

WENDY GREUEL  
CONTROLLER

October 19, 2009

Martin J. Gomez, City Librarian  
Library Department  
630 West Fifth Street, 4th Floor  
Los Angeles, CA 90071

Dear Mr. Gomez:

**SUBJECT: EVALUATION OF THE LIBRARY DEPARTMENT'S RESPONSE TO  
THE CONTROLLER'S PERFORMANCE AUDIT OF PUBLIC ACCESS  
TO THE LIBRARY'S BOOKS AND MATERIALS**

My Audit Division evaluated your response, dated September 14, 2009, to our request for additional information and planned implementation dates for the report entitled, "Performance Audit of Public Access to the Library's Books and Materials."

We find the planned implementation dates are generally acceptable; although for Recommendations 7 and 13, we would encourage a more timely implementation as noted below. Further, your Department's additional information related to action plans for specific recommendations is generally acceptable, except for Recommendations 14, 15a and 29, which we have commented on as noted below.

**Recommendation 7:**

**Library management should direct branch management and Central's Popular Library to improve safeguards over audio/visual material to prevent theft.**

Your response indicates that depending on fiscal constraints, implementation of safeguards will be implemented by June 30, 2010.



We acknowledge that your Department may need to consider fiscal constraints in determining what corrective actions are feasible. However, as our audit report pointed out, we identified a fairly simple control system that was operating at one of the branches and appeared to minimize the theft of DVDs and Audio Books. DVD cases were kept on the shelves for patrons to peruse but the actual discs were maintained behind the checkout counter. This type of physical safeguard requires minimal financial and staff resources and could be implemented sooner than June 30, 2010.

**Recommendation 13:**

**Library management should work with the City Attorney to:**

- a. Determine whether a more formal agreement should be required, and**
- b. Ensure the City's interests are adequately protected.**

Your response indicates that all of the Department's letters of agreement with book vendors were sent to the City Attorney for review in August 2009. You indicate that City Attorney staff is expected to complete their review by October 31, 2010. We know most of the Library's purchases are made through 10 primary vendors, although hundreds of vendors may be used to purchase books and materials. Despite the number of agreements, it would appear that a decision about whether formal agreements are necessary and whether the City's interests are adequately protected could be determined in less than 14 months. We encourage you to work with the City Attorney to address this recommendation in as timely a fashion as possible.

**Recommendation 14:**

**Library management should only pay vendors for those items that were actually received.**

**Recommendation 15a:**

**Library management should formalize in its agreements with vendors that partial payments will be accepted.**

Your response indicates that vendor agreements will be clarified as to deadlines for the Library to report missing or damaged items and for the vendors to replace the items or issue a credit memo.

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Clearly established timeframes for resolving order and delivery problems is a good business practice and meets the intent of Recommendation 15b.

Your Department has accepted the risk that full payments will be made to vendors for partial shipments and any discrepancies will be handled through credit memos or refunds, which is not standard cash management practices.

**Recommendation 29:**

**Library management should establish an absolute maximum number of days that an item should be in transit and ensure that no items exceed that threshold.**

Your response does not explain how exceptions to your in-transit threshold will be handled or resolved. You indicate there may be several justifiable reasons why the threshold could be exceeded. We encourage you to develop a procedure whereby management is aware of the underlying cause of specific instances of excessive in-transit times to ensure there are no issues that require management's intervention.

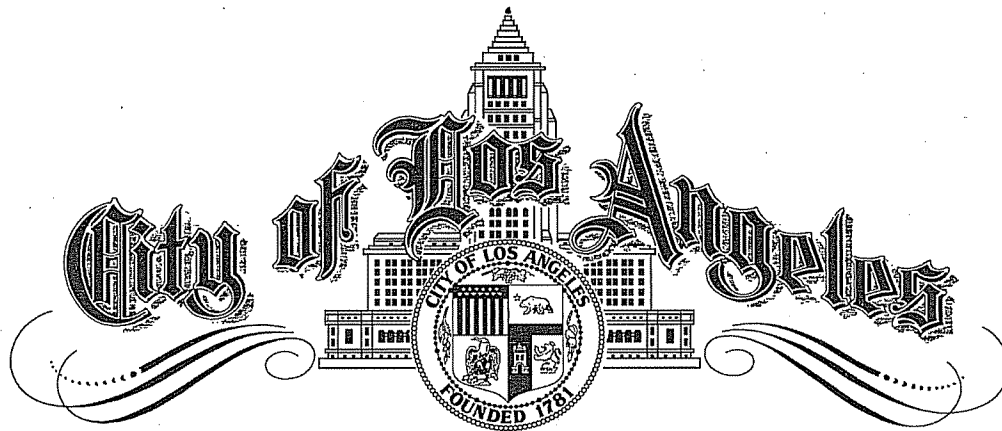
If you have any questions or comments, please contact Farid Saffar, Director of Auditing at (213) 978-7392.

Sincerely,



WENDY GREUEL  
City Controller

cc: Rev. Jeff Carr, Chief of Staff, Office of the Mayor  
Jimmy Blackman, Deputy Chief of Staff, Office of the Mayor  
Miriam Scott Long, Deputy Mayor, Office of the Mayor  
Miguel A. Santana, City Administrative Officer  
Tyree Wieder, President, Board of Library Commissioners  
June Lagmay, City Clerk  
Gerry F. Miller, Chief Legislative Analyst



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Dear Mr. Gomez:

**SUBJECT: EVALUATION OF THE LIBRARY DEPARTMENT'S RESPONSE TO THE CONTROLLER'S PERFORMANCE AUDIT OF PUBLIC ACCESS TO THE LIBRARY'S BOOKS AND MATERIALS**

My Audit Division evaluated your response, dated July 2, 2009, to the report entitled, "Performance Audit of Public Access to the Library's Books and Materials."

I appreciate your commitment to implement the recommendations and find that your plans for implementing the recommendations are generally acceptable; although in some cases your plans do not indicate targeted implementation dates. Please provide planned implementation dates for Recommendations 3, 4, 7, 8, 12, 13 and 16 to my office by September 17, 2009.

There are several corrective action plans that require clarification or additional details so that there is a clear understanding of whether the intent of the audit recommendation will be addressed.

**Recommendation 2:**

**Library management should track data on materials reserved by patrons and regularly provide reports to branches to identify information such as author, genres and subject area.**

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Your response indicates that the Holds Management staff tracks data on reserved items and purchases additional copies when needed for the entire library system, and that Library staff are familiar with patrons' interests for their respective branch library.

We noted in our report that branch librarians informally assess patron demand and potential collection gaps since they observe the daily shipment of books from other branches that have been reserved. However, trends in demand for particular books or topics would be difficult to discern based on daily observations. The intent of this recommendation was to provide library staff with a tool to facilitate that assessment or identification of desired books and materials. Further, having a routine automated report for staff to review would enable their time to be used more effectively. We encourage you to actively seek a solution to automating this information for library staff's use.

**Recommendation 6:**

**Library management should direct branches to evaluate purchases against collection development goals and formally report results to the Area Manager and the Branch Library Services.**

Your plan to require senior librarians to report on the effectiveness of materials selection and purchases meets the intent of the recommendation. However, the Library should ensure that adequate information on books purchased, or added to a branch's collection, during a fiscal year is provided electronically to librarians. This will optimize staff time by enabling an easy comparison of items purchased against collection goals, and ensure a standardized, formal evaluation is performed. Your Department should pursue an automated solution to evaluate purchases and collection development.

**Recommendation 8:**

**Library management should ensure all missing items are traced by:**  
**b. Instructing staff to stop the practice of deleting missing items.**

Your response indicated that staff will evaluate options for the practicality and advisability of stopping the practice of deleting missing items. While exploring these options, it is important to consider the impact on the accuracy and completeness of the Lost Item Report when items are simply deleted from CARL without having gone through the tracing process. Deleted items will never appear on the Lost Item Report, and therefore, this report is less effective as a collection management tool.

Please clarify why the practice of deleting missing items requires further study.

**Recommendation 11:**

**Library management should begin tracking annual loss rates and explore system modifications to facilitate tracking.**

While your response describes an acceptable corrective action plan for initiating manual procedures to track loss rates, there is no mention of exploring system modifications to retain information on materials that have been confirmed as lost. Automating the reporting process for items that are truly lost would be a more efficient practice. Please expand on how your Department intends to address this recommendation.

**Recommendation 14:**

**Library management should only pay vendors for those items that were actually received.**

**Recommendation 15a:**

**Library management should formalize in its agreements with vendors that partial payments will be accepted.**

Your response indicates that vendor agreements will be clarified as to deadlines for the Library to report missing or damaged items and for the vendors to replace the items or issue a credit memo.

Clearly established timeframes for resolving order and delivery problems is a good business practice and meets the intent of Recommendation 15b. However, your planned action does not consider standard cash management practices of paying only for those items received. Partial payments should be made for partial shipments and this should be described in the vendor agreements.

Please indicate how your Department intends to implement Recommendations 14 and 15a.

**Recommendation 18:**

**Library management should direct Area Managers to review Direct Purchase lists prior to the branch's purchases.**

As indicated in your response, Branch Managers will now discuss proposed direct purchases with Area Managers in advance of buying trips. To ensure Branch and Area

Managers are clear on what direct purchases have been approved, Area Manager review and approval should be documented with their signature.

**Recommendation 21:**

**Library management should retain reservation milestones, including when:**

- a. Items appear on a branch's router,
- b. Items become "in-transit," and
- c. Items are available for pick-up.

**Recommendation 22:**

**Library management should track the number of days between each milestone.**

Your response indicates that data on the holds management system automatically eliminates reservation milestones as items pass through the system. As an alternative, you propose that staff will periodically check the reserved titles on the router, to track days between milestones. However, since no timeframe data is presented on the router report, this approach would require staff to observe titles over time, and manually track when titles become available. Your response does not indicate whether management intends to explore the option of programming the holds management system to retain information on all reservation milestones. Your alternative approach does not adequately address the recommendations.

A reliable, automated system that captures and retains reservation milestone data is necessary to identify if your Department is meeting the goals established for Recommendations 23 and 24. In addition, retaining milestone data in an automated system will help identify where delays may occur, i.e. either at the router or delivery stage, as well as any trends with particular branches.

The Department should seek ways in which its management information system can capture and report data to minimize, if not eliminate, the need for staff to manually track and monitor this data.

**Recommendation 25:**

**Library management should routinely monitor how well the Department is meeting the goal.**

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This recommendation is contingent on a reliable, automated method of capturing the milestone data, as discussed above. Also, management should ensure that the goals and targets established for in-transit and router lists are communicated to all library staff.

**Recommendation 27:**

**Library management should develop a system to monitor router lists to identify items that have been on the router longer than the established timeframe and promptly resolve any exceptions.**

Your response states that a duplicate router list will be produced to enable Holds Management staff to perform monthly monitoring of branch routers. Please provide clarification on how the duplicate router will be used. As discussed in our evaluation of your response to Recommendations 21 and 22, the router list does not provide any information on how long an item has been on the router.

I encourage you to optimize staff time by exploring CARL modifications that might assist in monitoring. For example, an efficient process might be if CARL generates a daily exception report that identifies items that have been on a branch's router for more than 2 days.

**Recommendation 29:**

**Library management should establish an absolute maximum number of days that an item should be in transit and ensure that no items exceed that threshold.**

Your response is acceptable; however, please explain how exceptions will be handled/resolved.

Please provide the additional requested information to my office by September 17, 2009. If you have any questions or comments, please contact Farid Saffar, Director of Auditing at (213) 978-7392.

Sincerely,



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City Controller

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