AUDIT REPORT

Charles County Public Library: Operations Audit

REPORT NUMBER:
2025-CCPL-001

REPORT DATE:
5/1/2025

Internal Audit Summary
Charles County Public Library (CCPL)

Background & Audit Objectives

The Charles County Public Library (CCPL) is the public library system serving Charles County, Maryland. CCPL operates as a component of Charles County Government, with oversight by an independent Board of Library Trustees.

CCPL includes four full-service branches (La Plata, Waldorf West, P.D. Brown, and Potomac), a Mobile Library, an additional branch at the Detention Center, and a 24-hour kiosk at Nanjemoy Community Center. Based on the FY2024 Annual Report, the library serves over 79,000 active cardholders, hosted over 1,500 programs, and circulated roughly 750,000 items.

CCPL operates with 53 full-time and 37 part-time staff. The total FY24 budget was $8,603,441, primarily supported by Charles County Government ($6,186,755 or approximately 72%) and the Maryland State Library Agency ($1,980,400 or approximately 23%). Remaining revenue came from grants, donations, and service-related sources.

Given the scale of operations, reliance on technology, and public funding, an internal audit was conducted by the Internal Audit Office (IAO) for the period July through December 2024 The objectives of this audit were to:

- Determine whether current library operations follow the established legal-regulatory requirements.
- Perform a high-level financial review of processes and analyze revenues and expenditures.
- Review day-to-day business operations with respect to cash and cash handling.
- Review safeguarding and security of inventory.
- Validate system security and access controls.
- Review and assess compliance with funding/reporting requirements.

Audit Observations and Management Reponses

Finding/Observation	Recommendation	Management Response
Observation 1: The audit initially identified a gap in conformance with Section 23-407 of the Maryland Education Code regarding development of volunteer guidelines.	No recommendation necessary after management provided the volunteer handbook.	Volunteer Guidelines and Policy were provided by management.

Finding/Observation	Recommendation	Management Response
Observation 2: Purchasing procedures for operational purchases are not documented, creating risk of inconsistency and limited accountability.	Develop written procedures for operational staff purchases.	The Deputy Director and the Finance Administrator will work together to amend the current policy.
Observation 3: Last inventory verification for non-IT assets was conducted in 2016.	Conduct a full inventory review and evaluate use of asset management software.	The Finance Administrator is planning to conduct a complete, manual inventory of all Library assets at all four branches. The Library's budget is not sufficient to be able to purchase the software and equipment needed to perform an electronic inventory.
Finding 1: Fixed Asset Depreciation Schedule has not been updated for FY23 or FY24; depreciation amounts are estimates and not supported by internal tracking.	Establish internal tracking and update depreciation schedules annually. Ensure appropriate coding and reclassification of capital asset purchases.	The Finance Administrator will work with the External Auditor to develop a depreciation schedule that will be kept up-to-date in-house going forward. A reclassification entry for FY 2023 and FY 2024 will also be discussed and changes made as necessary.
Observation 4: The branches lack a consistent set of formal documented procedures for cash handling.	Establish standardized written procedures for branch-level cash handling including reconciliations, access restrictions, and deposit documentation.	Deputy Director and Finance Administrator will address the Branch Managers regarding cash handling. Written procedures will be established, taking into account the recommendations suggested by the internal auditor.
Observation 5: No system exists to verify copier cash collection accuracy. Access to copier cash boxes is not limited.	1.Restrict access to designated personnel, implement dual-person counting at machines. Or 2. Consult vendor for system-generated reconciliation reports. Or 3. Evaluate the feasibility of implementing a copier card system that could be loaded with funds at the front desk.	Copy machine vendor will be contacted regarding reports from each machine to confirm accuracy of cash collected. Auditor recommendation for a 2-person count will also be considered in the event that copier generated reports can't be obtained.
Observation 6: IT inventory included outdated or discarded items; there is no formal annual inventory reconciliation process. No formal approval for disposal process in place.	Implement annual IT inventory reconciliation and establish formal disposal approval process.	Finance Administrator and IT Manager will discuss equipment inventory procedures. As noted in Observation 3, the Library's budget may not allow for the purchase of the equipment needed to perform an electronic inventory.