

This is the accessible text file for Library of Congress Office of the Inspector General report number 2023-IT-103, Audit of the Library of Congress's Tracking of Information Technology Project Direct Labor Costs released on September 9, 2024.

FOR PUBLIC RELEASE

Office of the Inspector General  
Library of Congress

Memo

Date September 9, 2024

To Dr. Carla Hayden  
Librarian of Congress

From Debbie Lehrich  
Acting Inspector General

Subject Final Report -*Audit of the Library of Congress's Tracking of Information Technology Project Direct Labor Costs*, Report No. 2023-IT-103

This transmits the final report of the Office of the Inspector General's (OIG) audit of the Library of Congress's (Library) tracking of information technology project direct labor costs.

Based on management's written response to the draft report, we consider all of the recommendations resolved. Your response to the draft report provided an action plan and timeline for the implementation of each recommendation, in accordance with Library of Congress Regulation 9-160, *Rights and Responsibilities of Library Employees to the Inspector General*, §6.A.

We appreciate the cooperation and courtesies extended by the Office of the Chief of Information Officer (O C I O).

Cc Principal Deputy Librarian of Congress  
Chief Information Officer

Deputy Chief Information Officer  
General Counsel

**AUDIT OF THE LIBRARY OF CONGRESS'S TRACKING OF INFORMATION TECHNOLOGY PROJECT  
DIRECT LABOR COSTS SUBMITTED TO THE LIBRARY OF CONGRESS OFFICE OF THE  
INSPECTOR GENERAL**

**PERFORMANCE AUDIT REPORT**

**SEPTEMBER 5, 2024**

Debbie Lehrich

Acting Inspector General

Office of the Inspector General

Library of Congress

Dear Ms. Lehrich,

Sikich CPA LLC (Sikich) (footnote 1) is pleased to submit the attached report detailing the results of our performance audit of the Library of Congress's (Library) tracking of information technology project direct labor costs.

The Library Office of the Inspector General (OIG) engaged Sikich to conduct this evaluation pursuant to Contract Number LCOIG20D0004, Task Order OIG23T0008.

Sikich conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Sikich performed the work from August 2023 through May 2024.

Sincerely,

*Sikich CPA LLC*

Alexandria, VA

September 5, 2024

(footnote 1) Explains that effective December 14, 2023, we amended our legal name from "Cotton & Company Assurance and Advisory, LLC" to "Sikich CPA LLC" (herein referred to as "Sikich" or "we").

### **I. Executive Summary**

The Library of Congress (Library) Office of the Inspector General (OIG) engaged Sikich CPA LLC (Sikich) to conduct an audit of the Library's consistency, timing, and accuracy of information technology (IT) project direct labor costs (footnote 3) and updates to the original estimate(s) and Project Status Reports (PSRs) for IT projects started in October 2021 or later.

(Footnote 3) Direct labor costs are costs associated with the work performed by Library full time employees.

In support of accomplishing our audit objective, we judgmentally selected 30 IT projects. For each of the selected IT projects, we conducted audit procedures to determine whether the

Library:

Bullet point One: Fully and accurately captured direct labor costs by position for IT projects run by the Office of the Chief Information Officer (OCIO) Project Management Office (PMO).

Bullett point Two: Reported direct labor hours per project in PMO PSRs in complete and timely fashion.

Bullett point Three: Provided periodic reporting of actual direct labor costs to senior management and project sponsors that was useful and accurate when compared to original cost estimates.

Based on the results of our audit work, we identified discrepancies—in some cases, by significant margins—between the direct labor hours charged to IT projects in the Library timekeeping system (i.e., WebTA) and the hours recorded in the Library’s project management system (i.e., Project Portfolio Management [PPM]) and ultimately presented in PSRs (footnote 4) PSRs allow project managers to report on project status, including cost. As a result, the Library was not adequately assured that PSRs provided Library stakeholders with reliable data about the accumulated direct labor costs associated with IT projects. We identified three specific findings that support this conclusion:

1. The Library has not implemented effective controls over direct labor hour reporting for IT projects.
2. Policies and procedures to govern ongoing development and maintenance programs have not been implemented.
3. PPM does not adequately protect IT projects from being deleted in PPM.

We communicated the results of our audit to Library management, and management concurred with our observations. Management’s full response to our audit report is included as **Appendix B** in this report.

(footnote 4) Because of the extensive effort and length of time required for the PMO to analyze the three IT projects, we did not ask the PMO to analyze the differences for the other 27 IT projects in our sample. Further, we concluded that the explanations given for the three projects were generally reasonable to explain the differences for all 30 projects.

## **II. Background**

The Library is the largest library in the world, with millions of books, films, videos, audio recordings, photographs, newspapers, maps, and manuscripts in its collections. The Library houses the main research arm of the U.S. Congress and the U.S. Copyright Office (USCO). It has six primary components:

- Office of the Librarian
- Chief Operations Officer
- OCIO
- Library Collections and Services Group, which includes:

- Law Library
- National Library Service for the Blind and Print Disabled
- Researcher and Collection Services
- Discovery and Preservation Services
- USCO
- Congressional Research Service

The Library OCIO supports the Library's IT needs and investments, including major IT modernization projects, in addition to advancing a robust digital strategy. As shown in Figure 1 below, the centralized, Library-wide PMO is located within OCIO's IT Partner Engagement directorate and is overseen by the Chief Information Officer (CIO). The PMO contributes to ensuring that the Library's IT projects are linked to IT investments and that IT projects are effectively planned, selected, resourced, and managed in a consistent manner across all Library service units. Specifically, the PMO tracks actual project progress against planned results, which includes monitoring for cost variances.

**Figure 1: OCIO Organization Chart**

Library of Congress Regulation (LCR) 5-310, *Information Technology Program Management*, guides the PMO's project responsibilities. LCR 5-310 establishes policies, roles, and responsibilities for IT project management at the Library, as well as a uniform project management framework that promotes consistency and better control of IT projects.

Further supporting the PMO is Library of Congress Directive (LCD) 5-310.1, *Project Management Life Cycle* (PMLC), which provides guidance on PMLC and how to effectively manage and deliver IT projects at the Library. For example, as shown in Figure 2, the directive

describes the four phases of the PMLC (i.e., Initiation, Planning, Execution and Control, and Closeout) and associated required deliverables for each of the four phases. Furthermore, LCD 5-310.1 requires IT projects—among other requirements—to develop a Project Charter, a Project Schedule, a Project Management Plan, Status Reports, and a Risk Register.

The PMLC consists of four sequential phases:

Initiation, Planning, Execution and Control (the longest phase typically) and Closeout, with Initiation, Planning and Closeout typically occurring in similar lengths of time.

Source: LCD 5-310.1 *Project Management Life Cycle*

To track IT project direct labor costs, the PMO uses WebTA, the Library's time and attendance tool for employees, and PPM, a module of ServiceNow <sup>(footnote 5)</sup> that reports direct labor costs in the PSRs. As part of the process to initiate an IT project, a project code is established in both WebTA and PPM. The project manager assigns a resource plan for each project that permits employees to charge hours to the project in WebTA. Employees record direct labor hours in WebTA, which are then sent to PPM on a biweekly basis. PPM has a table of average hourly labor rates by user role for Library employees assigned to IT projects. Using the hours transmitted from WebTA and applying the hourly labor rates, PPM calculates direct labor costs. Library project managers use PPM to prepare PSRs, which summarize a project's progress

against the approved project charter to give a quick and easy-to-read assessment of the project's status. The PSRs include information such as actual and planned costs and project start/end dates. Actual costs in the PSRs are an aggregate of direct labor costs, contractor labor costs, hardware, and software costs. The Library requires project managers to create PSRs. All stakeholders receive the PSRs weekly. The stakeholder distribution list includes Information System Business Owners, service unit heads, project managers, and OCIO management.

(footnote 5) ServiceNow is the name of a software company and its cloud-based platform for automating workflows.

### **III. Evaluation Results**

**Deficiency #1: The Library has not implemented effective controls over direct labor hour reporting for IT projects.**

**Condition:**

To validate the accuracy of hours used to calculate direct labor costs reported on IT projects, we requested reports from WebTA and PPM (including National Finance Center payroll data processed in the Legislative Branch Financial Management System) for the period October 2021 through August 2023. We judgmentally selected 30 IT projects and attempted to reconcile hours recorded in WebTA to those recorded in PPM. As shown in Table 1, we identified differences in hours across all 30 IT projects, and, in some cases, the variations were significant.

Table 1: Analysis of IT Project Labor Hours

Project: PRJ0000274

Hours in WebTA (Period of October 2021 through August 2023): 3019.00

Hours in PPM (Period of October 2021 through August 2023): 246.25

Difference in Hours: 372.75

Percentage of difference: 12

Project: PRJ0000544

Hours in WebTA (Period of October 2021 through August 2023): 9,235.75

Hours in PPM (Period of October 2021 through August 2023): 7,641.30

Difference in Hours: 1,594.45

Percentage of difference: 17

Project: PRJ0000546

Hours in WebTA (Period of October 2021 through August 2023): 2,627.75

Hours in PPM (Period of October 2021 through August 2023): 2,588.75

Difference in Hours: (39.00)

Percentage of difference: 1

Project: PRJ0000566

Hours in WebTA (Period of October 2021 through August 2023): 6,138.75

Hours in PPM (Period of October 2021 through August 2023): 5,123.75

Difference in Hours: 1,015.00

Percentage of difference: 17

Project: PRJ0000567

Hours in WebTA (Period of October 2021 through August 2023): 14,591.50

Hours in PPM (Period of October 2021 through August 2023): 13,170.25

Difference in Hours: 1,421.25

Percentage of difference: 10

Project: PRJ0000582

Hours in WebTA (Period of October 2021 through August 2023): 6,036.25

Hours in PPM (Period of October 2021 through August 2023): 4,864.15

Difference in Hours:1,172.10

Percentage of difference: 19

Project: PRJ0000618

Hours in WebTA (Period of October 2021 through August 2023): 5,398.25

Hours in PPM (Period of October 2021 through August 2023): 4,120.95

Difference in Hours: 1,277.30

Percentage of difference: 24

Project: PRJ0000635

Hours in WebTA (Period of October 2021 through August 2023): 12,001.00

Hours in PPM (Period of October 2021 through August 2023): 8,253.00

Difference in Hours:3,748.00

Percentage of difference: 31

Project: PRJ0000648

Hours in WebTA (Period of October 2021 through August 2023): 3,995.00

Hours in PPM (Period of October 2021 through August 2023): 2,889.55

Difference in Hours: 505.45

Percentage of difference: 15

Project: PRJ0000651

Hours in WebTA (Period of October 2021 through August 2023): 4,857.25

Hours in PPM (Period of October 2021 through August 2023): 4,605.75

Difference in Hours: 251.50

Percentage of difference: 5

Project: PRJ0000659

Hours in WebTA (Period of October 2021 through August 2023): 11,146.75

Hours in PPM (Period of October 2021 through August 2023): 10,315.75

Difference in Hours: 831.00

Percentage of difference: 7

Project: PRJ0000661

Hours in WebTA (Period of October 2021 through August 2023): 7,119.25

Hours in PPM (Period of October 2021 through August 2023): 2,007.00

Difference in Hours: 5,112.25

Percentage of difference: 72

Project: PRJ0000664

Hours in WebTA (Period of October 2021 through August 2023): 14,723.50

Hours in PPM (Period of October 2021 through August 2023): 4,682.00

Difference in Hours: 10,041.50

Percentage of difference: 68

Project: PRJ0000667

Hours in WebTA (Period of October 2021 through August 2023): 3,492.75

Hours in PPM (Period of October 2021 through August 2023): 3,444.25

Difference in Hours: 48.50

Percentage of difference: 1

Project: PRJ0000680

Hours in WebTA (Period of October 2021 through August 2023): 5,191.00

Hours in PPM (Period of October 2021 through August 2023): 3,004.00

Difference in Hours: 2,187.00

Percentage of difference: 42

Project: PRJ0000686

Hours in WebTA (Period of October 2021 through August 2023): 4,453.50

Hours in PPM (Period of October 2021 through August 2023): 3,852.50

Difference in Hours: 601.00

Percentage of difference: 13

Project: PRJ0000687

Hours in WebTA (Period of October 2021 through August 2023): 5,428.00

Hours in PPM (Period of October 2021 through August 2023): 4,636.50

Difference in Hours: 791.50

Percentage of difference: 15

Project: PRJ0000688

Hours in WebTA (Period of October 2021 through August 2023): 6,223.25

Hours in PPM (Period of October 2021 through August 2023): 5,646.25

Difference in Hours: 577.00

Percentage of difference: 9

Project: PRJ0000691

Hours in WebTA (Period of October 2021 through August 2023): 388.25

Hours in PPM (Period of October 2021 through August 2023): 281.75

Difference in Hours: 106.50

Percentage of difference: 27

Project: PRJ0000695

Hours in WebTA (Period of October 2021 through August 2023): 5,947.00

Hours in PPM (Period of October 2021 through August 2023): 4,552.75

Difference in Hours: 1,394.25

Percentage of difference: 23

Project: PRJ0000703

Hours in WebTA (Period of October 2021 through August 2023): 3,125.25

Hours in PPM (Period of October 2021 through August 2023): 2,751.00

Difference in Hours: 374.25

Percentage of difference: 12

Project: PRJ0000710

Hours in WebTA (Period of October 2021 through August 2023): 13,878.75

Hours in PPM (Period of October 2021 through August 2023): null

Difference in Hours: 13,878.75

Percentage of difference: 100

Project: PRJ0000718

Hours in WebTA (Period of October 2021 through August 2023): 2,597.00

Hours in PPM (Period of October 2021 through August 2023): 3,043.50

Difference in Hours: 446.50

Percentage of difference: 17

Project: PRJ0000720

Hours in WebTA (Period of October 2021 through August 2023): 28,369.25

Hours in PPM (Period of October 2021 through August 2023): 25,239.75

Difference in Hours: 3,129.50

Percentage of difference: 11

Project: PRJ0000725

Hours in WebTA (Period of October 2021 through August 2023): 14,090.50

Hours in PPM (Period of October 2021 through August 2023): 13,552.25

Difference in Hours: 538.25

Percentage of difference: 4

Project: PRJ0000727

Hours in WebTA (Period of October 2021 through August 2023): 3,921.00

Hours in PPM (Period of October 2021 through August 2023): 4,118.25

Difference in Hours: 197.25

Percentage of difference: 5

Project: PRJ0000731

Hours in WebTA (Period of October 2021 through August 2023): 4,855.75

Hours in PPM (Period of October 2021 through August 2023): 6,275.00

Difference in Hours: 1.419.25

Percentage of difference: 29

Project: PRJ0000736

Hours in WebTA (Period of October 2021 through August 2023): 1,139.00

Hours in PPM (Period of October 2021 through August 2023): 2,790.00

Difference in Hours: 1,651.00

Percentage of difference: 145

Project: PRJ0000746

Hours in WebTA (Period of October 2021 through August 2023): 13,024.75

Hours in PPM (Period of October 2021 through August 2023): 14,583.50

Difference in Hours: 1,558.75

Percentage of difference: 12

Project: PRJ0000748

Hours in WebTA (Period of October 2021 through August 2023): 4,579.00

Hours in PPM (Period of October 2021 through August 2023): 4,285.75

Difference in Hours: 293.25

Percentage of difference: 6

Source: Sikich analysis.

Note PRJ0000703, PRJ0000736, and PRJ0000544 were selected for further analysis

In response to our request for the Library to explain the differences, the PMO selected three IT projects (i.e., PRJ000544, PRJ000703, and PRJ0000736) to analyze. The PMO was able to fully reconcile the hours for two projects and substantially reconciled the hours for the third project, but only after several weeks of work. The PMO provided the following explanations for the differences in hours:

- Staff reported leave time against IT projects in WebTA; however, OCIO does not consider leave hours as project hours and accordingly PPM does not capture leave hours against IT projects.
- WebTA did not reflect hours manually entered into PPM. In most cases, manual timecard entry occurred prior to the integration with WebTA. Specifically, all PPM project hours prior to 10/12/2021 were entered into PPM directly and were not reflected in WebTA.
- WebTA project hours were not captured in PPM due to staff reporting project hours against expired (closed) project allocations in WebTA. PPM ignores project hours on expired allocations, since these hours are not authorized in PPM, and sends them to a separate, unprocessed timecard file.

Because of the extensive effort and length of time required for the PMO to analyze the three IT projects, we did not ask the PMO to analyze the differences for the other 27 IT projects in our sample. Further, we concluded that the explanations given for the three projects were generally reasonable to explain the differences for all 30 projects.

#### **criteria**

Library of Congress LCD 5-310.1 PMLC

*3.1.3 Execution and Control. During the Execution and Control phase, the Project*

*Manager coordinates the activities of Project Team to execute the project as planned. The Project Manager identifies potential problems in a timely manner and takes the appropriate corrective actions when necessary. PMO Project Health Reporting Requirements*

*The PSR summarizes a projects progress against the approved Project Charter and gives users of the PSR a quick and easy-to-read assessment of the project's status.*

*The U.S. Government Accountability Office's (GAO's) Standards for Internal Control in the Federal Government, September 2014, states: Principle 10 - Design Control Activities*

*10.07 Management designs control activities at the appropriate levels in the organizational structure.*

*10.08 Management designs control activities for appropriate coverage of objectives and risks in the operations. Operational processes transform inputs into outputs to achieve the organization's objectives. Management designs entity level control activities, transaction control activities, or both depending on the level of precision needed so that the entity meets its objectives and addresses related risks.*

*10.10 Transaction control activities are actions built directly into operational processes to support the entity in achieving its objectives and addressing related risks. "Transactions" tends to be associated with financial processes (e.g., payables transactions), while "activities" is more generally applied to operational or compliance processes. For the purposes of this standard, "transactions" covers both definitions.*

*Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.*

*Principle 17 - Evaluate Issues and Remediate Deficiencies*

*17.01 Management should remediate identified internal control deficiencies on a timely basis.*

*The following attributes contribute to the design, implementation, and operating effectiveness of this principle:*

- Reporting of Issues*
- Evaluation of Issues*
- Corrective Actions*

**Cause**

The Library has not established and implemented effective internal controls necessary to ensure the reliability of PPM data.

Specifically, we determined that the Library does not periodically reconcile direct labor hours charged to projects in WebTA to the hours posted in PPM, and subsequently used to calculate direct labor costs reported in PSRs.

**Effect**

Without appropriate internal controls in place, the Library was not adequately assured that PSRs provided Library stakeholders with reliable data about the accumulated actual costs (which includes direct labor costs) associated with IT projects. Inaccurate information in the PSRs may inhibit effective decision-making in resource allocations and project funding.

**Recommendations**

We recommend the Library (footnote 6)

1. Develop and implement internal controls to periodically reconcile GovTA direct labor hours to PPM project hours on a regular basis.
2. Develop and implement internal controls to ensure that direct labor hours are correctly

assigned to IT projects in both GovTA and PPM, including hours manually entered into PPM, but not reflected in GovTA.

3. Implement a process to review project hours ignored by PPM and take follow-up actions to record ignored hours from timecards.

(footnote 6) After completion of our audit fieldwork, the Library converted time and attendance systems from WebTA to GovTA

**Deficiency #2: Policies and procedures to govern ongoing development and maintenance programs have not been implemented.**

**Background**

LCR 5-310 defines a *project* as a temporary endeavor constrained by schedule, scope, resources, and a defined beginning and end, which is undertaken to produce a unique result and is typically intended to bring about beneficial change or added value. LCR 5-310 defines a *program* as a group of related projects and activities managed in a coordinated manner to obtain benefits not available from managing them individually.

Further, LCD 5-310.1 provides guidance on PMLC and how to effectively manage and deliver IT projects at the Library. The Directive defines the four phases of PMLC as Initiation, Planning, Execution and Control, and Closeout, as well as identifies required deliverables for each of the four phases, as identified in **Figure 3**

**Figure 3: Project Key Deliverables by Phase per LCD 5-310.1**

**Initiation: Project Charter, Project classification, cost-estimating spreadsheet. Cost-estimating document**

**Planning: Project Schedule, Project management Plan**

**Execution and Control: Status Report. Risk Register, Issue Log, Change Request**

**Closeout: Closeout Report****Source: LCD 5-310.1 Project Management Life Cycle****Condition**

In support of our audit objective to determine the Library's consistency, timing, and accuracy of collecting and reporting direct labor costs for projects started in October 2021 or later, we requested a population of projects from OCIO that started during this time period. In response to our request, the Library provided us with a list of applicable projects from PPM. Within the list of projects we received from OCIO, we identified several initiatives labeled as projects that should be identified as programs. The Library originally chartered these programs as projects with planned start/end dates; however, they were later determined to represent ongoing initiatives that had no definite end date. Programs may include Continuous Integration Continuous Development (CICD) <sup>(footnote 7)</sup>, operations, and projects under the program umbrella. The CIO signed a waiver for these programs to continue work without the responsibility to adhere to the requirements of projects as defined in LCD 5-310.1.

(footnote 7) According to the GAO *Agile Assessment Guide*, September 2020, CICD is an agile deployment method that builds on a continuous delivery method.

**Criteria**

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 10 - Design Control Activities*, states:

*10.02 Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks.*

The U.S. GAO's *for Internal Control in the Federal Government*,  
September 2014,

*Principle 11 - Design Activities for the Information System*, states:

*11.15 Management designs control activities over the acquisition, development, and maintenance of information technology. Management may use a systems development life cycle (SDLC) framework in designing control activities. An SDLC provides a structure for a new information technology design by outlining specific phases and documenting requirements, approvals, and checkpoints within control activities over the acquisition, development, and maintenance of technology.*

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 12 - Implement Control Activities*, states:

*12.01 Management should implement control activities through policies.*

**Criteria**

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 10 - Design Control Activities*, states:

*10.02 Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks.*

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 11 - Design Activities for the Information System*, states:

*11.15 Management designs control activities over the acquisition, development, and*

*maintenance of information technology. Management may use a systems development life cycle (SDLC) framework in designing control activities. An SDLC provides a structure for a new information technology design by outlining specific phases and documenting requirements, approvals, and checkpoints within control activities over the acquisition, development, and maintenance of technology.*

*The U.S. GAO's Standards for Internal Control in the Federal Government, September 2014,*

*Principle 12 - Implement Control Activities, states:*

*12.01 Management should implement control activities through policies. The following attributes contribute to the design, implementation, and operating*

*effectiveness of this principle:*

- Documentation of Responsibilities through Policies*
- Periodic Review of Control Activities*

### **Cause**

The Library had not yet developed and implemented written policies and procedures that govern the Library's internal controls for ongoing programs, including those related to documentation, monitoring, and reporting. The Library informed us that those policies and procedures have been developed and are pending implementation.

### **Effect**

Without written policies and procedures for program management, the Library is unable to implement consistent controls, best practices, and reporting criteria for the performance of these programs.

### **Recommendations**

We recommend the Library:

4. Complete the development and implementation of policies and/or procedures for the management of programs.

**Deficiency #3: PPM does not adequately protect IT projects from being deleted in PPM.**

**Background**

In October 2021, the Library began using both its time and attendance system (i.e., WebTA) and PPM to track direct labor costs. The project initiation process establishes a project code in both WebTA and PPM. Employees record hours in WebTA and PPM ingests those hours through an automated process. PPM stores hourly labor rates for Library staff roles assigned to projects. PPM calculates project direct labor costs using the hours ingested from WebTA and applying the appropriate hourly labor rates for the employee's role. Project managers use PPM to prepare PSRs, which include project information such as actual and planned costs and project start/end dates.

**Condition**

In order to validate the accuracy of hours used to calculate direct labor costs reported on projects, we requested reports from WebTA and PPM for the period of October 2021 through August 2023. We judgmentally selected 30 projects and attempted to reconcile hours recorded in WebTA to PPM. Our initial analysis revealed differences in hours across all 30 projects; in some cases, we identified significant differences in hours.

Through this review, we determined that project PRJ0000710, *Congress.gov-2022* had been removed from PPM. The Library informed us that a user had accidentally deleted the project records, and, upon our identification of the error, the PPM support team immediately implemented a security change in PPM to restrict deleting project records in the future. The team was also able to fully restore the PRJ0000710 project in PPM and was subsequently

working to restore the timecard records associated with this project.

**Criteria**

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 10 - Design Control Activities*, states:

*10.03 Design of Appropriate Types of Control Activities*

*Management designs appropriate types of control activities for the entity's internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system.*

*Controls over information processing*

*A variety of control activities are used in information processing.*

*Examples*

*include edit checks of data entered; accounting for transactions in numerical sequences; comparing file totals with control accounts; and controlling access to data, files, and programs.*

*Access restrictions to and accountability for resources and records*  
*Management limits access to resources and records to authorized individuals and assigns and maintains accountability for their custody and use. Management may periodically compare resources with the recorded accountability to help reduce the risk of errors, fraud, misuse, or unauthorized alteration.*

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014,

*Principle 11 - Design Activities for the Information System*, states:

11.01 Management should design the entity's information system and related control activities to achieve objectives and respond to risks.

The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

- Design of the Entity's Information System
- Design of Appropriate Types of Control Activities
- Design of Information Technology Infrastructure
- Design of Security Management
- Design of Information Technology Acquisition, Development, and Maintenance

The U.S. GAO's *Standards for Internal Control in the Federal Government*, September 2014, Principle 16 - Perform Monitoring Activities, states:

16.01 Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

- Establishment of a Baseline
- Internal Control System Monitoring
- Evaluation of Results

#### **Cause**

The Library had not implemented system controls to prevent or detect the deletion of project

records in PPM.

### **Effect**

If a project is deleted in PPM, then accurate PSRs cannot be prepared. PSRs are used to inform Library stakeholders about a project's status. Absence of reliable PSRs raises the risk of Library management having insufficient information for decision-making.

### **Recommendations**

Since the Library has already corrected the design weakness identified in this notification of finding, we are not issuing a recommendation.

### **Appendix A – Objective, Scope, and Methodology**

The Library of Congress (Library) Office of the Inspector General (OIG) engaged Sikich CPA LLC (Sikich) to conduct an audit of the Library's consistency, timing, and accuracy of project direct labor costs and updates to the original estimate(s) and Project Status Reports (PSRs) for projects started in October 2021 or later.

To meet our audit objective, we:

- Evaluated open audit findings to determine their impact on our audit objectives.
  - o Of the seven audit findings that could impact our audit objectives, all seven had been satisfactorily addressed and previously closed by the OIG.
- Performed inquiries with key Library personnel in the Office of the Chief Information Officer (OCIO), including project managers, in order to determine how the Library captures, processes, and reports on direct labor costs. These inquiries included:

- OCIO Project Management Office (PMO) Project Managers
- OCIO PMO Chief and Analysts
- Financial Services Directorate Manager
- Human Capital Directorate Chief and Human Resources Specialist

Inspected Library of Congress Regulations (LCRs) and Directives that outline policies for Library employees regarding the Project Management Life Cycle (PMLC), including project

- cost reporting. These included:
  - LCR 5-310, *Information Technology Program Management*
  - Library of Congress Directive (LCD) 5-310.1, *Project Management Life Cycle*
  - OCIO Directive 2017-01, *Project Management Life Cycle*
  - Inspected other Library documents and information, including:
    - PSRs
    - Project Charters
    - Project Resource Plans
    - WebTA User Guide
    - Project Portfolio Management (PPM) User Guide

Selected 30 projects from the list of projects provided by the PMO. For each of the 30 projects, we:

- Compared direct labor hours from October 2021 through August 2023 from timesheets retrieved from WebTA to direct labor hours in PPM.
- Compared direct labor hours in PPM to hours in PSRs.
- Recalculated direct labor costs based on hours provided along with the provided table of average hourly rates by user role.

- Identified any discrepancies and followed-up with Library personnel. (footnote 8)

Sikich conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Sikich performed the work from August 2023 through May 2024.

(footnote 8) In response to our request for the Library to explain the differences, the PMO selected three IT projects (i.e., PRJ000544, PRJ000703, and PRJ000736) to analyze. The OCIO PMO was able to fully reconcile the hours for two projects and substantially reconciled the hours for the third project but only after several weeks of work. Because of the extensive effort and length of time required for the PMO to analyze the three IT projects, we did not ask the PMO to analyze the differences for the other 27 IT projects in our sample. Further, we concluded that the explanations given for the three projects were generally reasonable to explain the differences for all 30 projects.

#### **Appendix B - Management Response**

We provided Library management with our version of this report, and Library management provided the following responses. We have not evaluated management's responses and therefore do not express an opinion on them.

Date: August 29, 2024

To: Deborah Lehrich, Acting Inspector General

From: J. Mark Sweeney, {rincipal Deputy Librarian of Congress  
Subject: Management Response to OIG report 2023-IT-103, Library of Congress' tracking of Information Technology Project Direct Labor Costs

Thank you for providing the draft audit report on the libraries IT project costing. The library generally concurs with the recommendations in the report.

The library agrees that accurate tracking of IT project costs is necessary to maintain transparency of overall IT project expenditures and to inform and build future IT project estimates. The office of the chief information officer is collaborating with the financial services and human capital directorates to develop processes to reconcile data captured in different library systems - E.G., hours and leave as reflected in time keeping systems versus status and milestone data reflected in project portfolio management systems - and thus validate costs and strengthen internal controls surrounding the tracking of costs for individuals current and future IT projects. The attached spreadsheet provides specific responses and target dates for addressing each of the recommendations from the report.

CC: Judith Conklin, Chief Information Officer  
Edward Jablonski, Chief Operating Officer  
Meg Williams, General Counsel

Recommendation number: 1

Recommendation: Develop and implement internal controls to periodically reconcile GovTA direct labor hours to PPM project hours on a regular basis.

Responding Office: OCIO (in conjunction with FSD and HCD)

Comments: The Library will develop and implement internal controls to periodically reconcile GovTA direct labor hours to PPM project hours on a regular basis.

Target Completion: Fiscal Year 2025 Quarter 4

Recommendation number: 2

Recommendation: Develop and implement internal controls to ensure that direct labor hours are correctly assigned to IT projects in both GovTA and PPM, including hours manually entered into PPM, but not reflected in GovTA

Responding Office: OCIO (in conjunction with FSD and HCD)

Comments: The Library will develop and implement internal controls to ensure that direct labor hours are correctly assigned to IT projects in both GovTA and PPM, including hours manually entered into PPM, but not reflected in GovTA.

Target Completion: Fiscal Year 2025 Quarter 4

Recommendation number: 3

Recommendation: Implement a process to review project hours ignored by PPM and take followup actions to record ignored hours from timecards

Responding Office: : OCIO (in conjunction with FSD and HCD)

Comments: The Library will implement a process to review project hours ignored by PPM and take follow-up actions to record ignored hours from timecards.

Target Completion: Fiscal Year 2025 Quarter 4

Recommendation number: 4

Recommendation: Complete the development and implementation of policies and/or procedures for the management of programs.

Responding Office: OCIO

Comments: The Library will complete the development and implementation of policies and/or procedures for the management of programs.

Target Completion: Fiscal Year 2025 Quarter 4

End of Report