

ATTACHMENT 1

TORONTO PUBLIC LIBRARY AUDIT RECOMMENDATIONS - FULLY IMPLEMENTED

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

Recommendations:

1. The City Librarian take steps to develop a process to ensure all write-offs including fines and fees related to past due amounts and the cost of lost materials waived and purged during the year are formally approved by management and reported to the Library Board on a periodic basis.
2. The City Librarian establish financial limits for staff fine and cost of overdue material waivers in the circulation system.
3. The City Librarian implement a process providing for input of staff identification and the reason for a fine waiver when granted in the circulation system.
5. The City Librarian strengthen the process for reporting and follow-up on branch variances from established benchmarks for fine waivers and cost of overdue materials.
7. The City Librarian should integrate cash registers and point-of-sale machines with the circulation system and strengthen cash management controls by implementing a process for more frequent review and reconciliation of cash collection reports with circulation system reports
8. The City Librarian implement the following cash control policies and procedures:
 - (a) Accounting documents should be reviewed and approved by branch managers before being submitted to the Library Accounting Department;
 - (b) Variances on cash collection reports should be followed up by branch staff;
 - (c) Frequency requirements for cash counts and reconciliations should be developed for branches;
 - (d) Limits for the accumulation of funds should be established and funds collected should be deposited timely;
 - (e) Branch bank reconciliations should be reviewed by supervisors;
 - (f) Front desk staff schedules should be documented;
 - (g) Safes and vaults should be located in secure areas, kept locked when unattended, and combination locks changed periodically; and
 - (h) Policies and procedures related to handling petty cash should be enforced.

9. The City Librarian should take steps to either allow for the direct bank deposit of funds by the Access Services Department at the Toronto Reference Library or develop a formal process for cash transfer between the Access Services Department and Accounting Department.
10. The City Librarian should review the cheque receipt and recordkeeping process to ensure adequate separation of duties exists between staff receiving funds and staff updating accounting records.
11. The City Librarian should ensure procedures for transfer of funds includes a protocol for acknowledging receipt of funds.
12. The City Librarian should ensure that the delinquent patron reminder statement regarding transfer of overdue accounts to a collection agency be displayed prominently on the front of the notice so that readers are more likely to read the warning.
14. The City Librarian should review the process for formally validating the corporate status of organizations applying for room booking as not-for-profit.
19. The City Librarian should ensure licenses are acquired based on a review of expected use and actual use is monitored. Centralized room booking system (CLASS) licenses acquired to date should be reviewed and related maintenance costs should be negotiated with the vendor according to expected use.
20. The City Librarian should improve controls on management of leases and lease rentals by:
 - (a) developing a lease agreement process to track lease details including expiry dates to ensure timely lease renewals. In addition, all terms and conditions should be finalized prior to commencement of the agreement; and
 - (b) obtaining post dated cheques in advance from tenants as a means of collecting lease rental revenue on a timely basis.
21. The City Librarian should ensure lease rental write-offs are supported with formal management approval.
22. The City Librarian should renegotiate photocopier rates with the vendor and evaluate other options including the coordination of the Library photocopy contract with the City.
23. The City Librarian ensure existing and future contracts are reviewed and evaluated to take advantage of volume pricing by coordinating with the City.

24. The City Librarian should review the photocopier maintenance payment process to ensure service is not covered under the current maintenance agreement prior to payment. Prior period maintenance costs should be reviewed and any duplicate payments should be recovered accordingly.
26. The City Librarian should direct branches to reconcile charge card machine (“Mini-Till”) reports with daily cash collection reports.
27. The City Librarian should review current controls in the circulation system and ensure data integrity is maintained and adequate records exist for changes made to system records.
28. The City Librarian should ensure the price change control process is formally documented and all price changes in the system adhere to a formal written process.
29. The City Librarian should take steps to minimize the risk of unauthorized access to patron information transmitted to the collection agency. Steps should be taken to ensure the use of secure methods for transmitting data such as data encryption and secure logins.
30. The City Librarian should ensure the formal development of system control processes for:
 - granting staff access to library systems;
 - maintaining access controls lists;
 - ensuring access is provided to appropriate staff and periodically removing users not requiring system access; and
 - enforcing password change controls on a regular basis.
31. The City Librarian should ensure development of implementation plans for planned projects. Projects affecting library branches should be coordinated and communicated to branches and include an agreed upon implementation plan.
32. The City Librarian should ensure the implementation of measures to promote the integrity and accuracy of inventory records, and minimize errors when receiving and processing returned material.