

Library Service - stock, fees and charges Final Internal Audit Report

Audit Plan Ref: CC2 2020/21

Audit Opinion:
Limited Assurance

Date Issued: 11 December 2020

Function: Corporate & Customer Services

Audit Sponsor: Suzanna Shaw – Director of Customer Services

Distribution List: Suzanna Shaw, Juliet Pirez – Head of Libraries Operations, All **Recommendation Owners** detailed in the Action Plan; **Margaret Lee** - Executive Director for Corporate and Customer Services, **Cllr Susan Barker** – Customer, Communities, Culture and Corporate, **Gavin Jones** – Chief Executive, **Cllr Finch** – Leader of the Council; and **Barry Pryke** - BDO External Auditors.



Assurance Opinion	No	Limited	Satisfactory	Good
		X		

Number of Issues	Critical	Major	Moderate	Low
		1	6	2

Audit Objective	Key Messages	Direction of Travel
<p>The audit objective was to assess whether there are adequately designed controls, operating consistently and effectively, to ensure the Library Service's processes in relation to stock control and the associated library loan charging mechanisms are robust and provide management with information to enhance the decision-making and forward planning process.</p>	<p>Whilst this audit highlights a number of issues around stock, fees and charges it should be noted that there has been a significant amount of work undertaken during 2019 and 2020, including a full stocktake of all Libraries during the closure of all sites during the Covid-19 pandemic (the first in more than 10 years) and the Service has recognised the issues and challenges it faces, but continues to prioritise the urgent and necessary work required.</p> <p>In late 2018/19, as part of the Libraries Organisational Redesign, a review of the Freebournes Stock and Distribution Facility was undertaken and the findings from this review led to further review of the stock management processes and procedures resulting in proposals being considered for stock procurement, stock management, collaborative working with central support teams and the libraries, service model efficiencies and localised stock management routines. Two new roles were created; a Special Operations Manager (warehousing, logistics and library stock management procedures) and a Customer Partner and Outreach (bookfund expenditure, procurement and high-level stock strategies).</p>	<p>Not applicable - This review is not consistent with any prior review.</p>
<p>Scope of the Review and Limitations</p> <p>This audit's focus was the stock control process and associated charging for all "loan types" e.g. books, DVDs, CDs etc., made by the Library Service.</p> <p><u>Scope limitations:</u> the following was not included: charges associated for different card types, administrative items e.g. library computer hire (Netloan), photocopying, room hire etc.</p> <p>Due to the current Covid 19 pandemic only one physical visit was undertaken to the Library Support Unit for a system walkthrough.</p>	<p>In conjunction with this Redesign in July 2019 the Library Service recruited a new Head of Libraries, Operations (permanent from February 2020) and improvements that needed to be made were identified at that time to the way stock was managed, including the need for a stock take and a proper data cleanse of the Library Management System, missing items, and how overdue stock is managed. At the time of this audit this work was being incorporated into a data cleanse work programme, to review all areas of stock, card holders, debt etc. with expected completion toward the end of 2020/21 enabling clean data to be migrated to the new Library Management System next year. It is expected that this will further resolve many of the current manual stock management processes, which are complicated, cumbersome and open to delays and errors, by automating them.</p> <p>Following the closure of all Libraries during the Covid-19 pandemic, the majority of income forecast has been removed from the Library Service budget. Central Government has developed a compensation scheme to help local authorities with lost sales, fees and charges and a report was submitted by Finance on 30 September 2020 claiming a net Library Service income loss of £437,000 for the period April to July 2020.</p>	