This is the accessible text file for Library of Congress Office of the Inspector General report number 2023-SP-105, Evaluation of Library of Congress Strategic Planning and Performance Management released on June 17, 2024.

FOR PUBLIC RELEASE
Office of the Inspector General
Library of Congress
Memo
Date   June 17, 2024
To   Dr. Carla Hayden
          Librarian of Congress
From   Debbie Lehrich
          Acting Inspector General
Subject Final Evaluation Report - Evaluation of Library of Congress Strategic Planning and Performance Management, Report No. 2023-SP-105

This transmits our final report for the Office of the Inspector General�s evaluation of the Library of Congress's strategic planning and performance management.
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, subsection 6.A.
We appreciate the cooperation and courtesies extended by the Strategic Planning and Performance Management Office and the Financial Services Directorate.
cc   Strategic Planning Officer
Chief Operating Officer
Chief Financial Officer
General Counsel

Summary
The Office of the Inspector General (OIG) engaged an independent contractor, Sikich CPA LLC (Sikich), to assess whether the Library of Congress (Library) is exercising proper strategic planning and performance management at an agency-wide level.
OIG has found that many of the Library's management challenges over the years have flowed from a historic lack of proper strategic planning and performance management. As a result, OIG has identified strategic planning and performance management as a top management challenge since our September 2011 Semiannual Report to Congress. OIG plans to assess the status of the strategic planning and performance management top management challenge, including considering the results of this engagement, at a later date.

What the Evaluation Found
Led by the Strategic Planning and Performance Management Office (SPPM), the Library has made improvements in strategic planning with the issuance of its fiscal years (FY) 2019-2023 and 2024-2028 Strategic Plans. Contemporaneous with the release of the FY 2019-2023 Strategic Plan, SPPM initiated the annual planning processes for Directional Plans developed by the Library's service units. Directional Plans aim to identify and track office direction and operational priorities at the service unit (SU) level and align them with the Library�s strategic plan. In FY 2023, the Library also began developing an Enterprise Planning and Management toolset to further support its strategic planning and performance management activities.
In addition to these positive accomplishments, Sikich noted the following areas for improvement.
SPPM Has Not Fully Implemented Key Performance Indicators (KPIs)
SPPM's controls for KPIs have not been effectively designed and implemented to achieve the objective of KPIs. Although SPPM and SUs have aligned KPIs to three of the four strategic goals in the Library's strategic plan, SPPM has not developed KPIs for the fourth strategic goal "Foster Innovation." Additionally, the process for developing KPI dashboards is manual, which could lead to inaccuracies in reported KPIs.
The Library's SUs Do Not Identify Risks for SU Performance Goals
SPPM's risk management procedures are not effectively designed and as a result are not adequate to ensure that SU performance goals are achieved. Sikich identified 107 SU performance goals but only 28 SU risks related to achieving those goals.
SPPM Is Not Validating/Verifying Funding Status as Part of the Review of the Directional Plan
Three of 11 SU Directional Plans did not provide funding status information for their priority initiatives. Further, the eight SUs that provided funding status information used terms that were not adequately defined.

Recommendations
Sikich made five recommendations designed to assist the Library in improving its strategic planning and performance management.

Management Comments
The Library concurred with the report's recommendations and acknowledged that the Library will need to enhance and update its policies, procedures, and guidance given the progress made on the agency's key performance indicator project and the ongoing effort to develop an enterprise-wide planning and management system. The Library also plans to perform an analysis of service unit performance goals and their associated risks to identify gaps that may require additional refinements to its processes.

Appendix A: Sikich CPA LLC Evaluation Report

EVALUATION OF LIBRARY OF CONGRESS
STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

SUBMITTED TO THE
LIBRARY OF CONGRESS
OFFICE OF INSPECTOR GENERAL

EVALUATION REPORT
JUNE 12, 2024

Debbie Lehrich
Acting Inspector General Office of 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 evaluation of the Library of Congress's (Library's) strategic planning and performance management.
The Library Office of Inspector General (OIG) engaged Sikich to conduct this evaluation pursuant to Contract Number LCOIG20D0004, Task Order OIG23T0013.
Sikich conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) Quality Standards for Inspection and Evaluation, as well as the Statement on Standards for Consulting Services promulgated by the American Institute of Certified Public Accountants (AICPA). Sikich performed the work from August 2023 through April 2024.
Sincerely,
Sikich CPA LLC

I.   EXECUTIVE SUMMARY
The Library of Congress (Library) Office of the Inspector General (OIG) engaged Sikich CPA LLC (Sikich) (footnote 2) to conduct an evaluation of whether the Library is exercising proper strategic planning and performance management at an agency-wide level. The OIG has identified strategic planning and performance management as a top management challenge in each semiannual report to Congress since September 2011. In the March 2018 semiannual report, the OIG points to their September 2015 Semiannual report where the OIG commended the Library for engaging a special consultant to address its strategic planning and performance management issues. However, in the same report, the OIG noted that the following six practices would help the Library focus its continuing efforts to strengthen its strategic planning and performance management activities:
Improve the Library's focus on customers/users.
Implement a planning and performance culture at the executive level.
Create a strategic plan that meets federal government standards.
Create a better human capital linkage to strategic planning and performance management.
Link budgetary resources to expected performance results.
Manage risk across the Library�s Service Units (SUs) when planning and conducting performance management.

Since the OIG issued its September 2011 and March 2018 semiannual reports to Congress, the Library has made improvements in its strategic planning and performance management.
Significant accomplishments have included:
In fiscal year (FY) 2016, the Office of the Chief Financial Officer (OCFO) transferred the Strategic Planning Office to the Office of the Librarian (LIBN). LIBN renamed the Strategic Planning Office to the Office of Strategic Planning and Performance Management (SPPM).
In FY 2017, the Library hired a Director of SPPM and Senior Advisor for Organization Performance.
In FY 2018, the Library undertook a rigorous process to develop a strategic plan (covering FYs 2019 through 2023), which it issued on October 1, 2018.

Contemporaneous with the release of the FY 2019-2023 Strategic Plan, SPPM initiated the annual planning processes for Directional Plans for the Library's SUs. Directional Plans aim to identify and track office direction and operational priorities and align them with the Library's strategic plan. In FY 2023, the Library began developing an Enterprise Planning and Management (EPM) toolset to further support its strategic planning and performance management activities. Full implementation of the planning, performance, and risk (PPR) components of the EPM is expected by September 2025. The PPR component of the EPM toolset will support the following processes:

Directional Planning
Performance Management
Risk Management
In FY 2023, the Library internally launched the Key Performance Indicators (KPI) initiative for its FY 2024 through 2028 strategic planning activities.
SPPM has developed the following policies and procedures related to strategic planning and performance management:
Library of Congress Regulation (LCR) 1-610 � Planning and Organizational Performance Management, dated January 3, 2019.
Purpose: To establish policies and responsibilities for Library-wide planning and organizational performance management.
LCD 1-610.1 � Directional Plans, dated September 1, 2021.
Purpose: To provide guidance for annual planning activities and outputs.
LCD 1-610.2 � Annual Organizational Performance Planning and Reporting, dated September 1, 2021.
Purpose: To provide guidance for Annual Performance Goal (APG) and target development and annual organizational performance reporting.
Library of Congress Regulation (LCR) 1-630 � Integrated Risk Management and Internal Control (iRIC), dated January 3, 2019.
Purpose: To define Library management's responsibilities for risk management and internal control activities.
LCD 1-630.1 � iRIC Risk Identification, Assessment, and Response, dated September 1, 2021.
Purpose: To provide guidance for key steps within the iRIC framework, including identifying, assessing, and responding to risks.
In 2023, the Library (led by SPPM) released the FY 2024 � 2028 Strategic Plan.
In FY 2024, the Library completed an orderly succession and appointed a new Director of SPPM.

Despite these positive accomplishments, we noted areas in which the Library can improve both its strategic planning and performance management processes. For example, we noted that:
SPPM has not fully implemented KPIs.
The Library's SUs do not identify risks for Service Unit Performance Goals (SUPGs).
SPPM is not validating/verifying funding status as part of its review of Directional Plans.

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

II.   BACKGROUND
The Library is the largest library in the world, with millions of books, films and videos, audio recordings, photographs, newspapers, maps, and manuscripts in its collections. The Library is the main research arm of the U.S. Congress and the home of the U.S. Copyright Office (USCO). It has six primary components:
Office of the Librarian, which includes:
Center for Exhibits and Interpretation
Center for Learning, Literacy, and Engagement
Office of the General Counsel
Office of Strategic Planning and Performance Management (SPPM)
Office of the Chief of Staff
Office of Communications and External Relations
Chief Operating Office
Office of the Chief Information Officer
Library Collections and Services Group (LCSG), which includes:
Law Library
National Library Service for the Blind and Print Disabled (NLS)
Research and Collection Services (RCS)
Discovery and Preservation Services (DPS)
USCO
Congressional Research Service

The Library has three different but related integral processes to ensure that it meets its mission: strategic and directional planning, performance management, and risk management. SPPM leads these processes. SPPM has released two 5-year strategic plans that identify agency-level strategic goals and objectives that are applicable to all SUs.

The Library underwent an extensive process that included hiring a consultant and forming tiger teams with representation across the SUs to develop the Library's strategic plan (FY 2019-2023 Strategic Plan). To develop this plan, the Library used multiple strategic planning techniques. During this process, the Library identified four key categories of users for the Library: Congress, Creators, Connectors, and Learners.

The FY 2019-2023 Strategic Plan identified four goals:
1. Expand Access
2. Enhance Services
3. Optimize Resources
4. Measure Impact

The FY 2024-2028 Strategic Plan also identifies four goals, including updated goals 3 and 4:
1. Expand Access
2. Enhance Services
3. Strengthen Capacity
4. Foster Innovation

To develop the FY 2024-2028 Strategic Plan, the Library built off the FY 2019-2023 Strategic Plan. The FY 2019-2023 Strategic Plan had a collective, user-centered foundation, and the Library carried this forward in the new strategic plan by retaining the mission statement , the vision statement, and the first two strategic goals: "Expand Access" and "Enhance Services." The updates for the FY 2024-2028 Strategic Plan included integrating the Library's digital strategy and creating new strategic goals, objectives, and themes. In particular, the Library implemented two new strategic goals: "Strengthen Capacity" and "Foster Innovation."

The strategic goal of "Strengthen Capacity" aims to support the Library's staff by investing in their professional development and promoting a diverse, cohesive, fair, inclusive, and collaborative work environment, and improve the Library�s operations by streamlining and advancing the systems that support operations by incorporating the latest technology.

The final strategic goal, "Foster Innovation," aims to research, develop, and implement modern technologies and innovative approaches in all aspects of the Library. "Foster Innovation" also encourages educated risk-taking and leveraging data for new opportunities.

To drive daily activities supporting the Library�s strategic plan, the Library has developed performance management processes. The Library's planning, performance, and risk management cycle centers around the SU Directional Plans. The Library has aligned these plans with the strategic plan and uses them to establish the 5-year path for the SUs.

The Library uses LCR 1-610 � Planning and Organizational Performance Management and LCR 1-630 � Integrated Risk Management and Internal Control to establish planning, performance, and risk management requirements, which include Directional Planning, annual performance planning, risk management and internal controls, and performance and risk reporting. LCD 1-610.1 provides guidance for annual Directional Planning activities and outputs in accordance with LCR 1-610 � Planning and Organization Performance Management.

The Library uses a risk management process as a key part of its performance management to ensure it appropriately manages risk across the Library. The Library created LCD 1-630.1 � iRIC Risk Identification, Assessment, and Response as guidance for SUs on the key steps in the iRIC framework. Furthermore, LCD 1-630.1 provides background, definitions, scope, identification, and assessment of risks, and guidance for a risk response plan and risk monitoring. LCD 1-630.1 mandates that all SUs identify at least one risk for each agency-level performance goal to ensure the SUs meet the best practice of anticipating risks before they occur.

The planning, performance, and risk management processes at the Library include the annual cycle of:
Directional planning;
Annual performance planning;

Risk management and internal controls; and,
Performance and risk reporting.
SPPM provides guidance to the SUs for updating their Directional Plans, which include:
SU goals and objectives
Priority initiatives and actions

Impact statements
Proposed measures which can serve as the basis of KPIs or performance targets,
Using SPPM's guidance, the units also conduct annual planning activities, the output of which
include:
Agency- and SU-level performance goals and targets that align with the goals identified in the
Library's strategic plan and
Identified risks to Agency-level goals
SPPM reviews the Directional Plans, draft goals and targets, and risk information, and then the
Principal Deputy Librarian of Congress (PDLC) and SU Head approve the Directional Plans, goals and
targets, and risk information, including ensuring that the proposed APGs align with the Library's
strategic plan. Once the fiscal year begins, SPPM reviews service unit APG performance target and
risk response updates on a quarterly basis to check progress towards achieving strategic and
operational objectives. SPPM provides quarterly performance and risk progress reports to Library
leadership and works with units to plan and present regular updates to the Library�s leadership
committees, including the Executive Committee and the Operations Committee.

III.   EVALUATION RESULTS
In addition to the Library's positive improvements in strategic planning and performance management,
we noted the following areas for improvement.

Area for Improvement #1: SPPM Has Not Fully Implemented KPIs.

Background
SPPM developed a KPI dashboard to consolidate and present high priority KPIs to allow executives,
managers, and stakeholders to quickly access data. The objective of the KPI dashboard is to create a
set of meaningful, agency level performance indicators to:
Demonstrate the Library�s progress,
Continue to mature the performance management program,
Reduce the burden of APG reporting,
Effectively share the Library's story, and
Unite data sets and allow executives, managers, and stakeholders to quickly access data.

In FY 2020, the Library planned to initiate a pilot to develop KPIs, however the initiative was
delayed due to the COVID-19 pandemic. In FY 2021, SPPM engaged with the Federal Research Division
(FRD) to identify potential areas for Library-wide KPIs and established the KPI Leadership Working
Group. In FYs 2021 and 2022, SPPM and FRD continued their efforts to implement KPI dashboards by
creating tiger teams. Since FY 2022, SPPM has developed a KPI proof of concept dashboard, hosted in
Tableau, and launched the dashboard internally for Library stakeholders to view.

The KPI development initiative consisted of over 50 meetings and 75+ stakeholders from across the
Library and resulted in the development of 87 KPIs aligned to the Library's Strategic Goals.

Condition
Based on procedures performed, we determined that SPPM's controls for KPIs have not been effectively
designed and implemented to achieve the objective of KPIs.

Although SPPM and the SUs have aligned KPIs to three of the four strategic goals in the Library's
strategic plan, SPPM has not developed KPIs for the fourth strategic goal "Foster Innovation."

We learned via inquiry that the process for developing the KPI dashboards is manual. KPI data owners
report their data to the KPI team on a routine basis as determined by the definition of their metric
(monthly, quarterly, bi-annually, or annually). This data is provided in multiple ways: via email
reporting, via Compass, through SPPM access to databases, via specially prepared KPI reports from
data owners, or by piping data or visualizations from dashboards owned by other offices. SPPM
validates the dashboard with the data owners prior to releasing updates.

Criteria

The U.S. Government Accountability Office�s (GAO's) Standards for Internal Control in the Federal Government, dated September 2014, states:

Principle 10 � Design Control Activities

10.01 Management should design control activities to achieve objectives and respond to risks.

The following attributes contribute to the design, implementation, and operating effectiveness of this principle:
Response to Objectives and Risks
Design of Appropriate Types of Control Activities
Design of Control Activities at Various Levels
Segregation of Duties Principle 12 � Implement Control Activities
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 Principle 13 � Use Quality Information
Management uses quality information to support the internal control system. Effective information and communication are vital for an entity to achieve its
objectives. Entity management needs access to relevant and reliable communication related to internal and external events.

13.01 The following attributes contribute to the design, implementation, and operating effectiveness of this principle:
Identification of Information Requirements
Relevant Data from Reliable Sources
Data Processed into Quality Information

Cause
SPPM has not completed the development of policies and procedures related to implementing KPIs and aligning them to all goals within the Library's Strategic Plan goals. We learned that the delays in completing policies and procedures of KPIs were due to the pending implementation of the EPM system.

The Library has not completed the development and implementation of the EPM system which will integrate the KPI dashboard and will eliminate the need for manual entries.

Effect
Without aligning KPIs to the fourth strategic goal "Foster Innovation," the Library is unable to fully achieve the objective of the dashboard to create a set of meaningful, agency-level performance indicators to:
Demonstrate the Library's progress,
Continue to mature the performance management program,
Reduce the burden of APG reporting,
Effectively share the Library's story, and
Unite data sets and allow executives, managers, and stakeholders to quickly access data.

Additionally, manual entry of KPIs could lead to inaccuracies in reported KPIs.

Recommendations
We recommend that the Library:

1.   Complete the development of policies and procedures for developing and reporting KPIs.
2.   Complete the development of KPIs for the fourth strategic goal, Fostering Innovation.
3.   Develop a process for validating KPI data.

Area for Improvement #2: The Library's SUs Do Not Identify Risks for SUPGs.

Background
The Library's annual planning, performance, and risk management cycle includes four areas that Service Units must complete:
Directional planning
5-year outlook planning document aligned with the Library's agency-level strategic plan.
Annual performance planning

Development of performance goals and performance targets at the agency level. These goals and targets are aligned with the Library�s strategic plan.
Risk management and internal controls
Identification and assessment of risks.
Performance and risk reporting
Quarterly performance and risk reporting for agency performance goals, targets, and risks.

The annual performance and risk planning processes include identifying goals and risks at both the SU and agency levels. SUs must submit APGs to SPPM for review and submission to the PDLC. However, SUs manage SUPGs and risks internally and do not submit them to SPPM for review. The PDLC meets with SUs monthly to discuss their progress in achieving APGs and mitigating associated risks; however, those monthly conversations do not include an evaluation of SUPGs or SU risks.

Many of the SUPGs were significant, and if the SUs were unable to achieve these goals, it could negatively impact the Library achieving its mission or initiatives. For example, we noted the following SUPGs from several of the Library SUs:

Service Unit: Discovery and Preservation Services
Service Unit Performance Goals: Expand, optimize, and centralize the Library's digitization program.
Service Unit:Library Collections and Services Group
Service Unit Performance Goals: Provide a shared vision and Directional Plan structure that guides and reflects the strategic priorities of all LCSG units.
Service Unit: Office of the Chief Information Officer
Service Unit Performance Goals: Integrate IT acquisitions planning, execution, monitoring data, processes and
tools with budgetary and financial management functions.
Service Unit: U.S. Copyright Office
Service Unit Performance Goals: To better serve the public and the Copyright Office, assess existing processes,
operations, and tools.
Service Unit: Congressional Research Service
Service Unit Performance Goals: Design and implement a knowledge management program to facilitate discovery and sharing of both institutional knowledge and materials needed for research and analysis.
Service Unit: Office of the Chief Operations Officer
Service Unit Performance Goals: Improve internal controls by reviewing and documenting Financial Services
Directorate processes and procedures.
Service Unit: Center for Exhibition and Interpretation
Service Unit Performance Goals: Expand the reach of the Design Office to improve CEI�s public facing marketing
and print materials in support of the Library�s messaging and the public�s perception of the Library�s visual identity.

While risks are not required to be identified at the SU level for SUPGs, the Library has other mechanisms for managing, monitoring, and reporting risks beyond the requirement that each agency-reported goal has an associated risk. For example, the Library's key business processes ensure risk management on the operational side of the Library. SUs identify key business process risks in addition to the APG-risks, using the same risk criteria and reporting cadence.

Condition
Based on procedures performed, we determined that SPPM's controls related to SUPG risk management are not effectively designed and implemented to achieve the Library's key objectives.

SPPM's risk management procedures are not effectively designed and as a result are not adequate to ensure that SUs achieve their SUPGs. Specifically, we noted that SUs had identified 107 SUPGs but only 28 SU risks related to achieving those goals. The SUs identified at least one risk for each of the APGs identified. Without considering the risks that could impede the ability to achieve SUPGs, the Library is less likely to achieve those SUPGs.

Criteria
GAO�s Standards for Internal Control in the Federal Government (Green Book), dated September 2014, states:

Principle 7 � Identify, Analyze, and Respond to Risks

7.01   Management should identify, analyze, and respond to risks related to achieving the defined objectives.

7.02   Management identifies risks throughout the entity to provide a basis for analyzing risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses.

Principle 10 � Design Control Activities

10.01   Management should design control activities to achieve objectives and respond to risks.

The following attributes contribute to the design, implementation, and operating effectiveness of this principle:
�   Response to Objectives and Risks
�   Design of Appropriate Types of Control Activities
�   Design of Control Activities at Various Levels
�   Segregation of Duties Principle 14 � Communicate Internally
14.01   Management should internally communicate the necessary quality information to achieve the entity's objectives.

14.02   - Management communicates quality information throughout the entity using established reporting lines. Quality information is communicated down, across, up, and around reporting lines to all levels of the entity.

LCR 1-630, Integrated Risk Management and Internal Control, states that the objectives of implementing the integrated risk management and internal control framework include:
Effective management of risks that may impact achievement of Library goals.
Effective and efficient operations.
Reliable financial and non-financial (including performance) reporting.
Compliance with applicable laws and standards.

Cause
SPPM's current guidance does not require SUs to identify risks related to SUPGs. Specifically, SPPM Planning, Performance, & Risk Management Framework, Setting Performance Goals and Targets, dated February 14, 2023, states:

Although not an agency-wide requirement, some SUs may be required by unit leadership to document and track progress to service unit PGs through the Compass system (the Library's system of record for recording and reporting on both performance and risks).

Effect
Because SPPM does not require SUs to perform risk management activities associated with SUPGs, SUs are inconsistently considering and responding to risks associated with SUPGs. As a result, SUs are less likely to identify and respond to risks in a timely manner. Ultimately this may impact SU�s ability to achieve SUPGs. If SUs are not achieving their goals, it may impact Service Units' overall performance and could impact overall Library progress in achieving its Strategic Objectives.

Recommendation
We recommend that the Library:

4.   As part of the maturation of the Library's Enterprise Risk Management Program, perform an analysis of current SUPG setting and associated risk management processes and determine whether additional risk management procedures are necessary.
5.   Implement the Library's own recommendations related to SUPG setting and associated risk management processes based on the analysis performed as part of recommendation 4.

Area for Improvement #3: SPPM Is Not Validating/Verifying Funding Status as Part of the Review of the Directional Plan.

Background
Library of Congress Directive (LCD) 1-610.1, Directional Plans, identifies SU Directional Plans as the core element of the Library Planning, Performance, and Risk Management Framework. LCD 1-610.1 also specifies that the narrative document of the Directional Plan should include a description of the funding status for priority initiatives, although it does not provide details regarding the

essential elements of the funding status information to be included.

Accordingly, Library SUs create Directional Plans to establish unit goals and objectives, determine the work needed to achieve them, and monitor performance. Directional Plans include a narrative document and two appendices with tables that include information about the work that will drive progress toward achieving SU's goals and objectives, including impact statements, measures, activities, timelines, owners, dependencies, and collaboration needs.
The Initiatives and Actions worksheet provides information on the funding status of priority initiatives. SUs must request additional funding via a New and Expanded Program Request (NEPR) if they cannot accomplish a priority initiative with their annual base funding. These funding requests happen outside of the Directional Planning process. After each SU prepares their Directional Plan and SPPM reviews the Directional Plan, then the PDLC and SU Head approve the Directional Plan. SPPM then enters the Directional Plan information manually into Compass, the Library's program planning and performance system.

The Library annually submits Congressional Budget Justifications (CBJs) to Congress and, specifically, to the Appropriations Subcommittee for the Legislative Branch. The CBJs represent the Library's annual funding request to Congress and provide essential information about the Library's programs, projects, activities, and performance targets. The CBJs include requests for NEPR funding for SU priority initiatives.

Condition
We inspected the Library's FY 2024 Directional Plans for LCSG SUs who chose to update their Directional Plans and the FY 2023 Directional Plans for all other SUs. We noted that three of 11 SU's Directional Plans did not provide funding status information for their priority initiatives:
LCSG
DPS
RCS

Further, the eight SUs that provided funding status information used terms that were not defined in either LCD 1-610.1 or the Directional Plans themselves, including:
Funded;
Funding requested;
Funding requested/in process;
Partially funded - awaiting Interagency Agreement (IAA), permanent re-appropriation, or NEPR, and Funding not requested.

While these statuses show that the priority initiatives are funded, they do not provide detailed information to display how they are or will be funded.

Criteria
Library of Congress Directive (LCD) 1-610.1, Directional Plans, Section 6. Contents of a Directional Plan states:

A Directional Plan consists of a narrative document and two appendices with tables listing initiatives, as described below�
6.1.2. The priority initiatives for each goal include descriptions of:
Funding status (or, if not yet funded, the plan for funding)
6.2 Appendix A � Table of Detailed Initiatives for Next 3 Years.

Detail includes planned initiatives, impact statements, measures, activities, timelines, owners, dependencies/ collaboration needs, and funding status.

Cause
The Library's current process used to develop and update financial status information in Directional Plans is not adequate. After each SU prepares their Directional Plan and SPPM conducts their review of the Plan, then the PDLC and SU Head review and approve the Directional Plan. Afterwards, SPPM enters Directional Plan information manually into Compass. This process does not ensure that SUs develop funding status information for priority initiatives and that SUs use standardized terminology for describing funding statuses.

According to SPPM, the Financial Services Directorate has initiated an effort to replace Compass with a new EPM, system that will reportedly mitigate the issues we identified. Additionally, the PDLC stated that centralizing strategic planning and performance management under the new EPM system will

make funding requests more efficient.

Effect
Without identifying specific funding or resources for its initiatives, the Library may be unable to achieve the proposed initiatives. Each initiative in the Directional Plans correlates to one of the Library's strategic objectives. Being unable to meet certain initiatives could therefore impact the Library's ability to meet its strategic objectives.

Recommendation
We are not making a recommendation given the effort to replace Compass with a new EPM system that will reportedly mitigate the issues we identified.

APPENDIX A � OBJECTIVE, SCOPE, AND METHODOLOGY

The Library OIG engaged Sikich to conduct an evaluation of whether the Library is exercising proper strategic planning and performance management at an agency-wide level. Since September 2011, OIG has identified strategic planning and performance management as a top management challenge in each semiannual report to Congress.

To meet our evaluation objectives, we:
Performed inquiries with key Library personnel to determine how the Library had developed and updated the FY 2024-2028 Strategic Plan based on the FY 2019-2023 Strategic Plan.
Performed inquiries with various SUs to determine how they were involved in planning and implementing the FY 2024-2028 Strategic Plan.
Inspected the SU's Directional Plans, performance goals, targets, and risks for the next 5-year period and determined whether they were sufficiently detailed to support the integrated enterprise-wide risk management framework and the Library's strategic plan.
Inspected the Library's FY 2024-2028 Strategic Plan and determined how the Library had updated it based on the FY 2019-2023 Strategic Plan.
Performed inquiries with key SPPM personnel to discuss succession planning of key executives.
Performed inquiries with SPPM personnel to discuss how the Library is using Compass and how Compass's replacement may affect implementation of the strategic plan.
Performed inquiries with SPPM and FRD personnel to determine how the Library used the FY 2023 CBJ to expand the EPM system to support greater evidence-based planning and operational decision-making.
Inspected the FY 2023 and FY 2024 CBJs and appropriations specific to performance- based budgeting to determine whether they supported requirements for planning, budget formulation, budget execution, performance management, and risk management.
Inquired with SPPM management and SU personnel to determine how the Library develops fiscal year agency-level performance goals, targets, and milestones and how SUs link the Directional Plans with the overall Library strategic plan.
Inspected FY 2023 and FY 2024 SU Directional Plans (as available) to determine whether they were sufficiently detailed to support the integrated enterprise-wide risk management framework and the Library's strategic plan.
Performed inquiries with SPPM personnel to walk through the risk review process, determine how the Library identifies and tracks risks, and discuss how these identified risks align with the risk management plan and the Library�s strategic plan results.
Analyzed APGs and SUPGs to determine whether the SUs had identified an associated risk for each PG, which is required at the agency level by SPPM guidance..
Inspected Library documents, including:
SPPM Guidance for Setting Performance Goals and Targets, Risk Management Guidance, and Directional Plan guidance
SU Directional Plans
Agency and SU Performance Goals and their associated, targets, and risks

Sikich conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE�s) Quality Standards for Inspection and Evaluation, as well as the Statement on Standards for Consulting Services promulgated by the American Institute of Certified Public Accountants (AICPA). Sikich performed the work from August 2023 through April 2024.

FOOTNOTES:
1 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�). Effective January 1, 2024, we acquired CLA's federal practice, including its work for the Library of Congress Office of Inspector General.

2 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�). Effective January 1, 2024, we acquired CLA's federal practice, including its work for the Library of Congress Office of Inspector General.

APPENDIX B � MANAGEMENT RESPONSE

We provided Library management with our draft 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.

Library of Congress
Office of the Librarian
Memorandum

Date: June 5, 2024
To: Deborah Lehrich, Acting Inspector General
From: J. Mark Sweeney, Principal Deputy Librarian of Congress
Subject: Management Response to OIG report 2023-SP-105, Evaluation of Library of Congress Strategic Planning and Performance Management

Thank you for providing the draft audit report on the Library's strategic planning and performance management processes.

Over the past several years, the Office of Strategic Planning and Performance Management (SPPM) has made steady progress on its plan to mature the Library's organizational planning, performance, and risk management framework. Since 2017, the Library has completed two successful rounds of strategic planning, the most recent of which resulted in our current strategy, "A Library for All." To support effective implementation of these strategies, we introduced service unit directional plans, improved our approach to setting and tracking meaningful goals and targets, and created an annual road map report to plot and track progress toward our strategic goals. We also envisioned and deployed the agency's first risk management framework, which is now governed by a risk management council and chief risk officer.

As a result, the Library routinely collects, analyzes, and reports performance and risk data. This promotes a performance-based culture and provides the agency's leadership with the information necessary to have meaningful conversations about progress to the Library's priorities � specifically, our strategic goals and objectives and our Agency-level Performance Goals (APGs) and their associated performance targets and risks.

We acknowledge that the Library will need to enhance and update its policies, procedures, and guidance given the progress made on the agency's key performance indicator project and the ongoing effort to develop an enterprise-wide planning and management system. As well, a planned analysis of service unit performance goals and their associated risks will identify whether gaps exist that the risk management council may determine require additional refinements to our processes.

The attached spreadsheet provides specific responses and target dates for addressing each of the recommendations from the report. We appreciate your efforts and the opportunity to work together to improve the Library's integrated planning, performance, and risk framework.

cc: Emily E. Roberts, Director, SPPM
Meg Williams, General Counsel

Management Comments on Draft OIG Report No. 2023-SP-105
Evaluation of the Library's Strategic Planning and Performance Management

Recommendation 1: Complete the development of policies and procedures for developing and reporting KPIs.
Responsible Office: SPPM
Comments: SPPM agrees.

As detailed in the KPI Design Project plan, SPPM is working with the Enterprise Planning and Mangement (EPM) project team to ensure the capability to capture KPIs is included in the EPM. Policies and procedures will be developed in conformity with those capabilities and presented to the

Principal Deputy Librarian for approval by December 31, 2024.

To conclude this recommendation, these deliverables will be presented to the Executive Committee by the end of Q1 FY25.
Target completion FY25 Q1

Recommendation 2: Complete the development of KPIs for the fourth strategic goal, Fostering Innovation.
Responsible Office: SPPM
Comments: SPPM agrees.

As detailed in the KPI Design Project plan, SPPM is working with subject matter experts in LCSG, OCIO, and COO to identify metrics for the objectives under the fourth strategic goal to Foster Innovation.

To conclude this recommendation, metrics will be presented to the Executive Committee for approval by the end of Q4 FY24.
Target completion FY24 Q4

Recommendation 3: Develop a process for validating KPI data.
Responsible Office: SPPM
Comments: SPPM agrees.

A process for validating KPI data will be incorporated into the policies and procedures for developing and reporting KPIs referenced above, informed by best practices and the capabilities of the Enterprise Planning and Mangement (EPM) system.

To conclude this recommendation, SPPM will present draft policies to the Principal Deputy Librarian by the end of Q1 FY25.
Target completion FY25 Q1

Recommendation 4: As part of the maturation of the Library�s Enterprise Risk Management Program, perform an analysis of current SUPG setting and associated risk management processes and determine whether additional risk management procedures are necessary.
Responsible Office: SPPM
Comments: SPPM agrees.

From June - August 2024, SPPM will perform a gap analysis on APG, PG, and KBP risk data reported by units from FY23 - FY25 to identfy any discrepencies between unit-level priorities and declared risks.

To conclude this recommendation, the results of the findings along with SPPM recommendations for next steps will be communicated to the agency's Risk Management Council by the end of Q4 FY24.
Target completion FY24 Q4

Recommendation 5: Implement the Library�s own recommendations related to SUPG setting and associated risk management processes based on the analysis performed as part of recommendation 4.
Responsible Office: SPPM
Comments: SPPM agrees.

Depending on the findings of the SUPG analysis, implement recommendations through updates to SPPM's performance and risk management guidance, trainings, and LCRs/LCDs.

To conclude this recommendation, SPPM will make any necessary updates and publish revised LCRs/LCDs pertaining to the Library's planning, performance, and risk framework by the end of Q2 FY25.
Target completion FY25 Q2