OVERVIEW

Library Services at College of Southern Nevada (CSN) operates across CSN’s three main campuses at Henderson, Cheyenne, and West Charleston. The library on the West Charleston campus is housed in a new state of the art building, featuring wireless internet, private rooms and more than 50 computer stations. The library offers a variety of services, such as electronic databases, department training services, and interlibrary loans. During the audit period, the College Library Service had 16 classified staff members and 11 professional employees.

SCOPE OF THE AUDIT

The Internal Audit Department has completed a review of the operations of College Library Services of the College of Southern Nevada for the period July 1, 2006 through April 30, 2008. In addition, updated information was reviewed for the period July 1, 2009 through April 30, 2010.

The scope of our review included tests of the accounting records and other auditing procedures as considered necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing the safeguarding of assets, and the timeliness of deposits.
2. Reviewing and testing expenditures for proper supporting documentation and approvals.
3. Reviewing transfers between accounts used by the Library and non-Library accounts.
4. Reviewing procedures for the acquisition of library materials.
5. Examining the Interlibrary loan procedures.

6. Reviewing procedures for purchases and equipment inventory.

7. Reviewing leave records for proper completion and calculation.

In our opinion, we can be reasonably assured CSN College Library Services is operating in a satisfactory manner. However, implementation of the following recommendations would further improve operations.

RECEIPTS FOR PAYMENT OF LIBRARY FINES

During the original audit period, CSN Library Services received deposits for library fines. However, the library did not maintain supporting documentation for 33 of the 132 receipts reviewed. The instructions for cash received note that payments by debit or credit card cannot be accepted by the library, and students who want to pay fines with a debit or credit card are to be sent to the Bursar’s Office, and must return with a copy of the Bursar’s Receipt. However, the circulation desk was not keeping a copy of the receipt.

We recommend that the circulation desk maintain a copy of the receipts presented by individuals paying their library fines.

UPDATE: During our update review, we determined that the recommendation made during the prior review has been implemented.

LIMITED PURCHASE ORDERS

We performed a review of Limited Purchase Orders (LPO’s) for the period of February 22, 2007 through April 28, 2008. During this period 72 LPO’s were issued by College Library Services and we noted the following.

1. In two instances, the LPO register did not indicate the amount of the purchase.
2.  In three instances, the same LPO numbers were duplicated.

3.  In one instance, the LPO register indicated a purchase of $1,000 instead of the actual purchase invoice of $97.50.

We recommend individuals completing the LPO register be reminded to take greater care in completing and updating the LPO at the time of issuance.  A similar finding was noted in the prior audit.

**UPDATE:** During the course of our update, we reviewed 35 limited purchase order requests.  We noted two LPO's included an amount different than that on the register.  We recommend employees be reminded to properly and accurately complete the LPO register upon the issuance of each LPO.

**Institution Response**

CSN concurs with this recommendation.  In the instances noted above, the two LPOs, as processed, matched the vendor quotes and each of the completed LPOs was filed in the department along with supporting documentation.  To further ensure accuracy, the College Library Services Director will review the LPO Register monthly to verify that each completed LPO has been accurately recorded on the LPO Register and that the LPO copy and supporting documentation are filed within the department.

**EQUIPMENT INVENTORY**

We reviewed the equipment inventory lists for the College Library Services as of April, 2008 which consisted of 200 items totaling $255,121.  We were unable to find 27 items totaling $5,307.  This included a laptop computer, a desktop computer, a monitor, an Ethernet Brick, and 25 other monitors, for which no cost was shown.

We recommend a comprehensive review be performed and procedures be established to ensure that College Library Services periodically accounts for equipment assigned to the department.
UPDATE: During the course of our update, we examined 39 inventory items totaling $60,265.

We noted the following.

1. One item was missing an asset control number.

   We recommend that the department request that Inventory Control re-tag the item.

Institution Response

The College concurs with these recommendations. Regarding the item missing the asset control number, this recommendation has been completed and the item has been tagged by Asset Management staff.

2.) Three items could not be located.

   We recommend an attempt to locate the missing items be made. In the event that the equipment cannot be located, proper procedures should be followed to have the items removed from the departmental inventory

Institution Response

The College concurs with this recommendation and has taken the following steps to reconcile the department’s inventory. Asset Management staff were notified that one of the three items, a laptop computer, was located at the Henderson Campus Library. The laptop was returned to the Charleston Campus library.

At the time of the opening of the new Charleston Campus “I” Building Library in September 2008, the Office of Technology Services coordinated the replacement of a group of older model equipment that were incompatible with the new building’s wireless. The two remaining missing items were among the group of computers being replaced. These two computers have been removed from the department’s inventory.

3.) The room location for four items was incorrectly reported in Financial Data warehouse (FDW).

   We recommend that the department request that Inventory Control properly update the records in FDW to reflect the current location.

Institution Response
The College concurs with this recommendation. The Financial Data warehouse has been updated to reflect the current locations of the referenced equipment. The recommendation has been completed.

In addition, we noted library personnel were unclear as to who was responsible for items purchased with Furniture, Fixtures and Equipment (FFE) funds. The equipment list generated by the Fixed Asset Manager lists the Office of Technology Services as the responsible party for many of these items. We recommend the department coordinate with Inventory Control to determine proper custodianship for the equipment to ensure equipment within the library is periodically accounted for by the proper custodian.

**Institution Response**

The College concurs with this recommendation and has taken the following steps to identify the department(s) responsible for various items that are purchased with FF&E funds. The inventory listing for College Library Services dated May 17, 2010 shows that the majority of campus library computer equipment and related peripherals are the responsibility of the Office of Technology Services (OTS).

The College is in the process of rolling out procedures to comply with NSHE policy which states that each department has custodial responsibility for all equipment within its jurisdiction. During Fall Semester 2010, departments will be provided with their inventories of record and be tasked with verifying that all equipment is accounted for. If an item is without an asset control number, the Asset Management staff will tag the item and update the inventories. This effort will be coordinated by the Asset Management staff and the targeted date for completion is November 15, 2010. Subsequent to the inventory verification, Asset Management staff will conduct random department equipment inspections to audit for inventory accuracy.

**INTERLIBRARY LOANS**

CSN Library Services is a member of the Online Computer Library Center (OCLC), a computer library service with access to more than 72,000 libraries in 171 countries that lend and borrow materials. Requests can be made by individuals (students, staff, and other libraries) from other institutions for materials found at the CSN Library. The documentation for Interlibrary
Loan Requests is maintained for a year.

We recommend that documentation for Interlibrary Loan Requests be maintained for three years.

UPDATE: During our update review, we determined that the recommendation made during the prior review has been implemented.

LEAVE RECORDS

We reviewed the Leave Records of 14 classified employees for the audit period to determine proper leave keeping and maintenance. We noted the following findings.

1. In eight instances, the approval signature and or submission dates were missing from the leave request form.
2. In three instances, the leave request forms were not approved in advance.
3. In one instance, a day was requested and was not deducted from the sick leave balance.
4. In one instance, the annual leave record was added incorrectly.

For items 1-4, due to the number of errors noted, we recommend a comprehensive review of the leave records be completed.

We also reviewed the leave records of five professional employees, noting the following findings.

5. In one instance, the submission date for a leave request was missing.
6. In one instance, the annual leave requested was not deducted from the annual leave balance.

For items 5-6, we recommend greater care be taken in completing leave request forms.

In addition, we recommend including a signature and date by the employee and their supervisor,
to ensure that the information on the request form is accurate and has been submitted in a timely manner. Similar findings were noted in the prior audit.

**UPDATE:** During the course of our update, we examined the leave records for seven employees (three professionals and four classified staff employees). From the classified employee records, we examined 77 request slips, noting the following findings.

1. In two instances, we noted the employee submitted the annual leave request slip after the leave was taken.

2. In two instances, the sick leave was submitted several days after the employee returned to work.

For items 1-2, we recommend employees be reminded that leave requests must be submitted prior to taking leave or as soon as possible upon returning to work. We also recommend that anytime this is not possible, the justification be noted on the employees’ leave request form.

**Institution Response**

The College concurs with the recommendations. Regarding finding #1, in the two referenced instances, the circumstances of both situations precluded the employees from requesting the leave prior to the absence. As per the department’s internal procedure, the staff members did provide telephone notice of their unanticipated absence so that coverage could be arranged. All staff have been reminded of the requirement to request and receive approval for leave prior to leave commencing. If leave requests are submitted after the fact, a justification will be required and will be filed with the leave request.

Regarding finding #2, all employees are required, per the Libraries internal departmental procedures, to telephone the department before the work period commences to provide notice of unanticipated illness/absence. In addition, all staff have been reminded of the requirement to submit a sick leave request immediately upon return to work. In the future, any delay in submitting a sick leave request will require a justification for the delay which will be submitted to the supervisor with the request. The justification will be filed with the leave request.

3. In one instance, the sick leave requested was recorded incorrectly on the leave record. As
a result, the balance forward was incorrect.

We recommend the leave keeper correct the item and take greater care in recording leave taken.

**Institution Response**

The College concurs with this recommendation and staff tasked with the leave keeping responsibilities have been reminded of the importance to both the institution and employees that accurate leave records are maintained.

4. Of the four classified employees, we noted one employee used annual leave before compensatory time was exhausted.

We recommend the leave keeper take greater care to ensure compensatory time is exhausted by employees before annual leave is taken.

**Institution Response**

The College concurs with this recommendation. It has been clarified with the leave keeper as to the appropriate deduction sequence and in the future, compensatory time will be exhausted before annual leave is deducted.

**TELEPHONE CALLS**

The NSHE Procedures and Guidelines Manual requires that monthly bills be reviewed by a supervisor and initialed and dated, indicating review of such charges. Personal calls must be reimbursed to the institution by check made payable to Board of Regents.

Monthly, the Department of Communications Services e-mails each department a listing of the long distance calls charged to the code numbers used by personnel in the department. In accordance with NSHE procedures, the departments are supposed to date and initial the telephone lists which would indicate the lists have been reviewed and approved. There was no indication that the listing had been reviewed, as required.
We recommend that the e-mails be printed, signed and dated to ensure the telephone lists have been reviewed, as required. This finding was noted in the prior audit.

**UPDATE:** During the course of our update, we examined calls for two months. We determined that the recommendation made during the prior review has been implemented.

**PRIOR AUDIT REPORT**

CSN Library Services was audited for the period July 1, 2001 through September 30, 2002. All of the recommendations from the prior audit have been implemented, are no longer applicable or have been addressed in this report.
STATEMENT OF REVENUES AND EXPENDITURES

A statement of revenues and expenditures, based on the activity of the College Library Services accounts, is shown below. The statement is provided for informational purposes only.

<table>
<thead>
<tr>
<th></th>
<th>State Funds</th>
<th>Auxiliary Funds</th>
<th>Gift Accounts</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Balance, July 1, 2006</td>
<td>$</td>
<td>$ 18,399</td>
<td>$ 1,178</td>
<td>$ 19,577</td>
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<tr>
<td>Transfers In</td>
<td>-</td>
<td>3,400</td>
<td>-</td>
<td>3,400</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>2,589,109</td>
<td>-</td>
<td>-</td>
<td>2,589,109</td>
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<tr>
<td>Revenue</td>
<td>-</td>
<td>16,525</td>
<td>252</td>
<td>16,777</td>
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<tr>
<td>Total Revenue</td>
<td>2,589,109</td>
<td>16,525</td>
<td>252</td>
<td>2,605,886</td>
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<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,588,348</td>
<td>-</td>
<td>-</td>
<td>1,588,348</td>
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<tr>
<td>Operations</td>
<td>971,581</td>
<td>18,281</td>
<td>1,212</td>
<td>991,074</td>
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<tr>
<td>Travel</td>
<td>2,858</td>
<td>-</td>
<td>-</td>
<td>2,858</td>
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<tr>
<td>Library Operations</td>
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<td>-</td>
<td>-</td>
<td>26,322</td>
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<tr>
<td>Total Expenditures</td>
<td>2,589,109</td>
<td>18,281</td>
<td>1,212</td>
<td>2,608,602</td>
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<td>Balance, June 30, 2007</td>
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<td>$20,043</td>
<td>$ 218</td>
<td>20,261</td>
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<tr>
<td>Balance, July 1, 2007</td>
<td>$</td>
<td>$20,043</td>
<td>$ 218</td>
<td>20,261</td>
</tr>
<tr>
<td>Transfers In</td>
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<td>8,500</td>
<td>-</td>
<td>8,500</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>2,804,547</td>
<td>-</td>
<td>-</td>
<td>2,804,547</td>
</tr>
<tr>
<td>Revenue</td>
<td>-</td>
<td>9,126</td>
<td>210</td>
<td>9,336</td>
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<tr>
<td>Total Revenue</td>
<td>2,804,547</td>
<td>9,126</td>
<td>210</td>
<td>2,813,883</td>
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<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,326,992</td>
<td>-</td>
<td>-</td>
<td>1,326,992</td>
</tr>
<tr>
<td>Operations</td>
<td>890,375</td>
<td>12,235</td>
<td>-</td>
<td>902,610</td>
</tr>
<tr>
<td>Library Operations</td>
<td>23,286</td>
<td>-</td>
<td>-</td>
<td>23,286</td>
</tr>
<tr>
<td>Travel</td>
<td>859</td>
<td>-</td>
<td>-</td>
<td>859</td>
</tr>
<tr>
<td>Outstanding</td>
<td>331,581</td>
<td>194</td>
<td>-</td>
<td>331,775</td>
</tr>
<tr>
<td>Encumbrances.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>2,573,093</td>
<td>12,429</td>
<td>-</td>
<td>2,585,522</td>
</tr>
<tr>
<td>Balance, April 30, 2008</td>
<td>$231,454</td>
<td>$25,240</td>
<td>$ 428</td>
<td>$257,122</td>
</tr>
</tbody>
</table>
The Internal Audit Department would like to thank the personnel of the College of Library Services for their cooperation and assistance.

Las Vegas, Nevada
June 14, 2010

Ibeth Bojorquez
Internal Auditor I

Joseph R. Sunbury
Internal Audit Manager

Grant Dintiman
IT Auditor

Sandra K. Cardinal
Assistant Vice Chancellor for Internal Audit and Risk Management
Memorandum
Senior Vice President, Finance & Facilities

TO: Sandi Cardinal, Assistant Vice Chancellor for Finance, NSHE
FROM: Patricia Charlton, Senior Vice President, Finance & Facilities
SUBJECT: Audit Response for CSN College Library Services, 7/1/09 through 4/30/10
DATE: July 30, 2010

Attached is the response to the CSN College Library Services audit for the period from July 1, 2009 through April 30, 2010. A summary of the recommendations and status of implementation is provided below:

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
<th>Agree</th>
<th>Completed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Recommend employees be reminded to property and accurately complete the LPO register upon issuance of each LPO.</td>
<td>Yes</td>
<td>Yes</td>
<td>Employees have been reminded of the importance of accuracy and completeness. Library Services Director will review LPO Register monthly to ensure same.</td>
</tr>
<tr>
<td>2.</td>
<td>Recommend that the department request that Inventory Control re-tag the item (missing an asset control number.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Asset Management staff tagged the equipment.</td>
</tr>
<tr>
<td>3.</td>
<td>Recommend attempt to locate missing items; if they cannot be located, follow proper procedures to remove from department inventory.</td>
<td>Yes</td>
<td>Yes</td>
<td>The department’s inventory has been reconciled and the missing equipment found and returned to the proper campus and/or accounted for.</td>
</tr>
<tr>
<td>4.</td>
<td>Recommend that the department request that inventory Control properly update the records in FDW to reflect the current location.</td>
<td>Yes</td>
<td>Yes</td>
<td>The Financial Data Warehouse has been updated and the recommendation completed.</td>
</tr>
<tr>
<td>5.</td>
<td>Recommend that department coordinate with Inventory Control to determine proper custodianship of equipment and ensure that it is periodically accounted for by proper custodian.</td>
<td>Yes</td>
<td>Yes</td>
<td>The inventory has been updated/corrected to identify department responsible for various equipment.</td>
</tr>
<tr>
<td>#</td>
<td>Recommendation</td>
<td>Agree</td>
<td>Completed</td>
<td>Comments</td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td>-------</td>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>5. (Continued)</td>
<td>Yes</td>
<td>Yes</td>
<td>The College is rolling out new procedures in Fall 2010 to comply with NSHE policy regarding department responsibility for inventory accountability. Target date for completion is 11/15/10. Further detail included in audit response.</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Recommend that employees be reminded to submit leave requests prior to taking leave; recommend that if this is not possible a justification is noted on employee's leave request form.</td>
<td>Yes</td>
<td>Yes</td>
<td>All employees have been reminded of the importance of obtaining approval for leave prior to its commencement; if filed after the fact, a justification will be required and will be filed. Sick leave will be filed immediately upon return to work—if there is a delay, a justification will be required and will be filed with the leave request.</td>
</tr>
</tbody>
</table>

The Audit Committee Agenda Item Request form is also attached. Please let me know if you have any questions regarding this information.

Thank you!

PAC: mte

c: Mary Kaye Bailey, Associate Vice President for Financial Services/Controller