



DATE: June 14, 2016

TO: JOHN RUSSO, CITY MANAGER

FROM: CHERYL JOHANNES, INTERNAL AUDIT MANAGER
VINCENT PRICE, SENIOR INTERNAL AUDITOR

CC: TONYA KENNON, LIBRARY DIRECTOR
MARIANNA MARYSHEVA-MARTINEZ, ASSISTANT CITY MANAGER
ALEX NGUYEN, ASSISTANT CITY MANAGER
AL ZELINKA, ASSISTANT CITY MANAGER

RE: RIVERSIDE PUBLIC LIBRARY – FINANCIAL TRANSACTIONS REVIEW (CONSULTING ENGAGEMENT)

Periodically Internal Audit is requested to do thorough and impartial data collection, analysis, and reporting of a program, service, or function, which results in an assessment report for management. At the request of the Library Director, an Assessment of Library Operations was included in the Internal Audit Workplan for FY 2015/16. The specific objective of the requested consulting engagement included in this assessment report was to:

- Review financial (non-personnel) operating transactions for the past three fiscal years for consistency with applicable City policies.

Library assessments previously completed during this fiscal year were a follow-up review of the February 2012 Performance Audit (Use of Donations, Trusts and Library Minor Gift Fund), and an assessment on active contract agreements/PSAs.

We thank the Library Director and staff for their cooperation during the assessment.

Please contact Internal Audit if you have any questions or comments regarding the attached summary.

SCOPE and METHODOLOGY

Our assessment consisted of an analytical review of Library non-personnel financial operating transactions covering July 1, 2013, through May 31, 2016. To address our objective, our assessment included the following review elements:

- Reviewed City policies related to budget execution and preparation, cash handling, and applicable Purchasing policies;
- Accessed TeamBudget software application to review Library budgetary data;
- Accessed Bank of America Works application to review Library purchasing card (P-CARD) data; and
- Reviewed Library transactional data from the City’s financial system, IFAS.

The table below illustrates the procedural steps taken during our assessment for each of the systems utilized.

TeamBudget	Works	IFAS
Reviewed budgeted dollars for non-personnel expenditures versus actual costs for reasonableness	Verified P-CARD transactions were for valid purchases	Reviewed accounts payable data and selected several invoices to verify appropriate approval was obtained for purchases/services
Verified that expenditures were allocated to the proper GL object codes	Verified P-CARD transactions did not exceed the user’s authorized limit for purchases	Reviewed account detail for non-personnel transactions to verify transactions were allocated to the proper GL object code
	Verified appropriate approvals were noted for P-CARD transactions	
	Verified P-CARD transactions were allocated to the proper GL key and object codes	

Source: Internal Audit Division.

SUMMARY

Our analytical review revealed no major discrepancies in the various processes for the Library’s financial transactions over the period under review. The Library Department has adequate controls in place that reasonably mitigate the challenges/risks associated with the processing of financial transactions¹.

We sincerely appreciate the cooperation extended by the Library Department during our assessment.

Respectfully,

Vincent Price
 Senior Internal Auditor
 City of Riverside – Internal Audit Division

¹ Our assessment of financial transactions was limited to those functions specifically under the Library Department's area of responsibility and did not include actions that may be handled by other departments, such as Finance, as these processes are currently under review by an external party.