



# City of San Antonio

## Agenda Memorandum

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**AUDIT COMMITTEE SUMMARY**  
**May 30, 2017**  
**Follow-up Audit of Public Library**  
**Billing and Collection of Fines and Fees**  
Report Issued February 14, 2017

### Follow-up Audit Objective

Determine if Public Library management successfully implemented action plans to address prior audit recommendations noted in the initial audit.

### Background

In April 2015, the Office of the City Auditor completed an audit of the Public Library's Billing and Collection of Fines and Fees process. The report was issued on April 7, 2015 and the objective of the audit was to determine if controls over the Library's process for billing and collection of fines and fees are adequate.

The Office of the City Auditor concluded that the Public Library did not have standard processes in place to serve as effective controls to ensure that revenue and expenditures for fines and fees are adequately monitored for accuracy and compliance in the following areas:

- Contract with Unique Management Services for recovery of fines and fees
- Accounting and reporting of revenue and accounts receivable accounts
- Contract with DOCUmentation, Inc. for copy and print services
- Contracts with the public for room rentals
- Compliance with City AD's and internal policies for adjustments/corrections to patron accounts
- General IT Controls for the Millennium System

Consequently, a follow-up audit was scheduled.

### Audit Scope & Methodology

The audit scope was limited to the recommendations and corrective action plans made in the original report and covered processes within the timeframe from October 2015 to August 2016.

The audit methodology consisted of interviewing Library personnel to obtain an understanding of newly implemented controls and new processes in place for delinquent patron account collection efforts, accounting and reporting of fines and fees, lease payments made to the copy/print vendor, safeguarding controls for printing equipment, and reviews to ensure the accuracy of revenue collected from library meeting room rentals.

## **Audit Conclusions**

We determined that the Public Library has successfully implemented action plans to address the majority of findings identified in the prior audit. Monitoring controls were established and are operating effectively to ensure the accuracy and completeness of the accounting and reporting of fines and fees. Reconciliations have also been implemented to ensure compliance with the key terms of contracts for copy/print services and library room rentals. In addition, the Millennium System administrator has strengthened security and system access controls.

We did note two areas where improvement is still needed:

- Reviews conducted by the department fiscal administrator are not thorough to ensure that all eligible delinquent patron accounts are referred to Unique Management Services (i.e. collection agency) on a monthly basis. Consequently, the risk of all eligible accounts not being submitted for collection still exists.
- Reconciliations performed monthly by the Procurement Specialist to validate the accuracy of the collection agency commission invoices needs improvement. Billing errors identified are not investigated.

The Library's Sr. Management agreed with our audit observations and has developed positive action plans to address them.