

Lima Public Library

Procurement

MARCH 2018



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Lima Public Library

Audit Objective

Determine whether Library officials procured goods and services economically.

Key Finding

- The Board did not adopt a procurement policy.

Key Recommendation

- The Board should adopt a procurement policy to provide guidance for officials and employees for the procurement of goods and services not subject to competitive bidding.

Library officials agreed with our recommendation and indicated they planned to initiate corrective action.

Background

The Lima Public Library (Library) is a municipal public library located in the Town of Lima (Town) in Livingston County. The Library lends books, magazines, movies and compact discs to patrons with library cards and serves approximately 4,300 residents.

The Library is governed by a five-member Board of Trustees (Board) appointed by the Town's governing body. The Board is primarily responsible for general oversight of the Library's financial affairs. The Board-appointed Library Manager is responsible for managing day-to-day operations, including all purchases.

The Library operates one building funded primarily with real property taxes.

Quick Facts

| | |
|---------------------|-----------|
| 2017 Appropriations | \$158,335 |
|---------------------|-----------|

| | |
|-----------|---|
| Employees | 7 |
|-----------|---|

Audit Period

January 1, 2016 – December 20, 2017

Purchasing of Goods and Services

What are Effective Procurement Practices?

The Board is required to adopt a written procurement policy and procedures governing all purchases of goods and services that are not subject to competitive bidding, in accordance with New York State General Municipal Law. A comprehensive policy and procedures should describe the competitive process to use when competitive bidding is not required including how purchases should be made and when price quotes should be obtained. Soliciting competition by competitively bidding, using a request for proposal process or obtaining written or verbal price quotes are effective ways to obtain the desired quality of goods and/or services at the lowest cost.

The Library Has Not Adopted a Procurement Policy or Procedures

The Board has not adopted a procurement policy and Library officials told us they do not require competitive quotes for purchases. However, the library belongs to the Pioneer Library System, which facilitates decision-making on the management of library collections and coordinates purchasing of books.

Between January 1, 2016 and November 20, 2017, the Library paid 389 claims and/or vouchers totaling \$129,320, of which 227 totaling \$67,854 were for payroll, utilities and service contracts. Our review of the remaining 162 claims found none were subject to competitive bidding and that the only aggregate purchases in excess of \$500 were for books and resource materials purchased through the Pioneer Library System.

While the purchases during our audit were minor, the lack of a procurement policy and procedures to address price comparisons increases the risk of the Library acquiring goods and services at higher costs than necessary if larger purchases are made in the future.

What Do We Recommend?

The Board should:

1. Adopt a procurement policy to provide guidance for Library officials and employees for the procurement of goods and services not subject to competitive bidding.

Appendix A: Response From Library Officials

Lima Public Library

**1872 Genesee Street
P.O. Box 58A
Lima, New York 14485-0858
(585) 582-1311 - P
(585) 582-1701 – F**

Edward V. Grant, Jr.
Chief Examiner
Office of the State Comptroller
Rochester Regional Office
16 West Main Street, Suite 522
Rochester, NY 14614

Dear Mr. Grant:

This letter is in response to the receipt of the OSC's Draft Report Examination of Lima Public Library for audit period of January 2016-December 20, 2017.

We have received the draft report and upon review have found ourselves in agreement with the findings. Our goal is to continuously improve our practices so as to better serve the community. This goal naturally extends to handling the finances responsibly and with efficiency. To this end, we have created a procurement policy which we believe is in line with the recommendations of the OSC. Please see the attached appendix for planned corrective action.

We would like to thank the OSC staff for their help and support as we navigated the audit. We continue to welcome the opportunities to learn and grow to better support our community.

Sincerely,

Shirley Caccamise, President
Lima Public Library Board of Trustees

Megan McLaughlin, Manager

3/22/2018

Lima Public Library

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Unit Name: Lima Public Library

Audit Report Title: Report of Examination

Period Covered: January 2016-December 20, 2017

Audit Report Number: 2018M-295

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed. For recommendations where corrective action has not been taken, we have included the following explanations.

Audit Recommendation: Adopt a procurement policy to provide guidance for Library officials and employees for the procurement of goods and services not subject to competitive bidding.

Implementation Plan of Action(s): The Library Manager and Board of Trustees has devised a procurement policy, including competitive procurement process for cooperative purchases, to be considered by the board at the next regularly Board of Trustees meeting. Implementation of the procurement policy will begin immediately on approval of the Board of Trustees.

Implementation Date: The Board of Trustees plans to review the proposed procurement policy at its regularly scheduled meeting on March 21, 2018.

Person Responsible for Implementation: The Lima Public Library Board of Trustees and the Library Manager will be responsible for the implementation of the procurement policy.

Signed:

Shirley Caccamise, President
Lima Public Library Board of Trustees

Megan McLaughlin, Manager
Lima Public Library

Date: 3/22/2018

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We reviewed the Library's adopted policies.
- We interviewed Library officials to gain an understanding of the procurement process.
- We randomly selected eight purchases to determine whether Library officials sought competition for items purchased and whether materials purchased were placed on the Library's inventory.
- We requested and reviewed claims/vouchers and supporting documentation for the purchases we tested.
- We reviewed Board minutes for Board approval of purchases and other procurement related actions.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendation in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Library's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas
www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems
www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management
www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans
www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders
www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller
www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers
www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics
www.osc.state.ny.us/localgov/academy/index.htm

Contact

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Division of Local Government and School Accountability
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