



STAFF REPORT INFORMATION ONLY

Results of Follow-up of Previous Audit Recommendations

Date:	March 16, 2010
To:	Toronto Public Library Board
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's Office conducts an annual follow-up review on the implementation of recommendations contained in audit reports issued since January 1, 1999. This report contains the follow-up results on the status of recommendations included in reports issued to the Toronto Public Library.

Our review indicates that the Toronto Public Library has made progress in implementing outstanding audit recommendations and has implemented a majority of the recommendations made by the Auditor General's Office. However, we noted that management is in the process of working through certain outstanding issues. We were advised that these issues will be resolved during 2010.

Audit recommendations fully implemented since our last follow-up review are listed in Attachment 1. Audit recommendations not fully implemented, as well as management's comments and action plan, are included in Attachment 2 and will be carried forward to our next follow-up review.

FINANCIAL IMPACT

There is no financial impact resulting from receipt of this report.

ISSUE BACKGROUND

The Auditor General conducts an annual follow-up process to ensure management has taken appropriate action to implement recommendations contained in audit reports.

In accordance with the Auditor General's Work Plan, we have reviewed the status of outstanding audit recommendations previously made by the Auditor General to the Toronto Public Library.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

COMMENTS

The follow-up review process requires that management provide the Auditor General with a written response on the status of each recommendation contained in our audit reports. For those recommendations noted as implemented, audit work was conducted to ensure the accuracy of management assertions. Where management indicated that a recommendation was not implemented, audit work was not performed.

Table 1 represents the results of our current follow-up on audit recommendations for the Toronto Public Library.

TABLE 1: FOLLOW-UP RESULTS

Report Title and Date	Total No. of Recs.	Previously Reported		Results of Current Review		
		Fully Implemented	Not Applicable	Fully Implemented	Not Fully Implemented	Not Applicable
Fines and Income Review – Toronto Public Library dated May 29, 2006*	32	24	--	4	4	--
Total	32	24	--	4	4	--

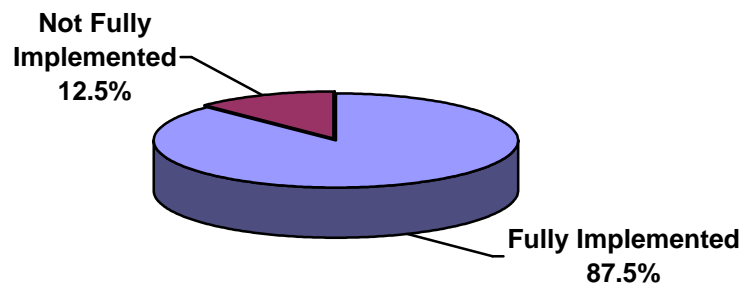
*Website link for the above report: http://www.toronto.ca/audit/reports2006_sub8.htm

Recommendations not fully implemented, together with management's comments and action plan are listed in Attachment 2 and will be carried forward to the next follow-up review.

A report consolidating the results of our follow-up review of City Agencies, Boards and Commissions will be tabled at the July 5, 2010 Audit Committee meeting. The results of our follow-up review for the Toronto Public Library will be included in that report.

Figure 1:

**STATUS OF RECOMMENDATIONS BY PER CENT FROM
JANUARY 1, 1999 TO DECEMBER 31, 2009**



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SIGNATURE

Jeffrey Griffiths, Auditor General

ATTACHMENTS

- Attachment 1: Audit Recommendations – Fully Implemented
- Attachment 2: Audit Recommendations – Not Fully Implemented

**TORONTO PUBLIC LIBRARY
AUDIT RECOMMENDATIONS - FULLY IMPLEMENTED**

Report Title: Fines and Income Review – Toronto Public Library
Report Date: May 29, 2006

Recommendations:

- (13) The City Librarian should implement a process for verification of collection agency invoices ensuring variances are investigated, and incorrect entries are adjusted accordingly. Reported instances should be investigated and excess payments, if any, made to the collection agency in the past should be recovered.
- (16) The City Librarian should develop policies and procedures for:
- (a) collecting advance payment for room bookings;
 - (b) ensuring timely follow-up on outstanding room rentals; and
 - (c) maintaining complete records of room bookings and outstanding room rentals by branches not using the centralized room booking system (CLASS).
- (17) The City Librarian should maintain and monitor occupancy statistics for room rentals as a tool for planning.
- (25) The City Librarian should reduce the current charge card machine (“Mini-Till”) maximum value (currently \$999), and ensure charge card machines and library cards are maintained in a secure location where cards cannot be accessed and charged by persons other than library staff.

ATTACHMENT 2

**TORONTO PUBLIC LIBRARY
AUDIT RECOMMENDATIONS – NOT FULLY IMPLEMENTED**

Report Title: Fines and Income Review – Toronto Public Library
Report Date: May 29, 2006

Recommendations:

No.	Recommendation	Management’s Comments and Action Plan/Time Frame
(4)	<p>The City Librarian consider the implementation of the following features for the proposed Library circulation system:</p> <ul style="list-style-type: none"> - automated controls for limiting waivers and fine overrides in accordance with staff access levels; and - capability of generating more periodic reports related to collections and waivers including fine waivers over certain limits, cumulative fines waived by account, fine waivers by staff identification and the reasons for the waiver. 	<p>The new integrated library management system (ILS) was implemented in February 2008 and extensive training was provided on fine collections and waiving to front line staff during 2008 and 2009. Benchmarks are used to help monitor and control the level of waivers by branches.</p> <p>Management also reviewed options for incorporating automated controls for limiting waivers and fine overrides. It determined that together with system limitations, it is not operationally feasible to incorporate automated controls on limiting waivers, fine overrides and individual staff identification.</p> <p>A menu of predefined reasons for waivers has been added to the system, and staff select the appropriate reason when processing a waive.</p> <p>Past practice has been to generate fines and waivers report quarterly. Management is assessing the frequency and contents of the reports from an operational perspective. Significant resources are already assigned to managing fine collections and waivers, and Management is assessing the feasibility of dedicating additional resources to this area.</p> <p>Completed By: December 2010</p>

(6)	The City Librarian develop and implement a process for more frequent review of fine waivers and the cost of lost materials by branch managers and Library management.	As noted in recommendation # 4, the Library uses benchmarks to monitor fine collections and waivers. Past practice has been to generate fines and waivers report quarterly and Management is assessing the frequency of the reports as well as the contents from an operational perspective. A significant amount of resources are already assigned to managing fine collections and waivers, and Management is assessing the feasibility of dedicating additional resources to this area. Completed By: December 2010
(15)	The City Librarian should ensure that outstanding balances for room bookings are recorded in the accounting system and reported in the financial statements.	The project to centralize the handling of room bookings continues and 64% of branches have been centralized on CLASS to date with the remaining 36% of branches to be centralized by the end of 2010. Once centralization is complete, the Library will assess the feasibility of recording outstanding balances for room bookings in the financial statements. The library has strengthened controls around payment for room bookings, including encouraging payment by credit cards and generally requiring payment before a booking is confirmed, which should significantly reduce any outstanding unpaid balance. Completed By: December 2010
(18)	The City Librarian should ensure centralized branch use of the room booking system (CLASS) by the end of 2006.	64% of branches have been centralized on CLASS to date, with the remaining 36% of branches to be centralized by the end of 2010. Completed By: December 2010

