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Audit Report

Evaluation of the Organizational Structure of Commission Libraries

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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April 11, 1994

EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

In the Commission, library services are provided by the National Library of International Trade (commonly called the Main Library) within the Office of Operations and the Law Library within the Office of General Counsel; the Office of the Administrative Law Judge also maintains a "library", which actually would more accurately be described as a reading room. The objective of this review was to evaluate the justification for multiple libraries from management, user, and monetary viewpoints.

This review was conducted by Urbach Kahn & Werlin PC in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. The results of their review are presented in the attached report.

The auditors found that although the functions for material requests and acquisition processing are duplicated in the two libraries, there does not appear to be significant excess capacity to warrant a consolidation of these procedures in either of the libraries. The review did not identify any instances of non-compliance with Federal laws and regulations. However, certain matters regarding the internal control structure were found as follows:

1) The current organizational structure for the Main Library does not always provide for the proper separation of duties necessary to maintain adequate internal controls over acquisitions (page 13).

2) Procedures for avoiding duplications in ordering are highly informal and require enhancement to reduce the likelihood of unnecessary duplication of titles between the two libraries (page 14).

The auditors also observed that the Commission's directive on procurement does not address the procedures used by the libraries and that the budget for some brochures, pamphlets, and reports that appear to be within the purview of the Main Library are in the budget for the Office of Management Services.

We recommend that the Director of Operations instruct the Director of Information Services to implement the recommendation on page 13 to delineate responsibilities in the Main Library and to coordinate with the General Counsel in developing desk procedures to prevent duplication of acquisitions as recommended on page 14.

We met with representatives of the Offices of Operations, Information Services, General Counsel, and the Administrative Law Judge on February 14, 1994. The representatives generally concurred with the findings and recommendations. The Director of Operations agreed with findings and recommendations and took prompt action to implement corrective actions. In his response to the draft report he stated that the corrective actions to address the recommendations had been completed on March 22, 1994. A summary of the Director's comments is presented after each finding on pages 13 and 14. The Director's comments are presented in their entirety as an appendix to the report.

Janet Altenhofen

Jane E. Altenhofen
Inspector General

UNITED STATES INTERNATIONAL TRADE COMMISSION

EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

JANUARY 1994

UK &W Urbach Kahn & Werlin PC
CERTIFIED PUBLIC ACCOUNTANTS

UNITED STATES INTERNATIONAL TRADE COMMISSION

EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

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INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

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UK &W Urbach Kahn & Werlin PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

UNITED STATES INTERNATIONAL TRADE COMMISSION
OFFICE OF INSPECTOR GENERAL

We have performed certain agreed-upon procedures related to the evaluation of the organizational structure of Commission libraries and the potential operational consolidation of the libraries within the United States International Trade Commission (USITC). The procedures, identified in Section II of this report, were agreed to by USITC's Office of Inspector General and were performed to assist USITC in evaluating the current organizational structure of its libraries and determining the effects of their potential consolidation. This report is intended solely for the information of USITC. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The objectives of this engagement included the performance of agreed-upon procedures by Urbach Kahn & Werlin PC (UKW) to determine the advantages and disadvantages of the current organizational structure of the three libraries within USITC.

The results of our procedures are discussed in Section III of this report. Other findings and recommendations identified during our evaluation are discussed in Section IV of this report.

Urbach Kahn & Werlin PC

Washington, DC
January 20, 1994

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SECTION I

BACKGROUND

BACKGROUND

Introduction

The United States International Trade Commission (USITC or ITC) is an independent agency of the United States Government established by an act of Congress. USITC conducts investigations and reports findings related to international trade and economic policy matters on behalf of both the President and Congress.

USITC is a quasi-adjudicative, independent, and multipartisan agency with broad investigative powers on matters of trade. The ITC makes determinations of injury and threat of injury to U.S. industry by imports. ITC activities also include:

- determining whether U.S. industries are materially injured by imports that benefit from pricing at less than fair value or from subsidization;
- directing actions, subject to Presidential disapproval, against unfair trade practices such as patent infringement;
- making recommendations to the President regarding relief for industries seriously injured by increasing imports;
- advising the President whether agricultural imports interfere with price-support programs of the U.S. Department of Agriculture;
- conducting studies on trade and tariff issues and monitoring import levels; and
- participating in the development of uniform statistical data on imports, exports, and domestic production and in the establishment of an international harmonized commodity code.

USITC has a full-time permanent staff of approximately 450 individuals, with budget appropriations for fiscal years 1993 and 1994 of $44,852,000 and $43,500,000, respectively.

Library services

USITC's National Library of International Trade (Main Library) has a full-time staff of nine employees responsible for providing trade related resources and reference assistance to USITC employees, members of other Government agencies and the public.

USITC's Law Library has three employees to maintain the necessary legal reference and resource materials needed to support the research efforts of the members of the Office of the General Counsel, Office of Unfair Import Investigations, Office of Administrative Law Judges, other USITC employees and the public.

EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

BACKGROUND

USITC's Office of the Administrative Law Judges (ALJ) library maintains certain legal serial publications accessible only to the ALJs and their staff. The materials in the ALJ library are acquired by the Law Library staff at the direction of the Office of the ALJ.

The Chief of Library Services is responsible for the Main Library and reports to the Assistant Director of the Office of Operations. However, USITC has just implemented a reorganization in which the Office of Information Resource Management, the Statistical Services Division and Library Services were consolidated into a newly created Office of Information Services. This office will report to the Office of Operations. The Law Library and the ALJ library were not included in this consolidation.

SECTION II

OBJECTIVES, SCOPE AND METHODOLOGY

UK
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OBJECTIVES, SCOPE AND METHODOLOGY

Objectives

Urbach Kahn & Werlin PC (UKW) was engaged to perform agreed-upon procedures related to the evaluation of the organizational structure and potential operational consolidation of the libraries within USITC. The objective of this engagement was to determine the benefits and disadvantages of the current organizational structure of the three separate libraries within USITC. The costs and benefits of reorganizing the management structure of the libraries was also examined.

Scope

UKW conducted its evaluation from January 10 to January 20, 1994 at the offices of USITC in Washington, DC. UKW's engagement staff met with numerous USITC employees involved in the various library services. In addition, UKW surveyed twenty other employees who frequently utilize the three libraries.

Methodology

The general procedures followed by UKW were as follows:

- Document an understanding of the objective of each library.
- Identify and review applicable guidelines and operating procedures for library services.
- Review previous studies relating to library operations and services.
- Document an understanding of each library's acquisition and procurement processes and determine if significant duplications of purchases or functions exist.
- Interview key personnel from the Office of Library Services, the Office of the General Counsel and the Office of the Administrative Law Judges and discuss the following:
  - ✓ Internal and external users of each library
  - ✓ The type and amount of time spent on requests for assistance
  - ✓ The number of employees working in each library
  - ✓ The functions performed by each employee
  - ✓ Evaluation of new acquisitions in each library
  - ✓ Approval for acquisitions and coordination with the other libraries to avoid unnecessary duplication
  - ✓ Possible effects of an organizational consolidation of the libraries, library employees and library users
- Document and evaluate personnel costs and requirements in each library, including managerial and administrative personnel.
- Identify any possible cost savings realizable from a managerial consolidation or reorganization.

EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

OBJECTIVES, SCOPE AND METHODOLOGY

- Identify the costs of maintaining each library, including books, periodicals, CD-ROM and on-line data search systems.

- Evaluate procedures for avoiding unnecessary duplication in acquired materials; obtain and evaluate justifications and costs for known duplications.

- Perform a survey of 20 USITC employees who frequently utilize the various library services available and inquire about:

  ✓ How much time is spent in each library
  ✓ What services are used
  ✓ Whether books are borrowed and how often
  ✓ How the library staff provide assistance
  ✓ Access to the facilities
  ✓ The responsiveness of each library
  ✓ Possible effects of a reorganization on the user

- Based on discussions with USITC personnel and observations, determine the possible impact of reorganizing the libraries.

SECTION III

RESULTS OF PROCEDURES

Main Library

In order to aid in the accomplishment of its mission, USITC established the National Library of International Trade (Main Library). The Main Library's mission, as outlined in USITC Directive 1027.1, dated February 12, 1993, states:

> *The Library is the information and research center for the agency and provides the U.S. International Trade Commission staff with a complete program of research, reference, inter-library loan, and on-line services. In addition, it provides resources and reference assistance about the activities of the Commission and represents the Commission to other Government agencies and outside parties.*

The Directive further lists the primary functions of the Main Library as follows:

- *Selects, acquires and maintains a research collection of trade and economic information in a variety of formats (print, databases, audio-visual materials) to meet the information needs of the Commission staff. Coordinates and controls the use of these resources.*
- *Provides in-depth analysis of information needs, information resources, and other specific information requirements of the agency staff.*
- *Answers inquiries, provides information, and assembles background materials in order to respond to requests or to initiate appropriate action based on the goals and objectives of the Library's program.*
- *Provides library service to the public as staff time and budget allows.*
- *Maintains the OCLC database and offers on-line information and retrieval services on LEXIS/NEXIS, Dialog, and other databases.*
- *Represents the agency on committees of FEDLINK (Federal Library and Information Center Committee) and at other professional library association activities. Participates in networking and cooperative activities with other library systems.*
- *Acts as an agency archive.*

The Main Library is separated into two Sections. Members of the Reference and Research Services Section answer inquiries, provide information and assemble background materials as described above. Members of the Technical Services Section select, acquire and update the Main Library's collection of trade and economic information published in the various media formats. The heads of both Sections report to the Chief of Library Services, who currently reports to the Assistant Director of the Office of Operations. A new reorganization about to be implemented by USITC would place the Main Library within the new Office of Information Services.

The Chief of Library Services is responsible for the management of operations within the Main Library and ensuring that the mission of the Main Library is properly and efficiently executed. The Chief also serves as the Cost Center Manager for the Main Library's budget. A Cost Center Manager, as defined in USITC Directive 2103, dated January 16, 1990, is:

> *...delegated direct responsibility to authorize the use of agency resources by the Chairman, and has been allocated funds for that purpose along with the responsibility to remain within those funds in accordance with expenditure plan allocation instructions.*

The former Chief of Library Services was reassigned to the Office of Operations as a Technical Information Specialist on February 19, 1993, and to the Office of Information Services (OIS) on February 6, 1994. The two Section Heads have been alternating in the additional role as Acting Chief of Library Services since that time.

The Main Library's fiscal year 1993 budget provided $240,000 for the purchase of serials and subscriptions, $45,000 for books and $5,000 for binding. Almost half of the budget for subscriptions is expended with one vendor -- a vendor who provides the Main Library with the majority of its most common serial publications. The libraries also receive and distribute approximately $70,000 in pamphlets and other documents published by the Government Printing Office. These items are currently maintained in the supplies budget within the Office of Management Services.

The costs for the Main and Law Libraries' electronic media and on-line reference sources are budgeted and tracked by the Office of Information Resources Management (OIRM), which was recently merged into the Office of Information Services. OIRM, now OIS, is responsible for all electronic USITC information systems, including the libraries' on-line reference systems and cataloging program.

The majority of the users of the Main Library are USITC employees, primarily from the Offices of Economics, Industries, Investigations, Unfair Import Investigations, and Tariff Affairs and Trade Agreements. Reference materials used by USITC employees vary widely, but assistance from the Main Library staff is concentrated on locating and acquiring reference materials as well as performing research functions. Assistance to outside users, including the general public, generally involves more research assistance and more staff resources.

Law Library

USITC's Law Library, located on the sixth floor of the USITC building, was established to assist the Office of the General Counsel (OGC) in maintaining technical reference materials needed to support the legal research efforts of the agency. The two Law Librarians and their assistant help support attorneys from the Office of the General Counsel, the Office of Unfair Import Investigations, and the Office of the Administrative Law Judges. In addition, they provide research and reference assistance on trade related legal matters to other USITC employees, outside attorneys and the public (as needed).

The Law Librarians report directly to the General Counsel, rather than the Chief of Library Services. The Law Library budget for fiscal year 1993 included $107,500 for serials and subscriptions and $27,500 for books. The costs for the Law Library's on-line research systems (e.g., LEGI-SLATE and WestLaw), as well as the cataloging system used by both libraries) are included in OIRM's budget as mentioned previously.

Although the basic functions of the Main Library and the Law Library are very similar, the Law Library is significantly smaller than the Main Library, and its policies and procedures are more informal than those within the Main Library.

The Administrative Law Judges (ALJ) library is a separate reading room maintained on the second floor of the USITC building. The ALJ library is used primarily for research only by the ALJs and their staff. The cost of the materials for the ALJ library is included in the Law Library's budget for books and publications. However, the Chief Administrative Law Judge has been authorized by the General Counsel to select the appropriate materials for the ALJ library up to the $14,000 suballocated for fiscal year 1993.

Systems understanding and documentation

Through discussions with various USITC personnel and review of applicable USITC procedures and guidelines, we documented and evaluated the significant internal control systems and procedures regarding the requisition, approval, ordering, receipt and tracking of books, serials and publications within the three libraries. Our review did not identify any instances of non-compliance with Federal laws and regulations. We did, however, identify certain matters regarding the internal control structure which we discuss further in Section IV of this report.

Personnel and material costs

We obtained information regarding the personnel and materials costs incurred by the libraries. We identified the pay grade levels of the current positions of the various library personnel and ensured that they were within the standard pay grade ranges for those positions established by the US Office of Personnel Management. We also reviewed the list of contract awards for books and serials awarded. No unusual items were identified in performing these procedures.

Personnel interviews

We interviewed the following USITC employees with significant involvement in providing library services within USITC:

- Assistant Director of the Office of Operations
- General Counsel
- Former Chief of Library Services
- Section Head, Reference and Research Services
- Section Head, Technical Services
- Law Librarians

Our interviews focused on the following areas:

- Prior reviews of library services
- Internal and external users of the libraries
- Forms of assistance provided to users
- Procedures for materials acquisitions

- Staffing within each library
- Effects of a possible consolidation on the libraries, their staff and the users

Several recurring issues surfaced during our interviews:

Procedures to avoid duplication of material acquisitions: The current organizational structure of the Main Library and the Law Library provides for the separation of operating and acquisition functions between the two libraries. While the specific materials being evaluated and requested for each library may be different, the procedures for approving material requests and processing orders through the procurement and acquisition process are essentially identical in both libraries.

This situation raises concerns about possible duplications in books or other materials purchased for the Main Library and the Law Library. Due to the differences in the subject matter (general trade versus trade law), there is minimal overlap in material purchases. In cases where the subject matter is considered overlapping, or where an item may be of interest to the users of the other library, the cataloging system employed by both libraries as well as a log of outstanding orders, will be searched. If not found, a call will be placed to the other library to determine if the other library has or wants the item in question.

Although the functions for material requests and acquisition processing are duplicated in the two libraries, there does not appear to be significant excess capacity to warrant a consolidation of these procedures in either of the libraries.

Current organizational structure: The current organizational structure of the libraries has one significant advantage which might be sacrificed through a consolidation. The management offices responsible for each library (Office of Operations and the Office of the General Counsel) are also responsible to the primary users of each library. This segregation allows management to understand and respond to the needs of the users and promote the capabilities of each library.

Decreased staffing of the Main Library: The issue of staffing was addressed both in our interviews and, also, included in the Library Task Force report dated March 16, 1992 and the Catholic University of America (CUA) study completed in 1991. The Main Library staff has been reduced from twelve full-time employees (several years ago) to ten and is currently at nine employees since the Chief of Library Services went on detail with the Office of Operations. One employee reinforced the need for a Professional Acquisitions Librarian (as recommended in the Library Task Force report) but our study did not try to determine the specific staffing needs of the libraries.

Differences in mission, users, materials and operating style: We noted certain basic differences between the Law Library and the Main Library that should be considered in evaluating a potential reorganization.

First, the Main Library operates as the information and research center for general international trade issues, representing USITC and its research efforts to outside parties, providing research assistance to USITC employees. The Law Library focuses at supporting the legal research efforts of USITC attorneys, paralegals and other employees as needed.

Next, the principal users of the Law Library are legal staff within the Offices of the General Counsel, Commissioners, Unfair Import Investigations, and the Administrative Law Judges. Other employees use the Law Library sparingly. The Main Library supports the economists and trade analysts within the Office of Operations, as well as the administrative staff in the Commissioners' Offices. Only a limited number of employees appear to use both libraries evenly.

As a result of the different needs of the libraries, it follows that the materials purchased in each library are, except in limited cases, mutually exclusive and the knowledge needed to maintain the different collections in each library is not easily transferable.

We also noted that the extraordinary research needs of the OGC attorneys have resulted in off-hours access to the Law Library being granted. The issue of off-hours access to the Main Library was brought up in a prior study and was found not to be advisable for security concerns. The hours for public access to the Main Library were increased several years ago and no further concerns regarding public access have been raised since that time.

Finally, we noted that the smaller size of the Law Library and its limited users have resulted in a more relaxed operating style which appears to benefit the users of the Law Library as well as its staff.

Costs and benefits of the ALJ library: We discussed the need for a separate ALJ reading room with the Chief Administrative Law Judge and the General Counsel. Since all materials in the ALJ library are available in the Law Library, the Chief Administrative Law Judge provided three reasons for needing the separate facility. The first reason is simply the convenience of the research materials to the ALJ offices on the second floor of the USITC building. ALJ staff use the room almost daily for legal research. ALJ privileged files are also stored in the room.

Secondly, the Chief ALJ feels that the reading room ensures that the necessary research materials will be accessible during hearings when prompt evidentiary rulings are needed.

But the most prominent reason for a separate library is the need for the perception of independence for the Administrative Law Judges as prescribed in 5 U.S.C. §554(d) as discussed in the Administrative Law Treatise:

> ...ALJs cannot be subject to supervision or direction by any agency employee with investigative or prosecutorial functions....
>
> ALJs are very nearly as independent of federal agencies as federal trial judges are of the Executive Branch. This high degree of independence of ALJs from agencies is designed to protect the rights of individuals affected by agency adjudicatory decisions from any potential sources of bias.

The Chief Administrative Law Judge feels that this independence would be impaired if the ALJs were required to use the Law Library. The General Counsel indicated her support for this independence and agreed that the current suballocation of the OGC budget for books and serials to the Chief ALJ also promotes this independence. As indicated earlier, the budget for ALJ library materials was $14,000 for fiscal year 1993.

RESULTS OF PROCEDURES

Results of the user survey: We conducted a survey of twenty frequent users of the USITC libraries from various offices within the agency to determine their usage patterns and obtain their opinions on the possible effects of an organizational restructuring involving the libraries. Although almost all of the interviewees used more than one library, their usage was rarely evenly divided.

The employees indicated that a variety of resources were used during their research and although they all used the help of the library staff, the amount of assistance needed varied widely. The majority of interviewees indicated some level of concern regarding a potential consolidation of the library functions and generally felt that it would hurt the Law Library to some extent. It was also felt that efficiencies gained (due to the smaller size of the Law Library) would be lost.

Possible effects of a reorganization of library functions: Based on our discussions with USITC employees, it appears that any management reorganization related to the libraries would have a larger effect on the Law Library (and its operations) than on the Main Library.

The General Counsel, the Law Librarian, and most of the users we interviewed, all were of the belief that a reorganization would place added bureaucratic burdens on the smaller library. Implementing some of the policies and procedures of the Main Library in the Law Library such as the computerized check-out procedures, would increase the work load within the Law Library with only slightly improved control over borrowed materials. We were unable to identify any significant operating improvements to be derived from a reorganization on the Law Library.

The General Counsel and the Law Librarian expressed concerns about having the Law Library reporting to a different supervisory department. The Law Librarians often discuss potential acquisitions with the General Counsel or other legal staff. The technical nature of the materials being purchased for the Law Library makes it impractical for non-legal staff to be responsible for managing the acquisition of legal materials.

The General Counsel believes that she is in the best position to know if the Law Library is supporting the legal needs of the users adequately. She believes that a reorganization would jeopardize the OGC's active control over the management of the Law Library. The General Counsel is pleased with the current operation of the Law Library and our user survey did not identify any problems or difficulties with the Law Library.

The staff within the Main Library was of the belief that there would be little benefit to the Main Library in a consolidation and agreed with the Law Library staff that it would increase the administrative load within the Law Library. One staff member, however, felt that a consolidation might improve the communications between the two libraries and result in one supervisor being familiar with the operations of both libraries.

The actual cost of completing a consolidation of the libraries would appear to be limited to the administrative time in developing new lines of responsibility. Management should be able to draw on their experience gained from their most recent reorganization to determine the effort needed to complete such a reorganization.

RESULTS OF PROCEDURES

Conclusion: Overall, based on the results of our evaluation, it appears that any efficiency of operations gained from a reorganization, including the possible advantages gained in improved communications and reduced duplication in acquisitions, appears limited when compared to the benefits inherent in the current organizational structure of the libraries.

The following section outlines certain findings and recommendations related to the internal controls within the USITC libraries identified during our study.

SECTION IV

FINDINGS AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

1) *INADEQUATE SEGREGATION OF DUTIES OVER SOME LIBRARY PURCHASES*

Condition

The current organizational structure for the Main Library does not always provide for the proper separation of duties necessary to maintain adequate internal controls over acquisitions. In this regard, we noted that The Section Head, Technical Services, in her alternating function as Acting Chief of Library Services is capable of requesting, authorizing and receiving materials for the Main Library. We also noted that no supervisory level authorization occurs within the Main Library for credit card invoices.

Criteria

The United States General Accounting Office's *Standards for Internal Controls in the Federal Government* state "Key duties and responsibilities in authorizing, processing, recording and reviewing transactions should be separated among individuals. To reduce the risk of error, waste, or wrongful acts or to reduce the risk of their going undetected, no one individual should control all key aspects of a transaction or event."

Cause

The current additional role assumed by the Section Head, as well as the ability of the Main Library staff to bypass the requirements of the ITC Form 51 allows orders for books, serials and other materials to be placed directly without evidence of proper approval.

Effect

USITC does not have adequate control over the ordering of some materials by the Main Library, a condition which increases the possibility of waste or abuse.

Recommendation

The Director of the Office of Information Services should establish a clearer delineation of responsibilities for the Section Heads to ensure that adequate separation of duties is present for all material acquisitions.

Commission's Response

The Commission agreed that during the reorganization of the Main Library, there was a "blurring of responsibilities" between the Office of Chief of Library Services and the two Section Heads. New acquisitions strategies for the Main Library will conform to the Recommendation.

2) *USITC'S PROCEDURES FOR AVOIDING DUPLICATIONS IN ORDERING REQUIRE ENHANCEMENT*

Condition

Because of the separation of the Main Library and the Law Library, both physically and operationally, decisions regarding acquisitions are made independently. Each library is in a position to consult the Bibliophile system for identifying specific titles held by the other library and contacts the other library on an as needed basis to avoid unnecessary duplication in ordering. These procedures, however, are highly informal and documenting the procedures to be performed will reduce the likelihood of unnecessary duplication of titles between the two libraries.

Results of our tests, however, did not identify any unintentional duplication of materials and some duplication is intentional for some materials frequently used in each of the libraries.

Criteria

GAO's *Standards for Internal Controls in the Federal Government* require that internal control systems are established to provide reasonable assurance that, among other things, resources are safeguarded against waste, loss or misuse.

Cause

Materials purchased for each respective library are seldom duplicated due to the different goals and users of each library. Thus, procedures for avoiding duplicated purchases have not been formally developed or documented.

Effect

The current system does not adequately ensure that unnecessary duplications in acquisitions are detected in a timely manner.

Recommendation

The Acting Chief of Library Services and the Law Librarian should develop desk procedures documenting the steps taken to avoid unnecessary duplications in acquisitions and ensure that all appropriate staff are aware of and follow these procedures. These procedures should include some form of written evidence regarding the procedures, to further strengthen the controls.

Commission's Response

The Commission agreed to clarify procedures for avoiding duplications and, in this regard, the Main Library and the Law Library have adopted a modified acquisitions policy.

SECTION V

OTHER MATTERS AND SUGGESTIONS

OTHER MATTERS AND SUGGESTIONS

USITC Directive 3601.1 does not address the policies and procedures for USITC departments, specifically the libraries, which are able to access the SACONS directly and do not generate Form 51s. The Directive should be updated to develop uniform procedures for purchasing library books and materials directly. Segregation of duties concerns as discussed in Finding 1 should also be addressed.

The Main Library and Law Library currently receive, file and distribute certain brochures, pamphlets and Congressional reports published by the Government Printing Office. The budgetary responsibility for these items, however, is currently assigned to the Office of Management Services. The Office of Finance and Budget should consider reallocating the budget for these materials to the Office of Information Services which now oversees these activities.

OPERATION'S RESPONSES TO THE DRAFT AUDIT REPORT ON THE EVALUATION OF THE ORGANIZATIONAL STRUCTURE OF COMMISSION LIBRARIES

RECOMMENDATION 1. Inadequate Segregation of Duties Over Some Library Purchases

The current organizational structure for the Main Library does not always provide for the proper separation of duties necessary to maintain adequate internal controls over acquisitions. In this regard, we noted that The Section Head, Technical Services, in her alternating function as Acting Chief of library Services is capable of requesting, authorizing and receiving materials for the Main library. We also noted that no supervisory level authorization occurs within the Main Library for credit card invoices.

The Director of the Office of Information Services should establish a clearer delineation of responsibilities for the Sections Heads to ensure that adequate separation of duties is present for all material acquisitions.

RESPONSE: AGREE

We agree that during the reorganization of the Main Library, there was a blurring of responsibilities between the Office of Chief of Library Services and the two Section Heads. New acquisitions strategies for the Main Library will conform to the Auditor's Report. The Chief, Library Services will sign off on all SACONS order forms as well as the standard requisition form 51. In the absence of the Chief of Library Services, the Head of Reference and Research Services, who does not have access to SACONS, will be required to sign off on purchase orders generated by SACONS.

TARGET COMPLETION DATE: March 22, 1994.

RECOMMENDATION 2. USITC's Procedures for Avoiding Duplications in Ordering Requires Enhancement

The Acting Chief of Library Services and the Law Librarian should develop desk procedures documenting the steps taken to avoid unnecessary duplications in acquisitions and ensure that all appropriate staff are aware of and follow these procedures. These procedures should include some form of written evidence regarding the procedures, to further strengthen the controls.

RESPONSE: AGREE

Although the auditors have found no evidence of accidental duplication between the Libraries' collections, they

recommended documenting routine actions and decisions that are already carried out to enhance internal controls. The Main Library has a policy on acquisitions which was revised in March 1993. To clarify the procedures for avoiding duplications, the Main Library and the Law Library have adopted a modified acquisitions policy that requires the Request Forms to be checked and dated to indicate that a thorough search of the Law Library or Main Library collection, as appropriate, has been made for those titles where an overlap may occur.

TARGET COMPLETION DATE: March 22, 1994

PROCEDURES FOR PROCESSING A PURCHASE REQUEST
Effective March 22, 1994

I. The request is given to the Chief, Library Services, for approval. The request is checked for proper authorization by a supervisor of the employee.

A. If the request does not have the proper authorization, the Chief returns it.

B. The Chief may contact the requestors if she has questions.

C. If the Chief approves the request, she signs it, notes any special instructions, and gives it to the Head, Technical Services.

II. The Head of Technical Services reviews the request and may call the requestor for more information, or search various reference tools, as needed. She notes any special instructions on the request.

A. If the title seems to be more in the collection area of the Law Library, the Head of Tech Services will direct that the request be returned to her if it is not found during routine searching. She will then contact the Law Library and see if the title is on order.

1. If the title is on order, the request will be turned over to the Law Library and Tech Services will notify the requestor.

2. If the title is not on order, the Librarians will determine which Library, or both, will order the title. If the title is wanted by both Libraries, the Acquisitions Specialist will note on the Request Form that the duplication is intended.

B. If the request is justified, and does not seem more appropriate to the Law Library, it will be turned over to the Acquisitions personnel of the Main Library. After checking with the Law Library, the Acquisitions Specialist will initial the appropriate box on the Request Form indicating that an inquiry has been made.

III. All requests will be searched in the Bibliofile public catalog, and if appropriate, the old card catalog. They will also be searched in the alphabetically arranged notebook of orders. In addition to Bibliophile, the Main Library checks OCLC to ensure no unwanted duplications are made.

A. The requestor will be notified if the title is available in, or has already been ordered by, either of the Libraries.

a. Arrange for direct purchase and pick-up if they accept credit card or government purchase order.

b. If they do not accept either, try to get money from the imprest fund.

c. If imprest money is not immediately available, call other book stores.

d. If other book stores do not have it, ask Reprint to order the book.

2. For all publishers outside the Washington area.

a. Call other book stores and check availability.

b. If not available in the area, ask Reprint to order it if it is immediately available from their supplier.

c. Call the publisher and order the item by credit card. Try to get expedited service, including FedEx.

d. If credit cards are not accepted, but cash is, talk to the Library Chief about paying by check.

e. If the previous measures fail, ask Reprint to order it if it is from a U.S. publisher

f. Send orders for foreign publishers, or other titles that Reprint cannot get, to Yankee or Orbit.

VI. All monographic orders will be given to the person that ordered them upon receipt.

A. If the invoice arrives with the item, receipt of the item will be noted, and the invoice will be forwarded to the Head of Tech Services.

B. If the invoice is sent separately from the item, the arrival of the item will be noted on the order.

VII. The Chief of the Library is responsible for signing all invoices, whether monographs or serials, regardless of the method of purchase. This responsibility may be delegated to the Head, Technical Services.

A. The Head of Tech Services will verify the receipt or ordering of items listed on the invoice.

B. The Chief, or if assigned, the Head of Tech Services will sign the invoice to approve it for payment, and forward it to Finance and Budget.

C. In the case of SACONS orders, the Chief of Library Services, or in her absence, the Head of Reference & Research Services, will sign off on the order to comply with the Auditors' recommendation.

Acting Chief, Main Library Katharine Loughney

Law Librarian Alan J Kan

Exempted Categories

The two ITC Libraries have specialized collections with a minimal amount of duplication. Moreover, titles already in the collection will appear in the Bibliofile Intelligent Catalog. The following lists will provide guidance for when it is, and is not, necessary to check with the other Library for titles that are on order.

Staff in the Main Library do not need to check with the Law Library when ordering materials on the following subjects:

- Biographies
- Industrial histories, studies, dictionaries, techniques, and directories
- Statistics
- Country and cultural studies
- Industry and commerce of a country or region
- Travel Books
- Economic theory
- Trade Policy
- Studies of international trade laws

Staff in the Law Library do not need to check for duplication with the Main Library when ordering the following materials:

- Legal Codes
- International trade laws and their effects
- Collections of laws relating to special topics
- Trade policy

Staff in both Libraries do not need to check for duplication for the following materials:

- Reference materials
- Materials that the Cost Center manager has determined are needed even if duplicated in the other Library.

SERIAL PUBLICATIONS REQUEST FORM

Date:_____

Please fill in as much of the following information as you have. If you have an advertisement or review that gives this information, you may attach that instead. Please fill in the title on the order form too, in case the papers become separated.

You should receive an acknowledgement within 48 hours after the library receives your request. if you don't, you may wish to check on your order.

Title:_____

Publisher:_____

Frequency:_____ ISSN (if known)_____

Price (if known):_____

Do you recommend the purchase of back issues of this periodical: Yes _____
No _____

If Yes, what years are you interested in obtaining? _____

Do you also want an ongoing subscription?: _____

Routing: To staff member_____ To Division_____

Retained: In Division_____ In Library_____

What is retention policy? Number of Years_____

Name of requestor_____

Division:_____ Telephone:_____

When needed: Urgent_____ Regular request_____

Authorizing signature:_____

Approved:_____
(Chief, Library Services)

To be filled in by Acquisitions Specialist: Checked for duplication:_____
(Date)

Exempted category:_____ Duplicate wanted:_____

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