This semiannual report features images from the Work Projects Administration (WPA) Poster Collection, particularly the national parks posters, among others. The collection, which is cared for by the Library of Congress Prints and Photographs Division, consists of 907 posters produced from 1936 to 1943 by various branches of the WPA. Of the 2,000 WPA posters known to exist, the Library's collection is the largest. The posters were designed to publicize exhibits, community activities, theatrical productions, and health and educational programs in seventeen states and the District of Columbia, with the strongest representation from California, Illinois, New York, Ohio, and Pennsylvania. The results of one of the first U.S. Government programs to support the arts, the posters were added to the Library's holdings in the 1940s.

LIBRARY OF CONGRESS

March 31, 2016

Message From the Inspector General

President Barack Obama has nominated Dr. Carla Hayden, currently the Chief Executive Officer of Enoch Pratt Free Library in Baltimore, to be the next Librarian of Congress. If confirmed, she faces many challenges, including almost complete turnover among the Library's senior management team over the past year. In this semiannual period, Acting Librarian David S. Mao named a new Law Librarian of Congress and a new director of Human Resources Services. During a recent hearing before the House Appropriations subcommittee on the Library's fiscal year 2017 budget request, the Acting Librarian also highlighted urgent needs in the areas of information technology, care of digital and physical collections, and staffing.

During this semiannual period, we issued several reports, including two that focused specifically on the Library's information technology (IT) challenges. The reports benchmarked the Library's IT-related budget obligations and human capital against those of other federal government agencies, analyzed the migration of the Library's financial system (Momentum) to the cloud, and analyzed a high-risk contract. The Office of the Inspector General also oversaw the completion of the audit of the Library's financial statements and, for the twentieth consecutive year, the Library received an unmodified (clean) opinion.
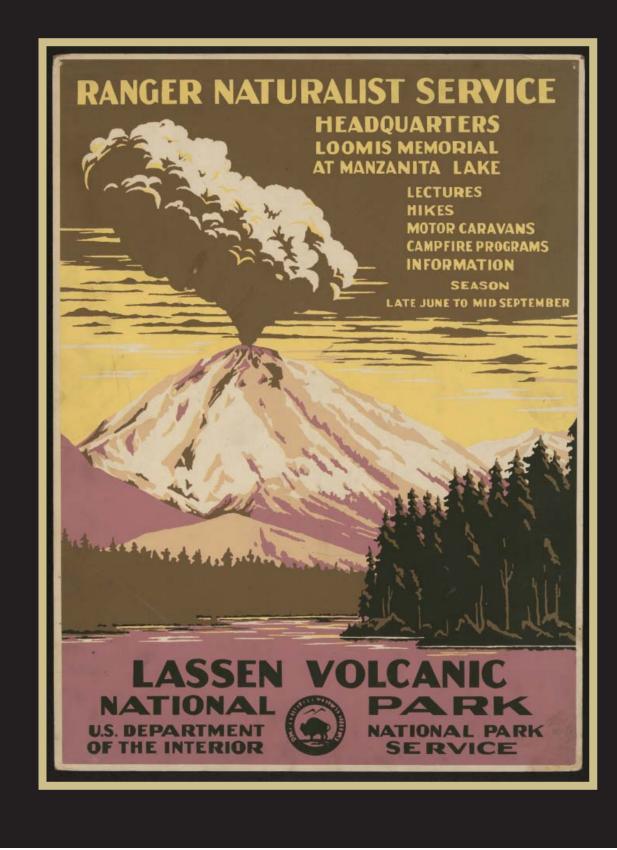
During this challenging time, the Office of the Inspector General will continue to assist Library management by helping to identify ways for the Library to function more effectively and efficiently and by investigating alleged or suspected wrongdoing. We will also issue a final report on the Library's mechanisms for tracking and accounting for items acquired in its Prints and Photographs Division, among other activities.

The Library implemented 14 of our recommendations from prior semiannual periods. Twelve of the recommendations are not identified here because they were in reports that were not released publicly. Our publicly released reports are available online at www.loc.gov/about/oig.

Kurt W. Hyde
Inspector General

Table of Contents

Profiles

Library of Congress

The Library is the research and information arm of the United States' national legislature and the world's largest storehouse of knowledge. The Library's mission is to provide Congress, the federal government, and the American people with a rich, diverse, and enduring source of knowledge that can be relied upon to inform, inspire, and engage them, and support their intellectual and creative endeavors. 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 162 million physical items on approximately 838 miles of bookshelves. These items include books and other print materials, recordings, photographs, maps, sheet music, and manuscripts. Half of the Library's collections are in languages other than English. Some 470 languages are represented in the collections. 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, Illinois, and at the Packard Campus of the National Audio-Visual Conservation Center in Culpeper, Virginia. In fiscal year 2015, the Library welcomed 1.6 million onsite visitors and recorded 86.1 million visits and more than 482.5 million page views on the Library's web properties. At year's end, the Library's online primary-source files totaled 60.9 million.

After completing a realignment over the past year, the Library now has six primary components:

- The Office of the Librarian
- Library Services
- The U.S. Copyright Office
- The Congressional Research Service
- The Law Library
- National & International Outreach

The Office of the Librarian provides leadership and executive management to the Library, overseeing the implementation of the Library's mission. It includes the Office of the Chief of Staff and the Office of the Chief Operating Officer.

Library Services performs the traditional functions of a national library: acquisitions, cataloging, preservation, and reference services for both digital and conventional collections. It operates the National Audio-Visual Conservation Center and the American Folklife Center, among other programs.

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.

The Law Library assists Congress and the legislative process by providing comprehensive research on foreign, comparative, international, and U.S. law, and other legal reference services.

National & International Outreach manages and develops programs that have a national scope, such as the National Library Service for the Blind and Physically Handicapped; those that operate as cost recovery services; and those that foster access to the Library's collections for research, teaching, and visitor education.

In fiscal year 2015, the Library

- responded to more than 1 million reference requests from Congress, the public, and other federal agencies;
- circulated approximately 22 million copies of Braille and recorded books and magazines to more than 862,000 blind and physically handicapped reader accounts;
- registered over 443,000 copyright claims; and
- preserved more than 9 million items from the Library's collection.

Office of the 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. The 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.

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency, a unified council of all federal statutory Inspectors General. This Semiannual Report to the Congress is part of the OIG's statutory reporting requirements and is organized to address the major functions of the office, including

- significant audits, investigations, and other activities of the OIG;
- 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 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.

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.

OIG reports are available at www.loc.gov/about/oig.

Above: Grand Canyon National Park, a free government service [circa 1938]
Collection Name and Repository: Work Projects Administration Poster Collection, Prints and Photographs Division

Top Management Challenges

This section provides a summary of issues identified by the OIG that, in our view, represent long-term challenges for the Library.

COLLECTIONS STORAGE

The Library is continuously challenged in identifying sufficient collections storage. The OIG's September 2013 report highlighted that the Library's collections storage spaces are neither sufficient for current materials nor able to accommodate the Library's expected collections growth. The OIG reported that since fiscal year (FY) 2003, the Library's collection of material has grown by almost 22 percent from 127 million to more than 155 million by FY 2012.[1] Continuing at this rate of acquisition, the Library's collections will grow to an estimated 178 million items by FY 2020.[2] The construction of new Fort Meade collections storage and preservation modules has helped. Four modules were built from 2002-2009, but they are now nearly filled to capacity. Construction on Module 5 began in October 2015; the anticipated occupancy date is October 2017. The Library has approximately 1.2 million processed books at Landover waiting to go into the new module. The Library is now working with the Architect of the Capitol (AOC) on future modules that will yield the same amount of storage space in fewer buildings. The AOC received FY 2016 funds to cover the costs of designing a new standard module which will be twice the size of Module 5.
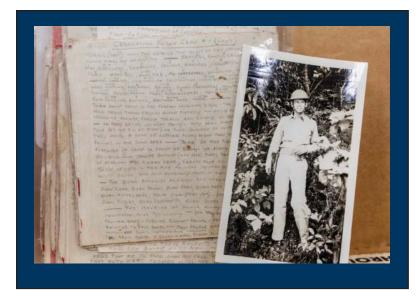
The Library is also taking steps to better utilize its available storage space. To maximize storage capacity on Capitol Hill, the Library has implemented a program to shelve selected categories of books by fixed location order rather than by subject classification.[3] To date, the Library has shelved approximately 750,000 items using this arrangement, which increases usable shelf space and expedites shelving. In areas that are structurally suitable, the Library is also replacing fixed shelving with movable or compact shelving, which increases the amount of space available for shelves. For example, in FY 2015, the House of Representatives included language to provide funding for approximately 13,900 linear feet of movable shelving to be added to the special format vaults at the Packard Campus of the National Audio-Visual Conservation Center in Culpeper, Virginia. The shelving contractor currently is in the process of manufacturing the shelving parts, and installation is expected to begin in May 2016.[4]

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[1] According to the Library, it recorded a total of 162 million physical items in its collections in fiscal year 2015.

[2] *The Library Collects Extensively but Faces Increasing Challenges in Processing, Controlling, Storing, and Making Accessible All It Collects*, OIG Report No. 2013-SP-102, September 2013.

[3] In a classified collection area, empty spaces are left througout the shelves to allow for newly published books to be inserted. A fixed location area is the opposite in that each book is added "at the end." As a result, there are no empty spaces and shelves can reach maximum capacity.

[4] As noted in previous semiannual reports, the Library also implemented a revised collection policy in 2014 whereby it retains only one copy of most new U.S. monographs received for the general collections and existing additional copies already in the general collections are considered for withdrawal. More than 131,000 volumes have been withdrawn from the general collections since the start of the program.

Above: THE LIBRARY HAS A WIDE RANGE OF DIFFERENT MATERIALS, INCLUDING THE MATERIALS PHOTOGRAPHED ABOVE FROM THE COLLECTION OF THE LATE LT. GEORGE W. PEARCY, WHICH WERE DONATED TO THE VETERANS HISTORY PROJECT. PEARCY KEPT A SECRET DIARY WHILE A JAPANESE PRISONER OF WAR, PARTS OF WHICH WERE SMUGGLED OUT BY FRIENDS AND RETURNED TO PEARCY'S FAMILY FOLLOWING HIS DEATH ABOARD A JAPANESE TRANSPORT SHIP.
Photograph: SHAWN MILLER

Pending additional permanent collections preservation storage capacity at Fort Meade, the Library has also worked with AOC to procure temporary leased storage space. Through an inter-agency agreement with AOC, in late FY 2015, the AOC obtained on behalf of the Library a lease for five years with options to extend a 50,030 square feet space in the Cabin Branch Distribution Center. Tenant improvements, shelving installation, and other preparation work for the facility is in progress. The OIG plans to inquire about the Library's plans to vacate Landover altogether because preliminary cost estimates show that the Landover leased space is significantly more expensive than that at Cabin Branch. Further, in recent audits, the OIG identified deficiencies at Landover in external perimeter security, internal controls over the physical accountability of non-collections inventory, and the layout of the facility, among other issues.[5]

The OIG also plans to review collection storage issues for digital materials in future audit work. Although the majority of the Library's collections are in an analog format, the Library is increasing its digital collections. For example, as of September 2012 more than 37 million original source analog items have been digitized since 1990, and 233 billion tweets were collected through February 2013.

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[5] *Security over Collections Inventory at the Landover Center Annex,* 2014-PA-107, September 2015 (not for public release), *Security over Non-Collections Inventory at the Landover Center Annex,* 2014-PA-108, July 2015 (not for public release), *The Office of Support Operations Has Made Improvements to the Landover Center Annex's Building Security, but Needs to Take Some Additional Steps,* 2014-PA-105, September 2014 (not for public release).

INFORMATION TECHNOLOGY INFRASTRUCTURE

Change and challenges confront the Library's business culture as Library leadership addresses a legacy of IT issues chronicled in reports from the Government Accountability Office (GAO) and the OIG. A series of audits conducted by OIG since FY 2009 and congressionally directed audits performed by GAO have brought to light significant operational and strategic issues in the Library's IT infrastructure and management.[6] The audits identified IT planning, budgeting, governance, and organizational weaknesses that need to be addressed by the Library's senior management. It is imperative that the Library have state-of-the-art IT infrastructure and operations to meet the needs of its diverse customers.

In response, senior management took action. For the entire semiannual period, the newly organized Office of the Chief Information Officer (OCIO) has operated under new leadership–the Chief Information Officer (CIO) and the Deputy CIO. As stated in the OIG's contracted benchmarking report, the CIO and Deputy CIO are taking steps to improve service delivery. In the near term, the OCIO is taking the following actions:

- The Office of the Chief Financial Officer's Budget Office and the OCIO are attempting to gain more granular information on IT spending from the Library's accounting system.
- The OCIO hired a new end-user computing chief and assigned a dedicated Contracting Officer Representative to its core help desk contract.
- The CIO engaged a firm to evaluate the OCIO's organization and reshape its organizational structure to enable the OCIO to be a strategic business partner with the Library's service units and to deliver the best possible service to its various customers.
- The OCIO is conducting a workload assessment to determine whether further organizational realignments are needed to better meet IT needs.

To address the Library's IT weaknesses, the Librarian needs to ensure that the CIO provides Library-wide leadership in defining and addressing operational and strategic technology needs that meet the Library's mission requirements. For example, the OCIO has issued its IT strategic plan for fiscal years 2016-2020, a positive first step in being more responsive to the
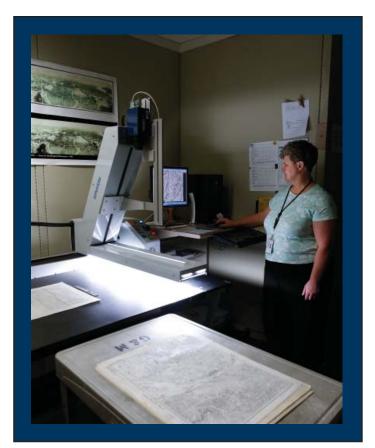
[6] *Strong Leadership Needed to Address Serious Information Technology Management Weaknesses*, GAO-15-315, March 2015 and *Information Technology: Copyright Office Needs to Develop Plans that Address Technical and Organizational Challenges*, GAO-15-338, March 2015. The OIG's most recent report was *The Library Needs to Determine an eDeposit and eCollections Strategy*, 2014-PA-101, April 2015.

Library's IT needs, but, as stated in our Digital Services and Collections top management challenge, the Library needs an organization-wide, interdependent strategy for digital-related activities. Until the CIO develops a more robust strategic plan that incorporates Library-wide plans for critical IT areas, such as the digital collections area, the OCIO cannot fully address the Library's IT weaknesses.

The Library's organization-wide IT strategic plan will need to incorporate organization-wide strategic efforts as well as the essential building blocks necessary to achieve the desired state-of-the-art technology infrastructure and best practices. Otherwise, the Library risks enduring more years lost in its efforts to achieve state-of-the-art technology support. Those building blocks include:

- Refocusing the OCIO towards a customer-driven unit with performance goals and measurements that provide OCIO leadership with flexibility and data for performance remediation;
- Installing OCIO monitoring systems that provide early warning data to OCIO leadership;
- Developing improved investment planning and decision-making that interfaces with the Library's planning and budgeting life cycle;
- Instilling a commitment to employ information technology best practices and establish accountability for best practices shortfalls;
- Developing an effective enterprise architecture process that guides the Library to a desired target state of state-of-the-art infrastructure and efficient shared services;
- Supporting the Library in its digital collections strategy with technology solutions that ensure the preservation, security, and accessibility of its digital material;
- Coordinating a risk-based approach for IT security complemented by robust asset protection and disaster recovery programs; and
- Investing in human capital through hiring and maintaining highly qualified technology staff and managers and providing ongoing professional training.

The alternative approach of focusing only on the short-term poses the unacceptable risk that the Library will continually consume budgetary resources on short-term weaknesses and never obtain traction on the issues that will propel it to a state-of-the-art IT infrastructure and operations.

Above: A Digital Library Specialist completes a digital scan of an early 20th century map in the Geography and Map Division.
Photograph: Shawn Miller

DIGITAL SERVICES AND COLLECTIONS

The Library has taken steps in the digital area but more needs to be done to ensure that the Library meets its business objectives and customer needs. Because of the pace of digital innovation, senior management must act on many fronts in order to execute a timely digital transformation that will enable the Library to play a leadership role in this area.

The Library must change its paradigm with regard to the CIO. It is not sufficient for the CIO to be simply an IT service provider – receiving requirements and delivering IT support. This operational role is, of course, critical and presents the management challenges described earlier. However, to transform the agency for the digital age, the CIO must become a strategic partner with Library service units, working together to collect and manage digital content, automate internal processes, and deliver service electronically to the public, researchers, the copyright community, and Congress.

To realize this e-government goal, the Library needs an organization-wide, interdependent strategy for digital-related activities. The goal of creating this digital strategy is missing from the current Library-wide strategic plan and the IT strategic plan, both of which are for fiscal years 2016-2020.[7] Several units are creating digital strategies and requesting resources, but these strategies are not part of an organization-wide plan and do not address the technical capacity of the OCIO to collect, store, and provide access to the material. Considering that to perform these functions would require extensive knowledge of technology planning and significant information technology investment, the CIO must play a central role in creating an organization-wide digital strategy for the Library to realize success of any digital collections strategy.

While collection development policy – deciding which content should be added to the Library collection for use now and in the future – is the professional responsibility of the service units, it cannot be successful without the CIO. By way of analogy, the Library partners with the Architect of the Capitol in planning, designing, constructing, maintaining, and upgrading storage facilities. The Library units responsible for collection must develop a similar partnership with the CIO that involves the CIO at all stages of the collection life cycle.

The Administration recognizes the need for a cohesive, organization-wide approach to addressing digital-related activities as outlined in its *Digital Government: Building a 21st Century Platform to Better Serve the American People*.[8] *Digital Government* states that agencies should operationalize an information-centric model using systems architected for interoperability that deliver device-agnostic digital services. Traditionally, the government has architected systems for specific uses, such as websites that are built with webpages sized specifically for computer screens and, to serve mobile audiences, agencies would then build an entirely new mobile site. In contrast, an information-centric model would decouple information from its presentation. This fundamental shift would involve transitioning to managing pieces of data that can be tagged, secured, and presented in a way that consumers would find useful. If done right, this approach would add value to an agency's services by helping to make digital information widely available through a variety of formats.

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[7] The need for an organization-wide approach to building digital collections was demonstrated by the OIG's audit of the eDeposit Program. The audit revealed that only incremental progress was made after five years in part because the Library lacked an overarching eCollections Strategy or plans for creating a digital platform that met common requirements for ingesting and protecting electronic works. See *The Library Needs to Determine an eDeposit and eCollections Strategy*, 2014-PA-101, April 2015.

[8] *Digital Government: Building a 21st Century Platform to Better Serve the American People,* May 2012, https://www. whitehouse.gov/sites/default/files/omb/egov/digital-government/digital-government-strategy.pdf.

To make the most of limited resources, *Digital Government* also advocates for a "shared platform" approach that involves looking first to using a shared platform and existing infrastructure when developing new projects, rather than procuring new infrastructure and systems for each new project. This should accelerate the adoption of new technologies, lower costs, and reduce duplication. Throughout the process of creating and managing digital information and organizing how to present it, *Digital Government* underscores the need to focus efforts on meeting customers' needs. This would require developing an understanding of customer needs and coordinating across the agency to ensure that digital information is broadly made available and accessible. The building effort must also be done in a safe and secure, yet transparent and accountable manner.

Without change, the Library's approach, with different areas of the Library acting in divergent ways and involving the CIO after decisions have been made, will likely result in limited and inconsistent progress and put the Library's relevance in the digital world at risk. At its simplest, having an organization-wide plan and a partnership approach reduces the likelihood of inefficient redundancies and wasted resources. At best, a shared vision can facilitate projects to serve as incubators for general solutions, facilitate learning from shared experience, and create synergies working toward a shared goal.

From the OIG's perspective, of all the top management challenges facing the Library, shortfalls in this area pose the greatest risk to the Library's reputation as an internationally renowned institution and, consequently, the OIG will continue to review the Library's digital services and collections efforts.

PERFORMANCE MANAGEMENT

Strategic planning and performance management has been a long-term top management challenge. Senior management has reinvigorated the Library's commitment to strategic planning and performance management and intends to develop a framework that will sustain the Library through ongoing change, while providing transparency to Congress and others.

During this semiannual period, the Library made initial progress to address this top management challenge, but there is significant work yet to be done in a number of areas. The Library's primary accomplishments included conducting follow-up sessions with managers and supervisors about the Library-wide strategic plan for fiscal years 2016-2020 and launching a

new electronic system for tracking and reporting on annual performance goals and related metrics. Also, as part of the initial effort to implement the strategic plan, the Library aligned service unit annual performance goals to high-level strategic goals along with specific outcomes. The effort was notable in that it involved senior management from across the Library, and the Library's annual performance goals and performance targets were reviewed and approved by the Library's Executive Committee.

An important ongoing requirement should be for each service unit to annually identify, obtain, and validate new and improved performance data that will enable accurate and reliable measurements of progress towards annual service unit goals for the following year. The logical next step is for senior management to use performance management data as the Library's primary management and decision-making tool. Any less of a commitment to strategic planning and performance management would result in wasted effort and prevent the realization of the benefits offered by performance management to the budget formulation and execution cycles.

To ensure success and accountability, the Library's new approach to performance management should also be incorporated into its governance structure. The Library's planning, budgeting, and performance assessment activities are governed by Library of Congress Regulation (LCR) 1511, which was last revised in April 2006. The Library's recent activities have made LCR 1511 out-of-date.

Transparency and accountability are the culmination of the planning, budgeting, and evaluation phases of performance management. As stated by the OIG previously, the Library must demonstrate its commitment to providing greater transparency about its performance to assure stakeholders that it is operating in an effective and efficient manner. Senior management will need to ensure that activities in key areas, such as IT, facilities, and human capital, are linked to the Library's planning and budgeting efforts and are overseen as part of the new performance management system. Further, senior management must identify the channels through which it will ensure transparency, such as through the Library's financial reporting, webpage, and other types of messaging.

To help senior management address this top management challenge, the OIG will monitor the Library's implementation of its strategic plan and provide periodic management alerts that assess progress being made.

CONTRACTING

The Library's contracting function must provide for timely acquisition of goods and services that represent the best value for taxpayer dollars while complying with federal laws, Library policies, and sound business practices. Accomplishing these fundamental operating requirements in today's federal procurement environment requires savvy contracting leadership, knowledgeable contracting staff, and senior managers who are committed to performance excellence. Over the last several years the OIG has reported on the systemic problems confronting the Library's contracting function[9] and testified about them before the Committee on House Administration's Subcommittee on Oversight in July 2012.

In today's federal environment, because federal agencies compete with each other for competent, experienced, and committed contracting officers and specialists, there is a large amount of movement by contract professionals. The constant turnover makes it difficult to fill vacancies and retain knowledgeable and experienced staff. Also, the effort to solve operations breakdowns and award pending contracts comes at the expense of solving systemic problems that affect the contracting function.

Since the OIG's testimony, the Library appointed a new contracting director with extensive federal contracting and legal experience who is in the process of establishing a framework of oversight and internal control. One indication of progress has been the absence of contracting internal control material weaknesses or significant deficiencies reported by the Library's independent public accountants in their audits of the Library's fiscal year 2014 and 2015 financial statements.

In spite of the progress, the Library experienced difficulty in awarding contracts during the fourth quarter of the last fiscal year, as evidenced by the Library's request to Congress for late-term approval to reprogram funds. These end-of-year actions were met with congressional concern about the Library's contracting function.[10] The incident also raised concerns about contract management's efforts to address the systemic problems that have caused long-term contracting weaknesses.

During this fiscal year, contract management has established performance goals to 1) assess and improve customer service to its agency constituents;

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[9] The OIG's most recent report was *Improvements Needed to Prevent Wasteful Procurement and Inefficient Disposal of IT Workstations*, 2012-PA-101, September 2012.

[10] In discussions with the OIG, the Budget Office recently stated that, in addition to contracting delays, the late reprogramming included unobligated funds from other Library sources.

2) monitor and reduce the risks associated with contracts that are not competitively awarded and fixed-price; and 3) improve the contracting life cycle to speed up the delivery of goods and services as well as assure that funds are being used for agency priorities. The OIG will continue to monitor the contracting function and initiate a follow-up audit to assess progress in addressing the long-term systemic weaknesses previously reported.

Above: Zion National Park, Ranger Naturalist Service [circa 1938]
Collection Name and Repository: Work Projects Administration Poster Collection, Prints and Photographs Division

Audits, Surveys, and Reviews

Audit of the GBTI Solutions, Inc. IT Security Contract

Audit Report No. 2014-PA-104
December 2015

As part of our focus on high-risk contracts, the OIG selected for review an IT security contract with GBTI Solutions, Inc. (GBTI). The objective of the audit was to evaluate the propriety of GBTI's labor-hour charges and the contractor's compliance with contract provisions and the Federal Acquisition Regulation when billing for services provided.

Library management agreed with all of our findings and recommendations, but we are not including details about them here because of the sensitive nature of the information contained in the report. The report was not issued for public release.

Fiscal Year 2015 Financial Statements Audit

Audit Report No. 2015-FN-101
March 2016

For the twentieth consecutive year, the Library has received an unmodified (clean) opinion on its consolidated financial statements. Under contract with our office, CliftonLarsonAllen audited the Library's consolidated financial statements, which comprise the consolidated balance sheets as of September 30, 2015 and 2014, the related consolidated statements of net cost and changes in net position, the combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

In the auditor's opinion, the financial statements presented fairly, in all material respects, the financial position of the Library and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States. Also, the auditor did not identify any deficiencies in internal controls that might be material weaknesses or significant deficiencies.

Benchmarking the Library of Congress Information Technology
Fiscal Year 2014 Budgetary Obligations and Human Capital

Report No. 2015-IT-101
March 2016

In response to recommendations made by GAO and OIG, the Library committed to restructuring its Information Technology Services Directorate in FY 2015. As part of the effort, the Library asked the OIG to assist with obtaining information needed to properly realign resources and derive maximum benefit from operations. In response, OIG determined that the necessary information was not available, such as from the Office of Management and Budget, and contracted with Hewlett Packard (HP) to assess the Library's IT-related obligations and benchmark them with other federal agencies.

Because this was a benchmarking study and not an audit, the OIG did not make recommendations. Nevertheless, HP identified areas that management should act on to better enable management's decision-making.

Library of Congress Momentum Migration to the CGI Cloud

Audit Report No. 2015-IT-102
March 2016

The OIG contracted with CliftonLarsonAllen (CLA) to conduct an audit of the movement of the Library's Momentum Financial System and associated data from the Library's Financial Hosting Environment (FHE) to the CGI cloud hosting environment. In general, the audit involved reviewing the migration planning; reconciliation of all data types before and after the migration with resolution of all significant data differences; and reconciliation of the final account balances at the FHE to beginning account balances on the CGI cloud with the resolution of all significant differences.

Based on CLA's audit procedures, it did not identify any significant deficiencies. However, CLA identified issues that do need to be addressed. Library management generally agreed with CLA's findings and recommendations, but we are not including details about them here because of the sensitive nature of the information contained in the report. The report was not issued for public release.

Other OIG Audit Activities

Audit Peer Review Activities

Government Auditing Standards require that audit organizations be reviewed by a peer organization. The objectives of the review are to determine whether an effective quality control system has been established and if policies, procedures, and applicable government auditing standards are followed. Peer reviews must be performed at least once every three years by reviewers independent of the audit organization being reviewed. The OIG's next peer review is scheduled for FY 2016.

Peer Review of the Corporation for National and Community Service

We conducted a peer review of the audit operations of the Corporation for National and Community Service (CNCS) OIG. Our peer review responsibility was to express an opinion on the design of the CNCS OIG's system of quality control and compliance with that system. Federal audit organizations receive a rating of pass, pass with deficiencies, or fail.

We reviewed the system in effect for the three years ending September 30, 2015. Our review was conducted in accordance with Government Auditing Standards and guidelines established by the Council of the Inspectors General on Integrity and Efficiency. In performing our review, we obtained an understanding of the system of quality control for the CNCS OIG's audit organization. In addition, we tested compliance with the CNCS OIG's quality control policies and procedures to the extent we considered appropriate. In our opinion, the system of quality control was suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The CNCS OIG received a peer review rating of *pass*.

Review of Legislation and Regulations

Table : Review of Library of Congress Regulations (LCRs) and Directives

Reviewed	Comments by the Office of the Inspector General
LCR 2010-2 Policy of Non-Discrimination and Equal Employment Opportunity Program	We suggested wording changes that would clarify the types of interactions and protected classes being addressed by the LCR.

Investigations

As part of our investigation case activity, we opened three investigations and closed eight. We forwarded two investigations this reporting period to Library management for administrative action. One investigation was presented to the Department of Justice for criminal prosecution and was declined. With regard to our hotline, we received forty-seven hotline communications. Eight were referred to Library management, one was opened as an investigation, and twelve were closed with no action. Twenty-six hotline communications remained at the end of the reporting period.

Significant Investigations

Misuse of Library of Congress Resources

The OIG investigated allegations of a senior agency official's improper use of Library personnel authority, travel and gift funds, and a vehicle and driver. The allegations were made contemporaneous with senior personnel changes, and most were anonymous. We interviewed agency personnel and reviewed documents covering a two-year period including internal memoranda; travel, transportation, and personnel documents; and transactions in the agency's financial system. In response to our recommendations, the Library reminded staff of the rules relating to the use of government vehicles, identified a contact person to resolve questions posed by Library staff, and drafted a set of guidelines to improve record keeping.

Employee Misuse and Abuse of Government Resources

We previously reported on an OIG investigation of allegations that a Library employee was being stalked by another employee. During the course of the investigation, OIG identified misuse of computer equipment and misuse of a Library FedEx account. As a result of the investigation, the employee who was identified as stalking, misusing equipment, and misusing the FedEx account retired before a proposed removal was implemented. Additionally, another employee was admonished, and a senior level employee was given a policy reminder memo.

Unimplemented Recommendations[11]

Table 3A: 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
Office of the Librarian / Office of the Chief of Staff				
Raiser's Edge Software Program	2006-IT-302 December 2007	Develop-ment Office	III	System managers for Raiser's Edge should regularly review the system's transaction logs for suspect data events—The Office of the Chief Information Officer (OCIO) is purchasing software and services. The estimated completion date is the fourth quarter of fiscal year (FY) 2016.
Weaknesses in the Acquisition Function	2011-SP-106 March 2012	Office of the General Counsel	II.G.1	Develop directives that clearly set forth the policy and constraints for using Library of Congress Regulation 2111—The Office of the General Counsel is drafting a directive. The estimated completion date is the third quarter of FY 2016.
Office of the Librarian / Office of the Chief Operating Officer				
Surplus Books Program	2010-PA-106 September 2011	Library Services	I.c.1	Update LCR 1816. Revisions should include designing a serialized General Property Pass document that is counterfeit resistant; reassigning the responsible office to ensure oversight; documenting accountability; and implementing procedures to more appropriately account for and retire used passes. The revised LCR should also implement a pass designed for specific Surplus Books Program use—Integrated Support Services/Logistics will revise LCR 1816 and take the lead with improving the General Property Pass in collaboration with Library Services and others. The estimated completion date is the first quarter of FY 2017.
Information Technology Strategic Planning Follow-Up	2011-IT-103 December 2011	Office of the Chief Information Officer	I.2.C	Account for all information technology (IT) costs, including computer security, as part of the IT budgetary process—IT expenditure categories for the Library's financial system (Momentum) were implemented and the monitoring of IT costs was centralized in the OCIO. For example, OCIO assumed control of landline telecom costs for all units funded through the Library's salaries & expenses appropriation. The Office of the Chief Financial Officer also drafted guidance for annual agreements to centralize landline telecom in the OCIO budget for the U.S. Copyright Office, Congressional Research Service, and Books for the Blind and Physically Handicapped. Additionally, the Chief Information Officer (CIO) issued a memorandum to the Information Technology Steering Committee (ITSC) on monitoring and reporting on IT investment costs. The estimated completion date is the second quarter of FY 2018.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	1	Issue a Library-wide policy that communicates the mandatory requirements of the System Development Life Cycle (SDLC) process outlined in the existing Information Technology Services Project Management Guide to ensure consistent management of the Library's IT projects—The Library will split Library of Congress Regulation (LCR) 1600 into several new regulations to better address the areas of Information Resource Management (IRM), the Information Technology Steering Committee (ITSC), Information Technology Investment Management (ITIM), and Enterprise Architecture (EA). The regulations are scheduled to be reviewed by the Executive Committee (EC) by the third quarter of FY 2016. Additionally, the Project Management Office (PMO) created a charter to implement Library-wide use of Project Management Life Cycle (PMLC)/SDLC methodologies. OCIO is incorporating specific PMLC guidance into documentation to be used by all service units. The estimated completion date is the fourth quarter of FY 2016.

[11] These status updates are management assertions and have not been audited.

TABLE 3A: 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
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	2	Establish a centralized Library-wide PMO to communicate and enforce the Library's PMLC/SDLC methodology and to ensure the Library's major IT projects are effectively managed in a consistent manner across all service units. The central PMO should continuously monitor all SDLC projects and update all SDLC plans and instructions for Library-wide distribution—See the status update provided for recommendation 1 for 2013-IT-105.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	3	Perform disciplined uniform performance and quality reviews (preferably by the PMO) on all major SDLC projects in the Library—Regulations are being updated to reflect the role and responsibilities of the PMO. Also, with contractor support, OCIO will review SDLC guidance and templates to identify improvements. The estimated completion date is the second quarter of FY 2017.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	4	Establish budget methodology to track project development costs and measure variances against approved costs—The PMO is working with project managers to link existing projects to 2016 IT investment packages. Also, OCIO will begin a pilot to capture actual costs in the first quarter of FY 2017. Additionally, after receiving recommendations from a contractor on improving cost estimation techniques, OCIO will start a cost estimating pilot. The estimated completion date is the second quarter of FY 2019.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	5	Establish a central data repository with the Enterprise Architect and/or PMO to store all project artifacts, including cumulative cost and schedule data. In addition, periodically perform an internal and/or external inspection of the Library's IT projects and update the EA repository with the results of the inspection if necessary—OCIO drafted a regulation that is scheduled to be reviewed by the EC by the third quarter of FY 2016 and new practices are being implemented in the IT investment cycle and workflows for the Enterprise Architect and PMO. Also, OCIO is piloting a process to obtain information for IT governance reviews, the Enterprise Architect, and the PMO. The estimated completion date is the second quarter of FY 2017.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	6	Centralize the assessment of the Library's IT portfolio with the PMO and prohibit the existing practice of service unit IT investment self-assessments—OCIO implemented instructions for the next IT investment cycle and will provide guidance annually, including PMLC/SDLC guidance and templates. The estimated completion date is the second quarter of FY 2017.
Maturity of System Development Life Cycle Processes and Procedures	2013-IT-105 February 2015	Office of the Chief Information Officer	7	Revise LCR 1600 to clearly delineate ownership and stewardship of IT assets—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. The estimated completion date is the fourth quarter of FY 2016.

Unimplemented Recommendations

Table 3A: 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	I.1.A	Library policy documents (LCR 1600 and the Information Technology Steering Committee Charter) need to be updated with clear direction on members, roles, and responsibilities—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. The estimated completion date is the fourth quarter of FY 2016.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	I.1.B	Assign financial responsibility to the Chief Financial Officer to strengthen accountability for enforcement of internal controls and linkage to the Library IT budget. Articulate the level and responsibilities of voting members from each service unit in the ITSC Charter. The Director of Strategic Planing should also be consulted to ensure that all IT capital investments have goals and appropriate metrics have been defined—OCIO and Strategic Planning and Performance Management are collaborating to address the recommendation. The estimated completion date is the fourth quarter of FY 2016.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	I.2	The ITSC should report directly to the Chief of Staff or higher position. Clarify the roles and responsibilities of the Deputy Librarian/Chief of Staff in the ITSC policy/charter to strengthen ITSC oversight of IT investments—See the status update provided for recommendation I.1.A for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	I.3	Document the role and responsibilities of the CIO in the ITSC Charter. Restrict or eliminate the delegation of CIO responsibilities with respect to ITSC activities—See the status update provided for recommendation I.1.A for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	II.1.A	Implement a Capital Planning and Investment Control (CPIC) process, to include Office of Management and Budget (OMB) Exhibit 300 data and information to enable IT investment alignment with the Library mission and support business needs while minimizing risks and maximizing returns throughout the investment's life cycle—OCIO's pilot for a new IT investment process is underway. ITSC solicited feedback to improve the process, which is being incorporated into new regulations. Also, OCIO will facilitate an annual review process to align IT investment with strategic planning. As part of the ongoing IT investment pilot, OCIO and the Office of the Chief Financial Officer (OCFO) also plan to implement Unique Investment Identifiers (UIIs) in Momentum to track FY 2017 IT investment packages; this will enable investment tracking across multiple fiscal years. The estimated completion date is the second quarter of FY 2017.

Table 3A: 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	II.1.B	Research cost effectiveness of using the General Services Administration-managed eCPIC tools as a method for institutionalizing capital planning activities—OCIO's pilot for a new IT investment process is underway. ITSC solicited feedback to improve the process, which is being incorporated into new regulations. Also, OCIO will provide IT investment guidance annually. Additionally, OCIO is working with service units to identify an effective way to track IT investments that can be incorporated into OCIO and service unit workflows. This would make up-to-date management information available for the IT governance review. The estimated completion date is the second quarter of FY 2017.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	II.3.A	Document roles for the Chief Financial Officer (CFO), Budget Officer, and Director of Grants and Contracts Management in the development of the ITSC Charter and LCR 1600 (guidance documentation) in the Library's technology investment process—See the status update provided for recommendation I.1.A for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	II.3.B	Improve internal budget/project communications and training on how to develop, capture, and report project costs uniformly across the service units—The PMO has created a charter to implement Library-wide use of PMLC/SDLC methodologies. OCIO is now incorporating PMLC guidance into IT investment process documentation. Also, with contractor support, OCIO will identify improvements to cost estimation and reporting practices. Additionally, IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. As part of the ongoing IT investment pilot, OCIO and OCFO also plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. The estimated completion date is the second quarter of FY 2017.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	III.2.A	Appoint a permanent CIO responsible for IT investments, along with ensuring that OMB Exhibit 300-type information is included in budget requests for IT investments—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA, and the CIO position. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. As ITSC Chairman, the CIO leads the Library's IT investment process. The documentation being used in the ongoing IT investment pilot captures OMB Exhibit 300-type information. The Acting Librarian has authorized the Congressional Research Service and the U.S. Copyright Office to establish parallel, auditable IT investment processes provided that final investments require the approval of the Librarian of Congress, with CIO input. The estimated completion date is the fourth quarter of FY 2016.

Unimplemented Recommendations

TABLE 3A: 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	III.2.B	Adopt aspects of H.R. 1232 "Federal Information Technology Acquisition Reform Act"-- a bill passed by the House of Representatives -- that would have increased the power of existing Chief Information Officers within federal agencies so that they could be more effective. Each agency would also be reduced to having only one CIO in the agency, who is then responsible for the success and failure of all IT projects in that agency—See the status update provided for recommendation III.2.A for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	IV.1.A	The CFO (or higher) should ensure that the ITIM process is followed by all service units—See the status update provided for recommendation III.2.A for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	IV.1.B	Provide training and awareness of the ITSC oversight process for mid- and senior-level managers across the Library (all services units)—OCIO provides training weekly at the OCIO Managers/Supervisors meeting and a dedicated training session is being organized for the IT Collaborative group. Once the regulations to replace LCR 1600 have been approved, OCIO will develop training for mid- and senior-level managers across the Library by the fourth quarter of FY 2016.
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 OMB reporting, such as the use of an earned value management system to track costs on high-risk projects, as discussed in Capital Programming Guide, V.3.0, Supplement To OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets—With contractor support, OCIO will identify improvements to cost estimation and reporting practices. Also, IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. As part of the ongoing IT investment pilot, OCIO and OCFO also plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. Feedback from the pilot will be used to put a process in place for tracking the costs of high-risk projects. The estimated completion date is the fourth quarter of FY 2017.
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 Momentum and the budget system (Clarity) that are used for tracking costs—The IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. As part of the ongoing IT investment pilot, OCIO and OCFO also plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. Feedback from the pilot will be used to put a process in place for tracking the costs of high risk projects. Additionally, OCFO issued guidance on categorizing some IT investment costs and the CIO issued a memorandum to the ITSC about monitoring and reporting on FY 2016 investment costs beginning the third quarter of FY 2016. ITSC members were also consulted about capturing FY 2016 actual costs. The estimated completion date is the fourth quarter of FY 2017.

TABLE 3A: 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.C	Establish a formal process to reconcile cost variance reported by service units to the ITIM Portfolio Officer—OCIO's IT investment pilot is underway. Reporting processes are targeted for implementation in the third quarter of FY 2016 and a process for reconciling cost variances is targeted for implementation by the fourth quarter of FY 2016.
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—ITSC, OCFO, and OCIO are developing and documenting the specific steps for linking primary source documents throughout the IT investment life cycle as part of workflows. The estimated completion date is the second quarter of FY 2018.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	V.2.B	Include the OCFO review of costs (in summary form) before approval of a new project, and at major checkpoints (milestones) throughout the project life cycle—The IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. OCIO is tracking non-personnel costs, which are reviewed by the ITSC prior to approval of new IT investments. Major checkpoint reviews are being done by the PMO. OCIO is now investigating a method to track personnel costs. Once a method is identified, the PMO will identify FY 2017 projects to pilot. Also, the CIO issued a memorandum to the ITSC about monitoring and reporting on FY 2016 investment costs beginning the third quarter of FY 2016. ITSC members were also consulted about capturing FY 2016 actual costs. The estimated completion date is the fourth quarter of FY 2017.
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—OCIO continues to work to link the OCIO Cost Center Resource Plans to the ITSC Investment Packages as part of the FY 2016 pilot year. Additionally, IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. As part of the ongoing IT investment pilot, OCIO and OCFO also plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. The estimated completion date is the second quarter of FY 2018.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VI.2	Document the role of the Strategic Planning Officer in the ITSC process to ensure a synchronized planning cycle. Develop a process for proper timing of strategic planning for investments (early) and a direct tie-in between strategic plans and the ITSC process—The role of the Strategic Planning Officer has been defined in a draft LCR. In the interim, a representative of Strategic Planning and Performance Management has been added to the ITSC as a non-voting member and regularly participates in ITSC meetings. OCIO anticipates that the LCR will be issued in the fourth quarter of FY 2016.

Unimplemented Recommendations

Table 3A: 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	VI.3.A	Document a needed linkage between ITSC and the Strategic Planning Officer; including roles and responsibilities throughout the ITSC life cycle—See the status update provided for recommendation VI.2 for 2014-IT-101.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VI.3.B	Implement a portfolio process, similar to OMB Exhibit 53—OCIO's pilot for a new IT investment process is underway. ITSC solicited feedback to improve the process, which is being incorporated into new regulations. Also, OCIO will provide IT investment guidance annually. Additionally, OCIO is working with service units to identify an effective way to track IT investments that can be incorporated into OCIO and service unit workflows. This would make up-to-date management information available for the IT governance review. The estimated completion date is the second quarter of FY 2017.
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 EC and ITSC to identify opportunities for process improvement in the areas of cost accounting, performance management, and all areas of the ITSC—With contractor support, OCIO will identify improvements to cost estimation and reporting practices. Also, ITSC will annually obtain feedback to identify opportunities to improve processes in the areas of cost accounting, performance management, and other workflows. The estimated completion date is the second quarter of FY 2017.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VII.1.B	The Chief of Staff should take steps to update the Library's existing IRM, ITIM, and EA policies and practices. These existing standards need to be updated with lessons learned or improvements that are aligned with the Library's evolving strategic plan and leading or best practices—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. Also, OCIO will provide IT investment guidance annually. Additionally, OCIO is working with service units to identify an effective way to track IT investments that can be incorporated into OCIO and service unit workflows. This would make up-to-date management information available for the IT governance review. The estimated completion date is the second quarter of FY 2017.
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VII.2.A	The CIO should champion a best practices governance methodology to build awareness and understanding of best practices in the areas of IT management and program governance—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. The estimated completion date is the fourth quarter of FY 2016.

TABLE 3A: 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.2.B	Define benchmarks for ITSC management processes against appropriate public and private sector standards, organizations, and/or processes in terms of costs, speed, productivity, and quality of outputs and outcomes to measure steering committee effectiveness—The OCIO's pilot for a new IT investment process is underway. ITSC solicited feedback to improve the process, which is being incorporated into new regulations. Once the IT investment pilot has concluded, OCIO will propose benchmarks for ITSC management processes to the EC and ITSC. The estimated completion date is the second quarter of FY 2017.
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	2	The Librarian should require the Architecture Review Board (ARB) to: ensure that the eCollections Strategy and related activities are sufficiently addressed in the EA'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 Enterprise Architecture Project Office and the ARB will resolve this recommendation by the first quarter of FY 2017.
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 his 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 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—The EC is providing oversight of eCollection-related activities and will continue to do so, but it needs time to define its priorities and goals. The estimated completion date is the fourth quarter of FY 2017.

Unimplemented Recommendations

Table 3A: Significant Recommendations from Previous Semiannual Reports for Which Corrective Action Has Not Been Completed

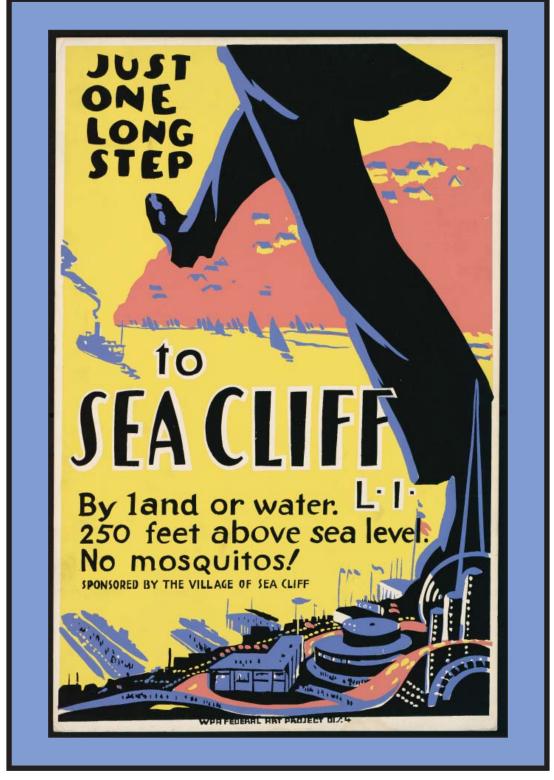| Subject	Report No. Issue Date	Office	Rec. No.	Summary and Status of Recommendation
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	5	ITSC does not have the necessary data to align information technology goals, objectives, and priorities with the strategic needs and plans of the 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, his designee, and/or the EC about ITSC decisions and oversight issues related to the schedule, cost, and performance of eCollection activities—OCIO will have an annual review process to align IT investment with strategic planning. Also, the IT expenditure categories for Momentum were implemented and work is underway to facilitate quarterly reporting of FY 2016 IT budgetary data. As part of the ongoing IT investment pilot, OCIO and OCFO also plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. With contractor support, OCIO will identify improvements to cost estimation and reporting practices. Additionally, ITSC is working to ensure alignment with strategic planning. The estimated completion date is the fourth quarter of 2017.
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—The PMO now reports directly to the CIO and will track the scopes, schedules, and costs of all the IT projects in the IT investment process. A contract to perform IT project reviews has been prepared. The estimated completion date is the fourth quarter of FY 2017.

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; (4) and require the Strategic Planning Office or another unit to develop the capability for the Librarian and his 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—The Library will split LCR 1600 into several new regulations to better address the areas of IRM, ITSC, ITIM, and EA. The regulations are scheduled to be reviewed by the EC by the third quarter of FY 2016. Also, as part of the ongoing IT investment pilot, OCIO and OCFO plan to implement UIIs in Momentum to track FY 2017 IT investment packages; this will enable the tracking of investments across multiple fiscal years. Additionally, with contractor support, OCIO will identify improvements to cost estimation and reporting practices. During this period, the ARB and the ITSC also reviewed IT investment proposals for FY 2016. The ITSC has incorporated the IT investments in an IT investment plan for review by the EC and the Librarian. The estimated completion date is the fourth quarter of FY 2017.

Library Services

Subject	Report No. Issue Date	Office	Rec. No.	Summary and Status of Recommendation
Surplus Books Program	2010-PA-106 September 2011	Library Services	II.a.1	The Surplus Books Program should implement a software application to collect and analyze program operating data—An application to address the recommendation is scheduled to be delivered in December 2016. The estimated completion date is the first quarter of FY 2017.
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—A draft framework has been completed, provided to the EC for review in November 2015, and now needs to be approved by Library management. A detailed strategy will then need to be drafted and approved. The estimated completion date is the third quarter of FY 2017.

Implemented and Closed Recommendations[12]

Table 3B: 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
Office of the Librarian / Office of the Chief Operating Officer				
Design of Library-Wide Internal Controls for Tracking IT Investments	2014-IT-101 March 2015	Office of the Chief Information Officer	VI.1	Update the Library's strategic plans as appropriate to show the linkage between strategy and investments, and focus on strongly defining the strategies and activities that will connect the five-year strategic plan to the services units' annual plans—The Information Technology Strategic Plan 2016-2020 was completed.
eDeposit and eCollections Strategy	2014-PA-101 April 2015	Library-wide	3	To address the void created by the turnover in the CIO position, the lack of an eCollections Strategy, and the current second-tier placement of the CIO position within the organization, the Librarian should: hire a strategic-thinking CIO with experience creating digital platforms and duties, responsibilities, and authority consistent with best practices; and separate the Information Technology Services Directorate and other IT support functions from the Office of Strategic Initiatives to create an OCIO that reports directly to the Librarian or his immediate executive—A new CIO was hired and started in September 2015. Additionally, as of October 2015, the OCIO was created and reports to the Chief Operating Officer.

[12] These status updates are management assertions and have not been audited.

Above: JUST ONE LONG STEP TO SEA CLIFF, L.I. [CIRCA 1936–1939]
Collection Name and Repository: WORK PROJECTS ADMINISTRATION POSTER COLLECTION, PRINTS AND PHOTOGRAPHS DIVISION

Funds Questioned or Put to Better Use

Table 4: 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[13]
$64,282,865	2.12:1

Table 5: FY 2015 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 6: FY 2014 Audits with Questioned Costs

	Number of Audit Reports	Total Questioned Costs
No management decision made by the start of the period:	-	-
Issued during the period:	-	-
In need of management decision during the period:	-	$243,395
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:	-	$243,395
More than six months old:	-	-

[13] 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

Instances Where Information or Assistance Requests Were Refused

No information or assistance requests were refused during this period.

Status of Recommendations without Management Decisions

During the reporting period, there were no recommendations more than six months old without management decisions.

Significant Revised Management Decisions

During the reporting period, there were no significant revised management decisions.
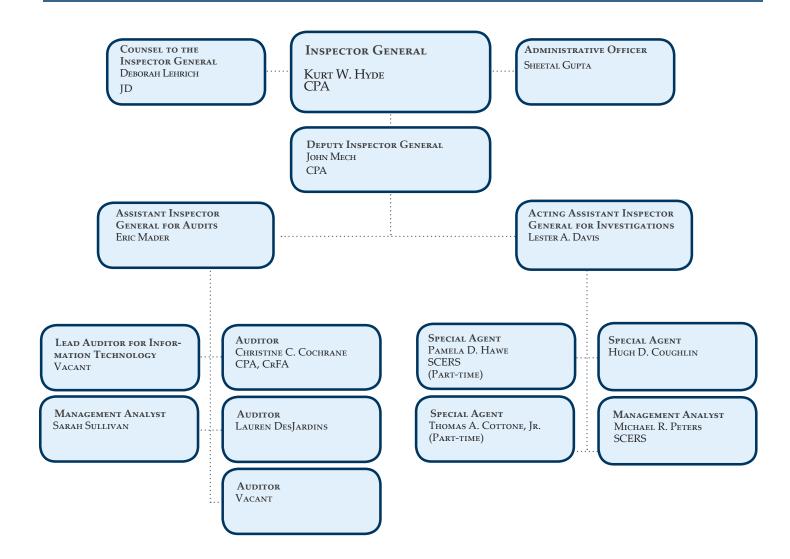
Significant Management Decisions with Which OIG Disagrees

During the reporting period, there were no significant management decisions with which we disagreed.

Follow-Up on Prior Period Recommendations

For this semiannual report, we followed-up with Library management on all open recommendations and received comments on the status of all of them. The OIG summarized the comments and placed them in tables 4A and 4B. The assertions made in tables 4A and 4B are the representations of Library management and not of the OIG. The OIG periodically performs follow-up audits to verify implementation.

OIG Organizational Chart

Counsel to the Inspector General
Deborah Lehrich
JD

Inspector General
Kurt W. Hyde
CPA

Administrative Officer
Sheetal Gupta

Deputy Inspector General
John Mech
CPA

Assistant Inspector General for Audits
Eric Mader

Acting Assistant Inspector General for Investigations
Lester A. Davis

Lead Auditor for Information Technology
Vacant

Auditor
Christine C. Cochrane
CPA, CrFA

Special Agent
Pamela D. Hawe
SCERS
(Part-time)

Special Agent
Hugh D. Coughlin

Management Analyst
Sarah Sullivan

Auditor
Lauren DesJardins

Special Agent
Thomas A. Cottone, Jr.
(Part-time)

Management Analyst
Michael R. Peters
SCERS

Auditor
Vacant

INSPECTOR GENERAL HOTLINE

HELP PROMOTE INTEGRITY, ECONOMY, AND EFFICIENCY

REPORT SUSPECTED FRAUD, WASTE, ABUSE, OR MISMANAGEMENT

COMPLAINTS MAY BE MADE ANONYMOUSLY

INSPECTOR GENERAL

LIBRARY OF CONGRESS

101 INDEPENDENCE AVENUE S.E.

LM-630

WASHINGTON, DC 20540-1060

MAIN TELEPHONE NUMBER:	(202) 707-6314
FAX NUMBER:	(202) 707-6032
HOTLINE TELEPHONE NUMBER:	(202) 707-6306
HOTLINE ONLINE FORM:	http://www.loc.gov/about/office-of-the-inspector-general/contact-us/
P.O. BOX:	15051 SE Station Washington, DC 20003-9997

ANY INFORMATION YOU PROVIDE WILL BE HELD IN CONFIDENCE.
HOWEVER, PROVIDING YOUR NAME AND A MEANS OF COMMUNICATING
WITH YOU MAY ENHANCE OUR ABILITY TO INVESTIGATE.

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