

# OFFICE OF AUDITS & ADVISORY SERVICES



## COUNTY LIBRARY INVENTORY CONTROLS AUDIT

### *FINAL REPORT*

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# County of San Diego

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GRAND JURY  
HUMAN RESOURCES  
RETIREMENT ASSOCIATION  
TREASURER-TAX COLLECTOR

January 6, 2014

**TO:** Jose A. Aponte, Director  
County Library

**FROM:** Juan R. Perez  
Chief of Audits

**FINAL REPORT: COUNTY LIBRARY INVENTORY CONTROLS AUDIT**

Enclosed is our report on the County Library Inventory Controls Audit. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Mady Cheng at (858) 495-5679.

If you have any questions, please contact me at (858) 495-5661.

**JUAN R. PEREZ**  
Chief of Audits

AUD:MC:aps

Enclosure

c: David Estrella, Deputy Chief Administrative Officer, Community Services Group  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Kay Hobson, Group Finance Director, Community Services Group

## INTRODUCTION

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<b>Audit Objective</b>	The Office of Audits & Advisory Services (OAAS) completed an audit of the County Library Inventory Controls. The objective of the audit was to evaluate the adequacy of the San Diego County Library's (SDCL) internal controls over inventory management.
<b>Background</b>	The SDCL provides services at 33 branch libraries and two bookmobiles. The operating budget for SDCL for fiscal year 2011-12 was \$36.6M. During fiscal year 2011-12, 5.4 million people visited SDCL branches and 12 million books, CDs, DVDs, and other material formats were circulated. The SDCL manages the collection through the Millennium Integrated Library System (ILS), the CollectionHQ Collection Management System, and the Radio Frequency Identification technology. The SDCL uses three modules of the ILS system: Circulation, Acquisitions, and Cataloging. As of November 2012, there were a total of 109 user accounts in the ILS system.
<b>Audit Scope &amp; Limitations</b>	The audit covered July 2010 to August 2013. This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.
<b>Methodology</b>	<p>OAAS performed the audit using the following methods:</p> <ul style="list-style-type: none"><li>• Interviewed staff responsible for the administration of the collection and walked through the process to verify the procedures in place to control the inventory.</li><li>• Examined purchase invoices for date, customer description, and invoice amount.</li><li>• Observed the bar-coding process for data accuracy and upload control points.</li><li>• Obtained the prior inventory documented details and traced the total amount to the reported amount.</li><li>• Sighted, on the shelves, a sample of collection items selected from the ILS system.</li><li>• Reviewed usage statistics for the sample items against weeding policy criteria.</li><li>• Interviewed IT staff to understand the design and implementation of IT controls over the ILS system, including user account management, user access controls, segregation of duties, and password controls. Walked through the related processes and reviewed supporting documents.</li></ul>

- Analyzed the ILS user account list to identify any inappropriate accounts, such as separated employees.
- Evaluated whether user accesses are appropriate to the users' job responsibilities.

## AUDIT RESULTS

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**Summary** Within the scope of the audit, controls over the SDCL collection inventory appear adequate, except for the following:

**Finding I:** **Physical Inventory of Entire SDCL Collection Not Taken**  
SDCL did not conduct a complete physical inventory of the entire library collection items at the biennial year-end, as required by the County's Auditor and Controller Department (A&C). Its year-end inventory report to the A&C was based on records from the ILS system.

The California Government Code Section 24051 requires that department heads file with the County auditor an inventory showing in detail all County property in their possession. The County's Administrative Code Article V, Section 91.1, also states that each officer shall file an inventory with the A&C annually or at such interval as prescribed by the A&C. The A&C's Fiscal Year-end Closing Manual requires that a complete minor equipment and books inventory be conducted every two years.

A complete physical inventory and reconciliation of the entire library collection items detects any discrepancies; hence, ensuring the accuracy of inventory records in the ILS system.

**Recommendation:** To ensure the accuracy of the library collection inventory, the SDCL should consult A&C to develop a workable plan to conduct physical inventories of library collection items periodically.

**Finding II:** **Security Controls for ILS System Should be Strengthened**  
OAAS identified the following control weaknesses related to system administration of SDCL's ILS system:

Password controls not enforced. Password controls required by the County's password policies were not enforced in the ILS system, as follows:

- The ILS system was not configured to require password complexity or a minimum limit on password length. The County's CoSD-T424 Policy, *Security Management Plan*, requires password complexity (i.e., containing at least three of the four character groups of capital letters, lowercase letters, numbers, and special characters) and a minimum of six characters in length.

- The ILS system users were not able to change their own passwords. Passwords were updated only by the previous IT Manager. According to the County Administrative Policy 0400-04, *Passwords – Management and Use*, a user should be able to create his/her own password to enable the user to control access to the account and prevent others from using it.

Without strong password controls, unauthorized users could potentially gain access to edit data stored in the ILS system. As a result, misappropriation of SDCL assets could occur.

Excessive user access. OAAS noted the following user access issues:

- Of 109 user accounts, 3 (3%) were not deleted after the user's internal transfer within the SDCL department.
- Of 109 user accounts, 1 (1%) appeared to be a generic account and not linked to any specific person.
- Two users were assigned a function that they do not need.

According to the County Administrative Policy 0400-03, *Computer Accounts – Management and Use*:

- Users shall be given access to County information systems based on least privileges required to perform their job functions.
- Generic accounts are established on an exception basis for unique business requirements. Generic accounts must have a business justification and prior written approval from the Information Technology System Owner or designee to be created. A generic account shall have an assigned County employee owner who is responsible for managing the use, delegation rights and password.

Upon discovering these user access issues during audit fieldwork, the ILS system administrator took appropriate corrective actions by removing the four user accounts and the unnecessary function from the two users.

Lack of IT policies and procedures manual. SDCL did not have an IT policies and procedures manual for its ILS system customized for its environment. Past department practice was to perform system administration duties with the generic manual provided by the vendor for all customers.

According to the County Administrative Policy 0050-03-6, *Acceptable Use of County Data/Information*, all users of County data/information are to be provided adequate technical, physical or procedural controls to enable them to protect data/information that they access, create or use in connection with County business or programs.

Without clear and specific written guidelines, application security could be incorrectly configured and accurate information may not be available to assign the appropriate roles to users, especially in case of staff turnover. As a result, the integrity of data stored in ILS could be compromised.

Access cloning. The previous ILS system administrator used to create a new user account by cloning the access of an existing user with similar job duties to the new user. However, the user access for an existing user might have modified over time due to specific operational needs; thus, the user access cloned may be inappropriate for the new user and segregation of duties issues may result.

**Recommendation:** To strengthen the security of the ILS system, the SDCL's ILS system administrator should perform the following:

1. Enforce password controls within the ILS system to ensure compliance with the County policies.
2. Delete unnecessary user accounts and user access. Review user access at least every six months to remove access for transferred employees.
3. Develop the IT Desk Manual to document IT policies and procedures specific to SDCL.
4. Assign a new user's access based on the person's job responsibilities, instead of cloning another user's access.

## Office of Audits & Advisory Services

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VALUE

## **DEPARTMENT'S RESPONSE**



# County of San Diego

## COUNTY LIBRARY

5560 Overland Avenue, Suite 110, San Diego, California 92123

JOSÉ APONTE  
LIBRARY DIRECTOR  
(858) 694-2415  
Fax: (858) 495-5658

December 30, 2013

RECEIVED

TO: Juan R. Perez  
Chief of Audits

JAN 02 2014

FROM: José Aponte, Director  
County Library

OFFICE OF AUDITS &  
ADVISORY SERVICES

### DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: COUNTY LIBRARY INVENTORY CONTROLS AUDIT

#### **Finding I:** Physical Inventory of Entire SDCL Collection Not Taken

**OAAS Recommendation:** To ensure the accuracy of the library collection inventory, the SDCL should consult A&C to develop a workable plan to conduct physical inventories of library collection items periodically.

**Action Plan:** SDCL submits library materials collection count and valuation report to County Audit and Controller department annually. Additionally, as per public library profession best practices, SDCL conducts ongoing inventories of each part of SDCL's collection once during the course of the year.

SDCL agrees with the A&C audit recommendation and will consult with A&C to develop a workable plan to conduct physical inventories of the library collection items periodically.

**Planned Completion Date:** December 31, 2014

**Contact Information for Implementation:** Susan Moore, Deputy Director, San Diego County

#### **Finding II:** Security Controls for ILS System Should Be Strengthened

**OAAS Recommendation:** To strengthen the security of the ILS system, the SDCL's ILS system administrator should perform the following:

1. Enforce password controls within the ILS system to ensure compliance with the County policies.
2. Delete unnecessary user accounts and user access. Review user access at least every six months to remove access for transferred employees.

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: COUNTY LIBRARY  
INVENTORY CONTROLS AUDIT

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3. Develop the IT Desk Manual to document IT policies and procedures specific to SDCL.
4. Assign a new user's access based on the person's job responsibilities, instead of cloning another user's access.

**Action Plan:** SDCL agrees with the A&C audit recommendations. SDCL responses to individual recommendations are as follows:

Recommendation 1: During the audit period, an upgrade to the ILS software was installed that provided password controls capability; enforcement has been implemented by the ILS system administrator.

Recommendation 2: This has been implemented by the ILS system administrator.

Recommendation 3: An SDCL IT Desk Manual will be completed by December 31, 2014 by the ILS system administrator.

Recommendation 4: This has been implemented by the ILS system administrator.

**Planned Completion Date:** December 31, 2014 (for Recommendation 3 – only one not already implemented)

**Contact Information for Implementation:** Susan Moore, Deputy Director, San Diego County

If you have any questions, please contact me at 858-694-2389, or Deputy Director Susan Moore at 858-694-2448.



José Aponte  
Director  
San Diego County Library

Cc: David Estrella, Deputy Chief Administrative Officer, Community Services Group  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor, Controller  
Kaye Hobson, Group Finance Director, Community Services Group and Kim Hatfield, Group IT Manager, Community Services Group