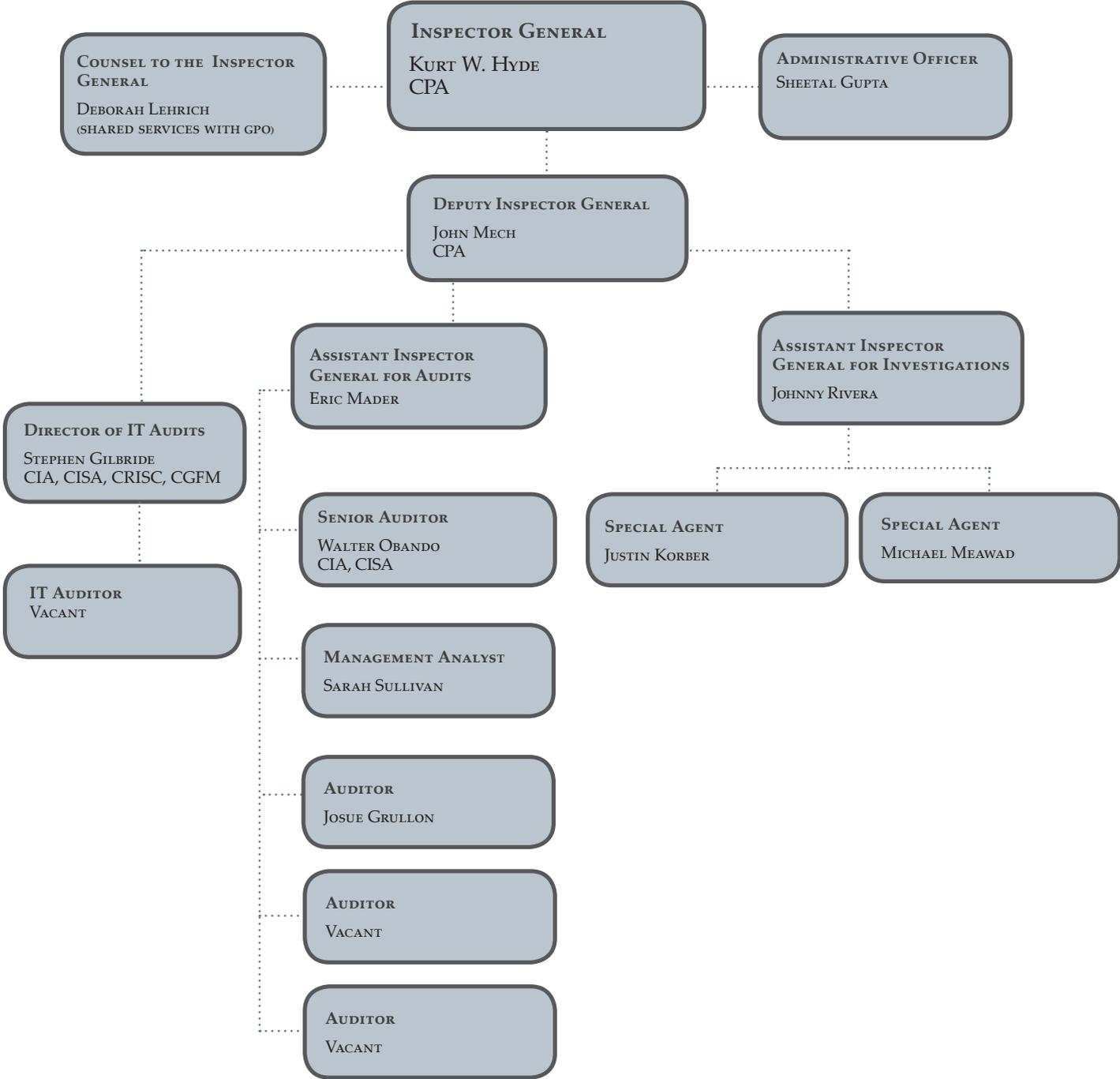
## PEER REVIEW REPORTING

OIG's audit division undergoes external peer reviews at least once every three years. OIG was most recently the subject of a CIGIE peer review for compliance with CIGIE's standards for inspections and evaluations by the Securities and Exchange Commission OIG for the period ending May 1, 2018. The team focused on OIG's policies and procedures for conducting inspections and evaluations. The review determined that OIG generally met the standards under review, and no recommendations were made. Because this was our first inspection and evaluation peer review, there were no outstanding recommendations.

OIG was also the subject of a CIGIE peer review for compliance with audit standards by the Peace Corps OIG for the period ending March 31, 2016. Peace Corps OIG concluded that OIG's system of quality control has been suitably designed and complied with to provide reasonable assurance of conforming with applicable professional standards in all material respects. Accordingly, the Peace Corps OIG provided a "pass" rating, and no recommendations were made. There were no outstanding recommendations from a previous peer review.

OIG completed its last peer review of the Corporation for National and Community Service OIG in April 2016. OIG did not make any recommendations in the peer review and does not have any outstanding recommendations from past peer reviews conducted of other audit organizations.

# OIG ORGANIZATIONAL CHART



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