



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

LIBRARY PROCUREMENT OPERATIONS

REPORT # 271

DECEMBER 3, 2014



December 3, 2014

The Honorable Sandra L. Murman, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Ken Hagan
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Stacy White

Dear Chairman Murman and Commissioners:

The Audit Team performed an audit of the Library Services Department's procurement operations Audit Report # 271, dated December 3, 2014.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of the Library Services Department during this audit.

Sincerely,

Peggy Caskey, CIA, CISA, CFE
Director of County Audit

CC: Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Tom Fass, Assistant County Administrator, Asset Mgmt. & Knowledge Commons
Joe Stines, Director, Library Services
Tampa-Hillsborough County Public Library Board
Friends of the Library of Tampa-Hillsborough County, Inc.
Bruce Dangremond, Performance Mgmt, Business and Support Services

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND INFORMATION	1
OBJECTIVE	1
SCOPE	2
OVERALL EVALUATION.....	2
OPINION	2
AUDITED BY.....	3
AUDIT COMMENT & RECOMMENDATION	4

EXECUTIVE SUMMARY

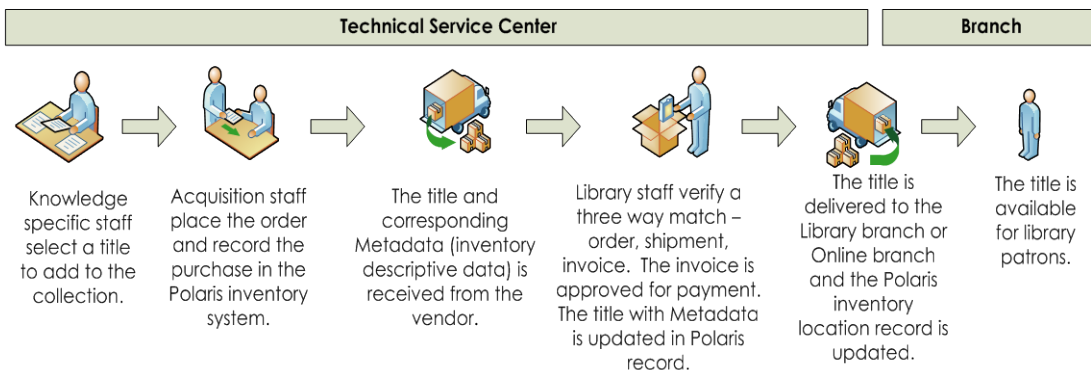
BACKGROUND INFORMATION

The Library Services Department operates a network of more than two dozen branches throughout Hillsborough County. The Library Board, appointed by the Board of County Commissioners, provides policy direction. The Friends of the Library of Tampa-Hillsborough County, Inc. provides advocacy and fundraising for cultural and educational programs.

The library collection inventory includes items such as: books, e-books, Internet access, Talking Books for the visually-impaired, DVDs, music, online databases, and online resources. On the Library’s Online Library (hcplc.org) or at the Library’s branches, patrons can access a variety of these resources.

During the six month period ending March 31, 2014, the Library procured \$2.7 million in materials for its collection. It is a normal practice for the Library to procure materials by direct pay and Pcard. The Library uses a system to manage its procurement categories. As shown in the diagram below, during the procurement process, the selection, acquisition and shipment receiving steps are performed at the Library’s Technical Service Center where a majority of the Library’s collection administration activities occur.

Typical Library Collection Materials Procurement Process Life Cycle Diagram



OBJECTIVE

The objective of the audit was to determine the adequacy of the Library’s collection materials procurement operations control environment.

SCOPE

The audit was conducted in accordance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides a reasonable basis for the audit comments and conclusions based on the audit objectives.

The scope of work was the six month period ending March 31, 2014.

The Audit Team assessed the Library's collection materials procurement operations by:

- Performing site visits and observations.
- Preparing workflow diagrams and assessing the control environment.
- Tracing a sample of purchase and lease collection materials transactions through the procurement life cycle.

OVERALL EVALUATION

The Library's personnel were responsive to the Audit Team's inquiries and provided data and other requested information in a prompt and courteous manner. The Audit Team found the Library's personnel to be knowledgeable and dedicated employees.

AUDIT COMMENT	CONCLUSION OF OBJECTIVE	PAGE
1	The Library's collection materials procurement control environment appears to be adequately designed and effective.	4

OPINION

No material concerns were identified during testing. The Library has a sound, well managed collections materials procurement process. The control environment is well designed and appears to be functioning as desired.

The exit conference was held on October 20, 2014.

Other minor concerns not included in this report have been communicated to management and/or corrected during fieldwork.

AUDITED BY

Peggy Caskey, CIA, CISA, CFE, Director of County Audit

Mark Kolman, CIA, CISA, CPA, CFE, Audit Manager

Lovonia Scott, CGAP, Auditor II

AUDIT COMMENT & RECOMMENDATION

AUDIT COMMENT 1

The Library's collection materials procurement control environment appears to be adequately designed and effective.

The Audit Team determined whether or not the Library received the purchased collection materials and if the County paid the correct amount for those materials.

Audit Test

The Audit Team:

- documented the collection materials procurement process (using flowcharts and narratives) and assessed the control environment;
- identified the full population of collection materials procured during the six month period ending March 31, 2014, totaling \$2,751,238 and from that population, selected a random sample of \$665,281 (or 24%);
- traced the sample items through the procurement, receipt and payment process; and
- verified that the sample items were in the Library's electronic inventory record (Polaris) and in its physical inventory.

Control Environment Analysis

The Library has a sound, well managed collection materials procurement process that provides a reasonable level of assurance that:

- titles are selected by knowledgeable staff members,
- order acquisition is segregated from the purchaser,
- materials are verified upon receipt,
- there is a three-way match of the order, shipment, and invoice,
- the invoice payment is approved by the appropriate level of management, and
- the inventory tracking record is reliable.

RECOMMENDATION

Audit test results did not identify any material concerns that require management's corrective action.