

Audit of the Library of Congress's Implementation of Contracting Officer's Representative Best Practices

PUBLIC RELEASE

**OFFICE OF
INSPECTOR GENERAL
LIBRARY**
LIBRARY OF CONGRESS

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MEMO

Date May 28, 2025
To Robert R. Newlen
Acting Librarian of Congress
From Kimberly F. Benoit
Inspector General
Subject Final Audit Report – *Audit of the Library of Congress’s Implementation of Contracting Officer’s Representative Best Practices*, Report No. 2024-PA-102

This transmits the final report for the Office of the Inspector General’s review of the Library of Congress’s (Library) Implementation of Contracting Officer’s Representative Best Practices. Your response to the draft report provided an action plan and timeline for the implementation of each recommendation, in accordance with Library of Congress Regulations 9-160, *Rights and Responsibilities of Library Employees to the Inspector General*, §6.A.

We appreciate the cooperation and courtesies extended by the Contracts and Grants Directorate.

cc Acting Chief Operating Officer
Director & Chief Acquisition Officer
General Counsel



**LIBRARY OF CONGRESS
CONTRACTING OFFICERS' REPRESENTATIVES BEST PRACTICES
PERFORMANCE AUDIT**

**SUBMITTED TO THE
LIBRARY OF CONGRESS
OFFICE OF INSPECTOR GENERAL**

PERFORMANCE AUDIT REPORT

MAY 20, 2025

FINAL

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Kimberly Benoit
Inspector General
Office of the Inspector General
Library of Congress

Dear Ms. Benoit,

Sikich CPA LLC (Sikich)¹ is pleased to submit the attached report detailing the results of our performance audit of the Library of Congress's (Library's) Contracting Officers' Representatives' (CORs') compliance with Library of Congress Regulations, the Library of Congress Federal Acquisition Regulation Supplement (LCFARS), and the Federal Acquisition Regulations (FAR).

The Library Office of the Inspector General (OIG) engaged Sikich to conduct this evaluation pursuant to Contract Number LCOIG20D0004, Task Order OIG24T0007.

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 September 2024 to March 2025.

Sincerely,

Sikich CPA LLC

Alexandria, VA
May 20, 2025

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" or "we").

CONTRACTING OFFICERS' REPRESENTATIVES PERFORMANCE AUDIT REPORT

EXECUTIVE SUMMARY

The Library of Congress (Library) Office of the Inspector General (OIG) engaged Sikich CPA LLC (Sikich) to conduct a performance audit of the Library's Contracting Officers' Representatives' (CORs') compliance with Library of Congress Regulations, the Library of Congress Federal Acquisition Regulation Supplement (LCFARS), and the Federal Acquisition Regulations (FAR).

The Library OIG engaged Sikich to conduct a performance audit with the following objectives:

- Determine the extent to which the Library's CORs comply with applicable laws, regulations, and policies in fulfilling their COR-related duties.
- Determine the extent to which the Library's CORs maintain a COR file as indicated in LCFARS Subpart LC04.8, *Government Contract Files*.
- Determine the extent to which the Library's CORs document evidence of their monitoring within their working files, as specified within the LCFARS.
- Verify whether the Library's CORs performed and documented their roles and activities in accordance with the requirements by selecting a sample of COR Working Files (for post-award contracts completed between October 1, 2023, and September 30, 2024).

To achieve these objectives, Sikich performed inquiries, inspected policies and procedures, and assessed a sample of COR Working Files to test the effectiveness of the Library's controls over the COR Working Files against the guidance contained in Library directives, the LCFARS, the FAR, and other best practices.

CORs play a critical role in the outcome of the contract administration process by providing technical oversight and management of Library contractors. Accordingly, it is important that the Library's CORs thoroughly monitor their contracts to ensure contractors comply with contractual terms and conditions.

The Library assigns CORs for most of its awards, and the CORs are required to maintain a COR Working File for each award to document evidence of their monitoring, as indicated in LCFARS Subpart LC04.8, *Government Contract Files*. The LCFARS specifies which documentation CORs must maintain in their working index files, as well as the required structure of these files. A COR Working File must contain:

1. A copy of the contract documents, including any orders and modifications
2. A copy of the COR delegation letter
3. Contract personnel security information, including non-disclosure agreements
4. Contractor reports and data deliverables
5. Evidence of receipt, inspection, and acceptance
6. The payment log and copies of invoices
7. Contractor and Contracting Officer (CO) correspondence
8. Contract performance information and reports

9. Cross-references to other pertinent documents that are filed elsewhere
10. Other pertinent administrative documents
11. Closeout documentation

Summary of Results

We found that Library CORs are not effectively maintaining COR Working Files in accordance with Library requirements, as 7 of the 10 CORs did not maintain adequate COR Working Files. Specifically, based on our review of the 10 sampled COR Working Files, we found the following:

- 5 of the 10 COR Working Files did not include contract closeout documentation.
- 4 of the 10 CORs did not adequately maintain their COR Working File structure in accordance with the LCFARS.
- 4 of the 10 COR Working Files did not include contract performance information (e.g., Contractor Performance Assessment Report [CPAR] forms).
- 3 of the 10 COR Working Files did not include documentation of contractor correspondence.
- 1 of the 10 COR Working Files did not include evidence to support the COR's receipt, inspection, and acceptance of the goods or services.
- 1 of the 10 COR Working Files did not include documentation providing proof of payment.

1 of the 10 COR Working Files did not include contractor reports and data deliverables.

BACKGROUND

CORs are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of contracts, and safeguarding the interests of the United States in its contractual relationships.

The LCFARS is issued by the Library's Contracts and Grants Directorate (CGD). CGD is responsible for ensuring that the Library procures products and services in accordance with applicable law, regulation, and Library policy; establishing procurement policies and procedures; ensuring that the Library has a trained procurement workforce; ensuring that internal controls sufficient to protect the government's interests are in effect; and making determinations regarding deviations from the FAR and the LCFARS.

According to LCFARS Part 01, CORs must maintain records demonstrating their satisfaction of the continuous learning requirement and must submit a report to the Association for Computing Machinery annually that identifies the continuous learning activities the COR has undertaken and reflects satisfactory completion of these activities.

Each year, CGD tasks the Federal Research Division (FRD) with reviewing a sample of the COR Working Files. In fiscal year (FY) 2024, FRD reviewed 160 COR Working Files; however, FRD noted that, per CGD guidance, FRD only reviews COR Working Files for "active" contracts, or contracts that are ongoing at the time of the review. For FY 2024, FRD found a 98.06 percent compliance rate for the active COR Working Files.

The scope of Sikich's audit was limited to COR Working Files for post-award contracts completed between October 1, 2023, and September 30, 2024. We observed the generation of COR Working Files for this period on November 12, 2024. We tested all contracts with a value greater than or equal to \$250,000 based on our discussion with CGD, as this amount represents the point at which CGD begins enforcing the requirement for CORs to follow the LCFARS and submit their COR Working Files to CGD for retention. We noted that the Library closed a total of 10 contracts with a value greater than or equal to \$250,000 during this period, and we tested all 10 of the contracts. Based on the results of our test work, we found that the Library was not adequately managing and maintaining the COR Working Files.

AUDIT RESULTS

Finding 1: The Library Must Strengthen Its Policies and Procedures for Managing and Maintaining COR Working Files.

Background

The Library engaged Sikich to assess the Library's CORs' compliance with applicable laws, regulations, and policies in fulfilling their COR-related duties. The Library assigns CORs for most awards, and the CORs are required to document evidence of their monitoring for each award within their working files, known as COR Working Files. The documentation that CORs must retain and the required structure for these files are specified within the LCFARS, issued by the Library's CGD. LCFARS Subpart LC04.6, *Contract Reporting*, Sections LC04.802 and LC04.803, provide CORs with guidance on how to organize and document their COR Working Files.

Using the LCFARS as a basis, CGD created the COR File Review Checklist to assist CORs in completing their working index files.

Each year, FRD selects a sample of active contracts and reviews the related COR Working Files; however, it does not review COR Working Files for closed contracts. In FY 2024, FRD selected 160 active contracts and determined that 98.06 percent of the COR Working Files complied with the requirements.

Sikich inquired with CGD management to obtain an understanding of the requirements for maintaining and documenting COR Working Files. We determined that CORs are required to send their COR Working File for contracts valued at greater than or equal to \$250,000 to CGD for retention; CGD will follow up with the COR if it does not receive the COR Working File in a timely manner. CORs should also provide CGD with the COR Working Files for contracts valued at less than \$250,000; however, CGD does not follow up with the COR if it does not receive the COR Working File for these contracts.

Sikich tested 10 completed contracts that the Library closed between October 1, 2023, and October 31, 2024, and that had a value greater than or equal to \$250,000 to determine if the CORs completed their COR Working Files in accordance with the LCFARS.

Condition

Based on our sample testing, we determined that 7 of the 10 CORs did not adequately manage and maintain their COR Working Files in accordance with Library policies and procedures, as follows:

- 5 of the 10 COR Working Files did not include contract closeout documentation.

- 4 of the 10 CORs did not adequately maintain their COR Working File structure in accordance with the LCFARS.
- 4 of the 10 COR Working Files did not include contract performance information (e.g., CPAR forms).
- 3 of the 10 COR Working Files did not include documentation of contractor correspondence.
- 1 of the 10 COR Working Files did not include evidence to support the COR's receipt, inspection, and acceptance of the goods or services.
- 1 of the 10 COR Working Files did not include documentation providing proof of payment.

1 of the 10 COR Working Files did not include contractor reports and data deliverables.

CGD provides training opportunities for CORs on the CGD COR and Staff Resources Page.

Also, FRD only reviews COR Working File documentation for active contracts, per CGD guidance, and does not review documentation for closed contracts.

Criteria

LCFARS Subpart LC04.6, *Contract Reporting*, Section LC04.803, *Contents of Contract Files*, states:

(d) A COR working file contains:

1. *Copy of the contract documents, including any orders and modifications;*
2. *Copy of the COR delegation letter;*
3. *Contract personnel security information, including non-disclosure agreements;*
4. *Contractor reports and data deliverables;*
5. *Evidence of receipt, inspection, and acceptance;*
6. *Payment log and copies of invoices;*
7. *Contractor and CO correspondence;*
8. *Contract performance information and reports;*
9. *Other pertinent administrative documents [and/or (8) cross reference to other pertinent documents that are filed elsewhere]; and,*
10. *Closeout documentation.*

(e) In the interest of uniformity and consistency, contracting office contract files must be structured and maintained in accordance with the standardized COR File [Review] Checklist illustrated at LC1053.204. The checklist may be tailored for acquisition-specific requirements but shall maintain its basic structure and intent. When the COR contract file is transferred to CGD, the COR shall annotate the checklist, as appropriate, and sign the form to indicate that listed materials are present. CGD shall review the file to confirm that it is complete, note any discrepancies, and sign the form.

LCFARS Subpart LC04.6, *Contract Reporting*, Section LC04.804-5, *Procedures for Closing Out Contract Files*, states:

- a. *Contract closeout may be initiated by a COR or by a contracting officer as follows:*
 - (1) *COR-Initiated Closeout: The COR submits a requisition in Momentum requesting contract closeout. By submitting the requisition, the COR certifies that all required contract actions have been fully and satisfactorily accomplished and that no further invoices are anticipated and no further payments are due.*
 - (2) *CO-Initiated Closeout: The contracting officer shall obtain written confirmation from the COR that all contract actions have been fully and satisfactorily accomplished and that no further invoices are anticipated and no further payments are due.*

LCFARS Subpart LC04.6, *Contract Reporting*, Section LC04.805, *Storage, Handling, and Disposal of Contract Files*, states:

- a. *Contracting officers must create, maintain, and store contract files in secure file cabinets within CGD through contract completion. Each contract file consists of two separate file folders: the Pre Award contract file and the Post Award contract file. Additional file folder may be created if necessary due to volume of information, (e.g., a separate folder for numerous proposals, a continuation folder, etc.). Information pertinent to the contract file may be stored and maintained in an electronic environment provided that the environment is secure, accessible, and original or a verified copy of original information. The location of any information not printed and stored in the contract file shall be referenced within the appropriate section of the contract file.*

Cause

CGD created the COR File Review Checklist to guide CORs on how to properly manage and maintain the COR Working Files; however, the checklist does not contain specific definitions or examples of COR Working File documentation and allows CORs to determine what documentation they should include within their COR Working Files. The COR File Review Checklist currently implies that the COR Working File is optional.

In addition, the training that CGD offers does not clearly specify that the COR Working File is mandatory and is not up to COR discretion.

Because FRD only performs COR Working File reviews for active contracts, not closed contracts, it does not review COR Working Files to ensure that closeout-related documentation is complete.

Effect

CGD's lack of monitoring and oversight allows CORs to improperly manage and maintain COR Working Files. Without a well-documented COR Working Index File, the Library may not have the documentation necessary to enforce contractual rights during the period of performance and closeout.

Recommendations

We recommend that the Library:

- 1) Review and update policies and procedures to ensure that the policies and procedures include definitions and examples for required COR Working File documentation (e.g., definitions and examples for the “Contractor Correspondence” requirement).
- 2) Review and update policies and procedures to ensure that the policies and procedures are consistent with the LCFARS.
- 3) Review, update, and continue implementing the training provided to CORs to assist them in completing the COR Working Files.
- 4) Update existing procedures to ensure CGD provides guidance to FRD for sampling and reviewing COR Working Files for all contracts, including closed contracts, on a regular basis.

APPENDIX A – OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objectives of the audit were to:

- Determine the extent to which the Library’s CORs comply with applicable laws, regulations, and policies in fulfilling their COR-related duties.
- Determine the extent to which the Library’s CORs maintain a COR file as indicated in LCFARS Subpart LC04.8, *Government Contract Files*.
- Determine the extent to which the Library’s CORs document evidence of their monitoring within their working files, as specified within the LCFARS.
- Verify whether the Library’s CORs performed and documented their roles and activities in accordance with the requirements by selecting a sample of COR Working Files for post-award contracts completed between October 1, 2023, and September 30, 2024.

Scope

Sikich conducted the audit to address the objective of assessing compliance with applicable laws, regulations, and policies by the Library’s CORs in fulfilling their COR-related duties. As part of the audit procedures performed, we selected a sample of post-award contracts that were completed between October 1, 2023, and October 31, 2024, to verify whether COR roles and activities were performed and documented according to requirements.

Methodology

To address the objective, Sikich performed the following steps:

- Discussed and gained an understanding of contractual requirements, issues affecting the engagement, expectations regarding communication, planning objectives, timelines, and onboarding.
- Presented the COR with a project plan, including a description of our quality assurance process and staff assignments. The project plan clearly stated the staffing resources and timelines necessary to complete the evaluations and reporting. Sikich performed all of the work either on-site at the Library’s Madison building (Capitol Hill) location or off-site/remotely, depending on the Library’s requirement.
- Conducted an entrance conference with Library OIG and management personnel to introduce the audit team and key personnel, provide an overview of the performance audit objectives, explain the scope of the audit, discuss the planned audit approach, and discuss the initial Provided by Client (PBC) list. The entrance conference included a discussion regarding the anticipated timing of the work, how management preferred to communicate with Sikich, and whether there were any issues that may impact the audit going forward.
- Gained an understanding of the policies and procedures providing guidance to CORs in completing their COR Working Files.
- Gained an understanding of the COR Working File review processes that CGD and FRD conduct for post-award contracts with values both above and below \$250,000.

- Gathered information to execute the planned scope of work and prepared audit work programs. This process included interviewing key individuals or positions involved in developing and carrying out COR government contracts.
- Selected the population of post-award contracts with a value greater than or equal to \$250,000 to test the operating effectiveness of COR Working Files completed between October 1, 2023, and September 30, 2024, to ensure the COR Working Files contained all of the necessary documentation based on the LCFARS.
- Conducted a mid-fieldwork meeting and other status update meetings with OIG and/or Library management.
- Documented fieldwork, along with audit conclusions and Notices of Findings and Recommendations (NFRs).

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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. We conducted the audit from September 2024 to March 2025.


APPENDIX B – MANAGEMENT RESPONSE

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



Office of the Librarian

MEMORANDUM

DATE May 13, 2025
TO Kimberly Benoit, Inspector General
FROM Robert R. Newlen, Acting Librarian of Congress 
SUBJECT Management Response to OIG Report 2024-PA-102, Implementation of Contracting Officer's Representative Best Practices

Thank you for providing Library of Congress (Library) management with a draft of the Office of the Inspector General's (OIG) report. The Library concurs with the recommendations. The Library provides the following corrective action plans with respect to each recommendation.

Recommendation 1: The Library will review and update policies and procedures relating to Contracting Officer Representatives (CORs). The Library anticipates completion by September 30, 2025.

Recommendation 2: In conjunction with updates executed under recommendation 1, the Library will update the Library of Congress Federal Acquisition Regulation Supplement (LCFARS). The Library anticipates completion by September 30, 2025.

Recommendation 3: The Library has delivered COR file records management training in the first quarter of fiscal year 2025. The Library will review and update such training based on changes to policies and the LCFARS as implemented under recommendations 1 and 2. The Library anticipates completion by June 30, 2026.

Recommendation 4: The Library will provide sample files to the Federal Research Division that include closed and inactive contracts. The Library anticipates completion by July 31, 2025.

cc: Roberto Salazar, Acting Chief Operating Officer