

County Library System Audit – Follow Up

March 1, 1996

Board of County Commissioners

Brevard County, Florida

Post Office Box 1496

Titusville, Florida 32781-1496

Commissioners:

Section 440 of the Institute of Internal Auditors "Standards for the Professional Practice of Internal Auditing" states that "internal auditors should follow up to ascertain that appropriate action is taken on reported audit findings." Accordingly, we conducted the follow-up of the audit of the Library Services Department (hereinafter referred to as the Department) dated February 17, 1995, and acknowledged by the Board of County Commissioners on March 7, 1995. The findings related to this follow-up are presented below (the italicized text). If you require detailed information, however, we recommend you refer to the original report.

SCOPE

We conducted a follow-up audit to determine if the Department took effective corrective action on the findings presented in the audit report dated February 17, 1995.

BACKGROUND

On April 21, 1972, Florida Special Act 72-480 provided for the creation of a special tax district within Brevard County and the levy of a tax not to exceed one mill for the operation and maintenance of a countywide free public library system. There are currently 14 libraries in Brevard County that provide free library service.

FOLLOW-UP AND RECOMMENDATIONS

1. **Finding No. 1** - The Department was not collecting or paying state sales tax.

We determined that the Department concurred with and has taken action to resolve the finding.

2. **Finding No. 2** - A maintenance agreement costing \$161,144 was not approved by the Board.

We determined that the Department has taken action to resolve the finding based on our review of selected contracts in the follow-up period. As to the specific contract referred to in the original finding, a new agreement was approved by the Board at its March 5, 1996 meeting.

3. **Finding No. 3** - Agreement not recorded in contract database.

We determined that the Department concurred with and has taken action to resolve the finding.

4. **Finding No. 4** - The County does not have control of operating income generated by one library.

We determined that the Department concurred with and has taken action to resolve the finding.

5. **Finding No. 5** - Pay/personnel rolls show inactive employees in an active status.

We determined that the Department concurred with and has taken action to resolve the finding.

6. **Finding No. 6** - Library funds are being used to support other County functions.

We determined that the Department concurred with and has taken action to resolve the finding. In our follow-up, we noted that the Records Management Program funding for Fiscal Year 1995-96 has been budgeted as a transfer from the General Fund.

7. **Finding No. 7** - Records needed to generate potential revenue were destroyed without Board approval.

The Department purged delinquent fines and fees, deemed uncollectible by them, from the circulation records without Board approval. The Board should authorize the destruction of any record that may result in loss of revenue to the County. In our report, we recommended the department request and receive authorization from the Board before purging delinquent fines and fees from the records.

The Department did not agree with our finding or recommendation. Because the Department did not purge any delinquent records since we issued our report, we were unable to determine if the Department resolved this condition. However, in a letter dated August 23, 1995, the Director stated "Delinquent fines and fees will now only be purged from the system with prior approval from the Board of County Commissioners."

8. **Finding No. 8** - Controls for the recording, reconciling, and processing of cash are weak.

We determined that the Department concurred with and has taken action to resolve the finding.

9. **Finding No. 9** - The Department is conducting business with noncounty entities without an agreement.

We determined that the Department concurred with and has taken action to resolve the finding.

10. **Finding No. 10** - There are no written procedures to require the receipting of all cash received.

We determined that the Department concurred with and has taken action to resolve the finding.

11. **Finding No. 11** - Cash removed from coin-operated copy machines is not verified.

We determined that the Department concurred with and has taken action to resolve the finding. On April 5, 1996, we received a preliminary draft of a new procedure which covers the collection and reconciliation of cash removed from coin-operated copy machines.

SUMMARY

We held an exit conference March 1, 1996, during which we discussed the audit follow-up report with Kathryn Stewart, Director, Library Services. We commend Ms. Stewart and her staff in taking effective corrective action to resolve the conditions noted in the original audit report.

Respectfully submitted,

SANDY CRAWFORD

CLERK OF THE CIRCUIT COURT

J. Carl Smith, C.P.A., C.G.F.M.

Chief Internal Auditor

Conducted by:
Johnny R. Street
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