Audit of the Nashville Public Library Building Security

May 29, 2020

Metropolitan Nashville Office of Internal Audit

Audit of the Nashville Public Library Building Security

Why We Did This Audit

The audit was conducted due to the importance of ensuring the safety of library patrons and employees and the security of valuable library collections.

What We Recommend

- Develop and implement policies and procedures in the valuable items storage management process and consider insuring the additional high value items.

- Tighten controls over badge access for terminated personnel.

- Enhance management oversight on record retention.

BACKGROUND

The mission of the Nashville Public Library is to inspire reading, advance learning, and connect the community. The library values extraordinary customer service, love of reading, lifelong learning, intellectual freedom, innovation, excellence, and inclusiveness. The Nashville Public Library system consists of a main library in downtown Nashville and 20 other branches across Nashville and Davidson County. The main library building was built in 2001 with 300,000 square feet. The annual operating budget for fiscal years 2017, 2018, and 2019 was around $31 million per year.

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- Controls are in place to ensure the safety of patrons and employees.
- Controls are in place to track and safeguard special collections and other valuable assets from theft or vandalism.
- Procedural safeguards and response plans for natural and man-made disasters are in place.

The scope of this audit included all activity from January 1, 2017, to December 31, 2019.

WHAT WE FOUND

The Nashville Public Library has controls in place to ensure a safe work environment for employees and safety of patrons. There are policies and procedures in place to ensure library building security, valuable asset safety, and disaster responsiveness.

However, badge access for terminated employees, volunteers, and library foundation staff was not removed timely. Additionally, there were no policies in place to give guidance on what should be considered as valuable items requiring safe storage in special collections or archives in the Nashville Public Library.

GOVERNANCE

The Public Library Board was established by the Metropolitan Government of Nashville and Davidson County Charter to control and govern all activities in the Nashville Public Library system. According to the Metropolitan Charter Section 11.1202, the board consists of seven members, to be appointed by the mayor and confirmed by a majority of the whole membership of the Metropolitan Council. The Public Library Board has direct charge of the public library system. For proper administration of the public library, a chief librarian and director is appointed by the board, and he or she administers the operation of the library system.

BACKGROUND INFORMATION

The Nashville Public Library system consists of a main library in downtown Nashville and 20 other branches across Nashville and Davidson County. Due to its downtown location, patron population variety, and valuable collections, the main library is equipped with a security crew of seven security officers, including the manager and two contracted, full-time security guards from G4S. Eight of the branches have a full time or part time security guard primarily working during the afternoon.

The main building has three floors open to the public. All windows in the library building are closed and locked. The only entrances to the main building are from the parking garage door and the three main entrance doors. Patrons can only take the stairs in the middle of the building or take the public elevator beside the stairs. There are four emergency exits in the building. The doors to the courtyard are locked when dark outside or at 6:00 p.m. daily, whichever is earlier. The main building has the most valuable collections and is equipped with fire and burglar alarms. A security camera monitoring system is used at all library branches in the library system.

Security guards play an important role in ensuring the safety of patrons and employees and monitoring the security of the main building. Security rotates hourly to patrol all three floors with public access. Guards use a checklist, called a Daily Officer Log, to check off and look for any unusual activities throughout the building. Security guards issue suspension forms to patrons who violate the rules barring recipients from the library for a period ranging from a few days to a year. A suspended patrons list is updated weekly by the main library and is provided to all other branches so library staff may recognize the patrons. Exhibit A displays the top ten patron violation categories by occurrence.

Exhibit A – Top Ten Library Patron Violations by Category (10/01/2018 – 01/29/2020)

Violation	Occurrences
Creating loud noises or disturbances	106
Suspended patron entering library premises	91
Intentionally engaging in harassing or threatening behavior	82
Sleeping or placing head on table	54
Intentionally damaging or stealing property (misdemeanor)	47
Alcohol, food, and covered drinks	29
Physical assault	27
Bringing any firearm or weapon onto library premises	18
Engaging in sexual conduct	18
Directing a specific threat of physical harm	16
Violation of federal, state, or local laws	16

Source: Nashville Public Library (Time period based on system availability)

The Nashville Public Library has mechanisms to track lost items to help management decide on security measures, such as the use of security doors and magnetic security strips on valuable collection items. Exhibit B illustrates the top ten missing items by amount and by percentage.

Exhibit B – Top Ten Missing & Empty Case Items by Amount (07/05/2017 – 12/31/2019)

Location	Total Amount	Missing & Empty Case	Percentage
Adult Movie	$1,881,178	**$130,621**	6.94
Adult Reference	1,098,155	**76,209**	6.94
Adult Non-Fiction	4,826,670	**74,844**	1.55
Adult Fiction	2,329,692	**53,052**	2.28
Adult Audio Book	1,605,630	**39,999**	2.49
Kids Movie	437,385	**23,735**	5.43
Kids Non-Fiction	1,895,364	**21,499**	1.13
Adult Music	288,920	**18,328**	6.34
Kids Easy	1,426,122	**17,391**	1.22
Teen Comic/Graphic	394,715	**12,965**	3.28

Source: Nashville Public Library (Time period based on system availability)

OBJECTIVES AND CONCLUSIONS

1. Are controls in place to ensure the safety of the patrons and employees?

Generally, yes. The Nashville Public Library had established policies and controls to address a variety of patron behaviors and issues. Additionally, policies to educate and train employees on providing a safe environment for both patrons and staff were documented. Processes were in place to ensure that patrons and staff had access to the appropriate areas, while keeping valuable assets tracked and safe.

The Nashville Public Library had controls in place around personnel electronic badge access to the building. There were procedures in the new hire process to ensure the user access to certain building areas were based on job function and needs. However, badge access control over terminated employees, volunteers, and library foundation staff could be enhanced. (See Observation B.)

Strong controls were over library security to ensure the safety of patrons and employees. Procedures covered security crew functions, and responsibilities were well implemented. However, opportunities exist to strengthen controls on daily officer log documentation retention. (See Observation C.)

2. Are special collections and other valuable assets tracked and safe guarded from theft or vandalism?

Generally, yes. Controls were in place to ensure valuable assets in the library were tracked and kept safe. A sample of valuable items was randomly selected from the lists provided by special collections, Metro Archive, and library administration. Items were reviewed and independently confirmed. No discrepancies between the items on the list and the physical existence were noted. However, there were no policies and procedures addressing where items should be stored (i.e. the safe or safe room) or what items should be on the insurance list. (See Observation A.)

3. Are there procedural safeguards and response plans for natural and man-made disasters?

Yes. Well established controls and comprehensive procedures were in the library system to ensure the responsiveness of personnel and the safety of patrons and employees during unforeseen situations. Two library branches randomly selected were visited, personnel were interviewed, and safety and security measures were reviewed. No insufficiency of safety measures or violation of the security policies was noted.

AUDIT OBSERVATIONS

Internal control helps entities achieve important objectives and sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control – Integrated Framework (COSO)*, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environment, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A – Valuable Items in Special Collection & Archive

Potentially high value items were secured in the special collection's safe room with limited staff access. The Metro Archives also used a safe to protect their valuable items. Estimated values were not assigned to items in the special collection's safe room, and only some of the items in the Metro Archives safe had an estimated value. None of the items in the special collection's safe room and Metro Archive's safe were placed on the Nashville Public Library insurance list. In the event of a natural or manmade disaster, items may not be easily valued, repaired, or replaced. Valuing and insuring items could provide financial assistance to replace items in the collection.

Additionally, the safe and safe room had limited space. Without policies to provide staff guidance on what items should be put into the safe room or safe, there is a risk of running out of secured space.

Assessed Risk Rating:
High

Criteria:
- *COSO*, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- *COSO*, Control Activities–Principle 12 – The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Recommendations for management of the Nashville Public Library to:
1. Develop and document criteria to value all items in the special collection and Metro Archives areas. Consider insuring high value or rare items.
2. Develop and document criteria to prioritize storage of special collection and Metro Archives items in secured areas.

Observation B – Badge Access on Terminated Workers

A comparison of active badges with a list of current employees, volunteers, and library foundation staff was completed. A total of 69 individuals had active badges but were not current workers. Of the total active badges, 30 were employees, 19 were volunteers, and 20 were library foundation staff. Lack of controls over terminating badges increases the risk of unauthorized access which may affect the security of the building and the safety of employees.

Criteria:
- *COSO*, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

- *COSO*, Control Activities–Principle 12–The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:
Medium

Recommendation for Management of the Nashville Public Library to:
Establish procedures to ensure badge access is terminated when the associated worker leaves the Nashville Public Library system. Procedures should include routine comparisons of active badges to current staff listings.

Observation C – Daily Officer Log Record Retention

A random sample of 25 operating days was selected to review the daily officer log. The log recorded the date, time, and condition of the areas that security officer patrolling during his/her shift. No log records were found on 1 of the 25 days (4 percent).

An expanded sample of an additional 25 operating days was selected for review of the daily officer logs after the first sample to determine the pervasiveness of the control weakness. No log records were found on 3 of the 25 days (12 percent) in the expanded sample. Two of the operating days without logs were due to a shortage of security staff; the third day without a log was unexplained.

Incomplete documentation undermines the quality of work performed by employees and management. Compliance with the Metropolitan Nashville Government's General Records Schedule will decrease this risk.

Criteria:
- Metropolitan Nashville General Records Schedule – Activity Report - GRS101

- *COSO*, Control Activities–Principle 12–The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:
Low

Recommendation for Management of the Nashville Public Library to:
Establish a retention schedule and maintain supporting documentation for the required period.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

METHODOLOGY

To accomplish our audit objectives, we performed the following steps:

- Studied applicable laws and regulations.
- Interviewed key personnel within the Nashville Public Library.
- Evaluated internal controls currently in place.
- Performed analytics on badge access of employees, volunteers, and library foundation staff.
- Reviewed sample selections to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.

AUDIT TEAM

Nan Wen, CPA, In-Charge Auditor

Lauren Riley, CPA, CIA, ACDA, CMFO, Metropolitan Auditor

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

May 11, 2020

Ms. Lauren Riley
Metropolitan Auditor
Office of Internal Auditor
404 James Robertson Parkway
Nashville, TN 37219

Re: Audit of the Nashville Public Library Building Security

Dear Ms. Riley:

This letter acknowledges Nashville Public Library's receipt of the interim draft report for the above referenced audit. We have reviewed your observations and implemented your recommendations as indicated in the Management Response.

We appreciate the methodology used in reviewing Nashville Public Library's Building Security, particularly these recommendations to help better secure assets of the library for the citizens of Davidson County.

Regards,

Kent Oliver
Library Director

APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches and we encourage them to do so when providing their response to our recommendations.

	Recommendations	Concurrence and Action Plan	Proposed Completion Date
Recommendations for management of the Nashville Public Library to:			
H	**A.1** - Develop and document criteria to value all items in the special collection and Metro Archives areas. Consider insuring high value or rare items.	**Accept -** NPL will take an annual inventory of the items in both Metro Archives and Special Collections. Additionally, NPL will request the items of value be added to NPL's Special Insurance Rider. NPL will request help from Metro Law Department, Division of Insurance & Claims to find the appropriate vendor for appraisal.	September 30, 2020
H	**A.2** - Develop and document criteria to prioritize storage of special collection and Metro Archives items in secured areas.	**Accept -** NPL will develop criteria for all high value or rare items to be secured in locked storage rooms that have limited access by staff or a safe in a secured storage room. All high value items will be properly inventoried annually or by-annually to ensure the safety of the items.	September 30, 2020
M	**B.1** - Establish procedures to ensure badge access is terminated when the associated worker leaves the Nashville Public Library system. Procedures should include routine comparisons of active badges to current staff listings.	**Accept -** NPL will develop procedures that quarterly compare current badge access holders to current NPL and NPLF employee and volunteer rosters. When notified by either NPL or NPLF or Volunteer Services staff of a resignation, termination or retirement, the employee or volunteer's badge access should be terminated on their last official day at work.	June 30, 2020
L	**C.1** - Establish a retention schedule and maintain supporting documentation for the required period.	**Accept -** NPL will establish procedures for retaining Security Guard logs and work with Metro Records for proper retention schedule. Logs will be kept for the current and last fiscal year on NPL premises. Logs older than two years will be sent to Metro Records with appropriate retention and destruction schedule.	June 30, 2020

APPENDIX B – ASSESSED RISK RANKING

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed "Low Risk" will be considered "Emerging Issues" in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
HIGH	Large financial impact >$25,000 Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
MEDIUM	Moderate financial impact $25,000 to $10,000	Partial controls Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	Potential for negative public trust perception
LOW/ Emerging Issues	Low financial impact <$10,000	Internal controls in place but not consistently efficient or effective Implementing / enhancing controls could prevent future problems	Generally complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
Efficiency Opportunity	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			