

AGENDA	Wednesday, February 13, 2013	
Informational Meeting	4:00 PM at Carnegie Town Hall	
Sioux Falls City Council	235 West Tenth Street	

1. Call To Order

2. Staff Report

A. Jim David, Legislative/Operations Manager

3. Audit Committee

A. Report on meeting held Thursday, February 7, 2013

4. Fiscal Committee

A. Report on meeting held Tuesday, February 5, 2013

5. City Council Open Discussion

6. Presentations

A. Space Needs Study by Sue Quanbeck Etten, Director of Central Services

B. Internal Audit Report 12-11, Library by Rich Oksol, Internal Audit Manager

7. Adjournment

The City Council may include such other business as may come before this body.

Date: 2013-02-13
SIRE Meeting ID: 1883
Meeting Type: Informational Meeting

YouTube:<https://youtu.be/eIdyHQBvrBA>
Agenda Item: Not Assigned
Item ID: 66489

The following document(s) are public records obtained from the
City of Sioux Falls.

Library Audit January 2013



LIBRARY AUDIT INTERNAL AUDIT REPORT 12-11

INTRODUCTION

Siouxland Libraries is a joint agreement between the City of Sioux Falls and Minnehaha County created in 1995. Siouxland Libraries supports lifelong learning and enrichment through open access to ideas, information, services and experiences for all community members. Services are provided to citizens of Sioux Falls and Minnehaha County (except Dell Rapids which operates an independent library) through the current twelve locations, bookmobile and e-book services. The Library systems provide access to printed and electronic resources as well as promote early childhood literacy and community involvement. City and county taxes support the Library. The Library Board, appointed by the Sioux Falls City Council and the Minnehaha County Commission, governs the activities of the Library. This board sets policies for the Library and makes recommendations for administrative actions to the Library Director. The management of the Library facilities and services is the responsibility of the Library Director and staff.

OBJECTIVES

We reviewed City of Sioux Falls (City) policies, procedures and a sample of deposits and fixed assets to determine the following:

1. Revenues, expenditures and internal controls for the Library are reasonable.
2. Gift/memorial and grant procedures are followed and expenditures are in accordance with designations.
3. The Library Courier process will allow for an additional branch location stop without adding significant labor.
4. Existing contracts and agreements are in compliance.
5. Cash handling procedures are adequate and accurate.
6. Material holds, new material requests, physical locations and weeding processes are reasonable.
7. Fixed assets are accurately recorded.

SCOPE AND METHODOLOGY

The scope of this audit included a review of the City policies and procedures as they existed during 2012. We reviewed a sample of deposits from January thru October 2012. We observed various Library processes. We examined original documents, policies and procedures, and held meetings with the Library staff. We reviewed records in the City's computerized financial system and prior audit reports.

RESULTS

Our review of the Library processes found that policies and procedures for the City of Sioux Falls along with the State of South Dakota are being followed as established. We found that the Library has good internal controls and revenues and expenditures are recorded according to policies and procedures. The Library gifts, memorials and grants are properly accounted for and expenditures are made according to designations. The courier process appears to have adequate time available to add another location stop when the Prairie West branch opens in 2013. The Library appears to be in compliance with all current contracts and agreements. As noted in our recommendation, some deposits traced to the Horizon Library system did not agree with the physical deposits made. Library materials appear to be handled properly and efficiently. All fixed assets tested were accounted for.

RECOMMENDATION

We made the following recommendation that addresses areas we feel will improve the Library cash handling process:

A sample of deposits was selected to be traced to entries made in the Horizon Library system. Some of the deposits did not agree. It appears that some of the card/fee renewals are not being entered into the Horizon system. It is possible that a Library patron's account may be inaccurate if not all items are entered correctly in both the cash register and the Horizon system. All fees, fines, and card renewals need to be entered into the Horizon system. The Horizon system should be traced to the cash register receipts on a regular basis to verify accuracy.

Management Response:

Based on the recommendation by the auditor and discussion that took place during the audit, the library will implement these changes:

- 1. The cash report form used by the individual branches will be altered to include a line where the staff member fills in the date or dates the deposit covers. For example, when Hartford sends in a deposit, they will fill in the dates the monies were received - January 7 – January 13. This is in progress, forms are being printed.*
- 2. The branch managers will do random checks comparing the cash register or cash tally sheet amounts to the financial data on Horizon. Once a week, city branch managers will do a random check for their branch. Once a month, rural branch managers will do a random check for each branch under their responsibility. This is currently being done.*
- 3. The circulation manager will write up detailed directions for the branch managers to use when making their random checks. This is currently in process, not implemented yet.*
- 4. A cash register was purchased for the Hartford branch as they continue to grow in the number of cash handling transactions they have. The cash register has been purchased but has not been installed at Hartford.*

CONCLUSION

The Library appears to be following the current City policies and procedures. The Library is very focused on customer satisfaction. The website was updated in 2012 to be more user-friendly. The staff seems very dedicated and attentive to customers. The Library provides many outreach services including delivery of materials to homebound Sioux Falls residents, daycare delivery, senior living delivery, and Bookmobile. The Library also has meeting rooms available for public use at the Sioux Falls and Brandon locations. Public events are hosted at the various Libraries of which many include education for all ages. In fiscal year 2011, the Library had 1,181,109 visitors and 1,963,918 items were checked out.

AUTHORIZATION

The Sioux Falls City Council approved this audit by resolution in December 2011 as part of the 2012 Annual Audit Program. The Internal Audit division operates under the authority of an Internal Audit Charter adopted by City Council resolution 104-06.

STATEMENT OF INDEPENDENCE

Internal Audit is administratively and operationally independent of the programs and departments it audits, both in appearance and in fact. The Lead Internal Auditor is accountable to an Audit Committee appointed by the City Council per City ordinance 120-05.

DISTRIBUTION OF REPORT

This report is intended for the information and use of the Mayor and City Council, management, and others within the City of Sioux Falls. However, the report is a matter of public record and its distribution is not limited.

PERFORMED BY

Internal Auditor Danette Schumacher performed this audit.