

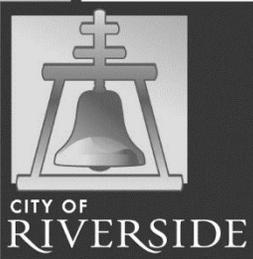
PERFORMANCE
AUDIT
FOLLOW-UP REVIEW

Riverside Public
Library

**Use of Donations, Trusts,
and Library Minor Gift
Fund**

March 22, 2016

Office of the City Manager
Internal Audit Division
Cheryl Johannes, Internal Audit Manager



DATE: March 22, 2016

TO: JOHN RUSSO, CITY MANGER

FROM: CHERYL JOHANNES, INTERNAL AUDIT MANAGER

CC: TONYA KENNON, LIBRARY DIRECTOR
MARIANNA MARYSHEVA-MARTINEZ, ASSISTANT CITY MANAGER
ALEX NGUYEN, ASSISTANT CITY MANAGER
AL ZELINKA, ASSISTANT CITY MANAGER
VINCENT PRICE, SENIOR INTERNAL AUDITOR

RE: RIVERSIDE PUBLIC LIBRARY – USE OF DONATIONS, TRUSTS AND LIBRARY MINOR GIFT FUND (FOLLOW-UP REVIEW)

The Internal Audit Workplan for the remainder of FY 2015/16 includes an Assessment of Library Operations. The specific objectives of the requested consulting engagement are to:

- Review financial (non-personnel) operating transactions for the past three fiscal years for consistency with applicable City policies;
- Review active contract agreements/PSAs to ensure terms and conditions are being met by all parties;
- Provide operational “best practices” relevant to library administrative operations; and
- Perform a follow-up review of the February 2012 Performance Audit – [Use of Donations, Trusts and Library Minor Gift Fund.](#)

Attached is a summary of our completed Follow-Up review of the February 2012 audit. The review was limited to evaluating actions taken to implement the recommendations noted in the original audit.

The FY 2011/12 Library audit contained nine recommendations for corrective action. Our follow-up review notes that seven of the nine recommendations have been fully implemented. The Library Director has reviewed our summary report and provided comments to address the remaining recommendations that are currently unresolved.

Additional reports for the remainder of the Library Operations Assessment will be forthcoming.

We thank the Library Director and staff for their cooperation during the follow-up review.

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

Respectfully,

Cheryl Johannes, Internal Audit Manager
951.826.5688

Follow-up Review Results

Open Items

Recommendation	Current Status	Corrective Action Plan
Update applicable policies and procedures to ensure they reflect the requirement for the City Council to approve donations.	Not Implemented	Policy/Procedure updates scheduled to begin 4/1/2016. Will provide update by 4/30/2016.
Update and/or create applicable policies and procedures to reflect policy changes made as a result of recommendations in this report.	Not Implemented	Policy/Procedure updates scheduled to begin 4/1/2016. Will provide update by 4/30/2016.

Completed Items

Recommendation	Current Status
Library Staff should submit quarterly financial activity reports to the City Council for approval. This measure will satisfy City Charter Section 808(f) requirement that all donations be approved by the City Council.	Completed
Library Staff and the Board of Library Trustees should work with the Finance Division to close the Bank of America checking account. The funds in the checking account should be deposited with the City's Treasury and accounted for in a manner deemed appropriate by the Finance Division.	Completed
Funds provided to the City pursuant to the Margaret Morgan and Mary Morgan Pedlow Memorial Fund should be deposited with the City Treasury and accounted for in a manner deemed appropriate by the Finance Division.	Completed
Library Staff should work with the Finance Division to correct debit balances in Fund 722 and GL Object/Account balances in other funds that are only to be accounted for in Fund 722.	Completed
Account activity in Fund 722, Library Minor Gift Fund, should be reviewed/reconciled by Library staff on a quarterly basis.	Completed
The practice of expending funds from the balance sheet (Fund 722) should be discontinued. In order to protect interest earned on the donation accounts in Fund 722, expenditures relating to donation revenues should be made subsequent to a City Council approved supplemental appropriation.	Completed
<i>Microfiche/Film Coin Box (GL Object 225452)</i> operating revenues should be accounted for in the annual budget, as these revenues are used to offset the cost of maintaining the microfiche equipment.	Completed