



**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

SPECIAL AUDIT

FOR THE PERIOD JANUARY 1, 2005 THROUGH DECEMBER 31, 2008



Mary Taylor, CPA
Auditor of State

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Lorrie Wheeler, Director
Claymont Public Library
215 East Third St.
Uhrichsville, Ohio 44683

We conducted a special audit of the Claymont Public Library ("Library") by performing the procedures described in the attached Supplement to the Special Audit Report for the period January 1, 2005 through December 31, 2008 ("Period"). The audit procedures were performed solely to:

- Determine whether Library clerk treasurer Michelle Haff and her husband, Library custodian Robert Haff, were compensated in accordance with board authorized amounts.
- Determine whether certain expenditures made during the Period were supported and made for purposes related to the operations of the Library.
- Determine whether purchases made during the Period using the Library's credit card accounts were supported and made for a purpose related to the operations of the Library.
- Determine whether certain revenues collected during the Period were deposited into the Library bank account.

This engagement was conducted in accordance with the Quality Standards for Inspections established by the President's Council on Integrity and Efficiency (January 2005). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined available documentation supporting compensation paid to clerk treasurer Michelle Haff and custodian Robert Haff during the Period.

Significant Results – During the Period, Ms. Haff was paid \$5,308 in excess of Board authorized amounts. Mr. Haff was paid in excess of \$110. We issued findings for recovery for public monies illegally expended against Ms. Haff and Mr. Haff in these amounts.

2. We examined available documentation supporting certain expenditures made during the Period.

Significant Results – We examined 116 non-payroll payments to Ms. Haff and 29 to Mr. Haff during the Period. Of these, 96 payments to Ms. Haff and 26 to Mr. Haff were not supported by documentation or were supported by only a check stub. Due to the lack of available records, we were unable to determine whether expenditures totaling \$10,472 paid to Ms. Haff and \$3,968 to Mr. Haff were for purposes related to the operations of the Library.

Ms. Haff also received duplicate reimbursements totaling \$708 and payments totaling \$1,185 for travel reimbursements claimed to locations where there was no Library related reason provided for the travel.

We issued findings for recovery for public monies illegally expended against Ms. Haff in the amount of \$12,365 and against Mr. Haff in the amount of \$3,968.

We issued a management comment related to Board oversight of disbursements.

3. We examined available documentation supporting purchases made using the Library's credit card accounts during the Period.

Significant Results – During the Period, Library employees made 1,544 purchases using three Library Visa credit cards and 73 purchases using a Lowe's credit card. There were no itemized receipts provided by the Library as support for 1,325 of the Visa transactions and 50 of the Lowe's transactions.

We issued findings for recovery for public monies illegally expended against Ms. Haff in the amount of \$60,750 for unsupported expenditures made using the Visa credit cards and \$2,353 using the Lowe's credit card. The expenditures were considered not related to Library operations based on the description and nature of the vendor listed on the credit card statements. We issued findings for recovery for public monies illegally expended against Mr. Haff in the amount of \$126 for unsupported purchases made using the Lowe's credit card.

We proposed findings for recovery for public monies illegally expended against director Lorrie Wheeler in the amount of \$152 for unsupported expenditures that were not related to Library operations and \$126 for duplicate reimbursements. Ms. Wheeler repaid the Library \$278, and accordingly, we considered this a finding for recovery repaid under audit.

We proposed a finding for recovery against Library employee Donna Moody in the amount of \$10 for alcohol purchases. Ms. Moody repaid the Library \$10, and accordingly, we considered this a finding for recovery repaid under audit.

We issued two management comments related to credit cards and travel expense policies.

4. We examined available documentation supporting certain revenues collected during the Period.

Significant Results – Michelle Haff was responsible for depositing revenue collected by Library staff for fines and miscellaneous fees. Documents maintained by the staff indicated that a total of \$1,775 received by the Library during the Period and turned over to Ms. Haff was not deposited into the library's checking account.

We issued a finding for recovery for public monies collected but unaccounted for against Ms. Haff in the amount of \$1,775.

We issued a noncompliance citation related to record retention and two management comments related to cash collection and receipt overview and a surety bond for the clerk treasurer position.

5. On April 1, 2010, we held an exit conference with the following individuals representing the Library:

Lorrie Wheeler, Director
Carol Donato, Trustee
Mary Ellen Kovach, Trustee
James Ong, Trustee

Chris Curtiss, Trustee
Collin Fawcett, Trustee
Carol McClain, Trustee

The attendees were informed that they had five business days to respond to this special audit report. A response was received on April 9, 2010. The response was evaluated and changes were made to this report as we deemed necessary.



Mary Taylor, CPA
Auditor of State

January 12, 2010

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Supplement to the Special Audit Report

Background

In August 2008, the independent public accounting firm (“IPA”) conducting the financial audit of the Library for the two years ended December 31, 2006 and 2007 presented the Auditor of State’s Canton Regional Office with various information and documents that indicated potential fraud by Library clerk treasurer Michelle Haff. The areas of concern included the clerk treasurer’s Library credit card activity and unsupported payments to the clerk treasurer and her husband, Library custodian Robert Haff, for compensation and other reimbursements.

The Library director believed she had also identified instances of cash shortages of revenues collected at the two library branches for fines and fees.

The Auditor of State conducted a preliminary investigation of the matter and determined that adequate verifiable information existed to warrant a special audit. This information was considered by the Special Audit Task Force and on February 27, 2009, the Auditor of State initiated a Special Audit of the Library.

Supplement to the Special Audit Report

Issue No. 1 – Compensation

Procedures

We reviewed Library Board of Trustees meeting minutes to determine the salaries approved during the Period for clerk treasurer Michelle Haff and custodian Robert Haff.

We obtained payroll register detail reports from the Uniform Accounting Network used by the Library to determine the amounts posted to the system during the Period as compensation paid to Ms. Haff and Mr. Haff. We traced the amounts posted in the Uniform Accounting Network to Library bank statements to verify the payments had been made and to determine the actual compensation paid.

We compared the actual compensation paid during the Period to the board authorized amounts noting any variances.

Findings for Recovery

Michelle Haff

As Library clerk treasurer, Michelle Haff was responsible for preparing and issuing payroll disbursements to Library employees. The Library Board of Trustees approved salaries totaling \$67,500 for Ms. Haff during the Period. Ms. Haff was paid \$72,808 during the Period, for a total of \$5,308 in excess of the Board authorized amounts.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$5,308 against Michelle Haff in favor of Claymont Public Library.

Robert Haff

The Library Board of Trustees approved payment of \$220 per month to Robert Haff to serve as custodian. Mr. Haff was employed in this capacity from April 2006 to May 2008. During this period, the Library made payroll disbursements on a bi-weekly basis and Mr. Haff received \$110 per pay period. Mr. Haff was over-compensated by \$110 in June 2006, a month when three payroll disbursements were made.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$110 against Robert Haff in favor of Claymont Public Library.

Library payroll disbursements were prepared and issued by clerk treasurer Michelle Haff, who also controlled the accounts from which payroll disbursements were made. Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amounts of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex. rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

Accordingly, a finding for recovery is hereby issued against Michelle Haff in the amount of \$110 for public monies illegally expended in favor of Claymont Public Library. Ms. Haff shall be jointly and severally liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Mr. Haff.

Supplement to the Special Audit Report

Issue No. 2 – Expenditures

Procedures

We scanned the expenditures made by the Library during the Period and identified for examination payments made to clerk treasurer Michelle Haff, custodian Robert Haff and any unusual expenditures.

We examined available documentation for the selected expenditures to determine whether the expenditures were supported and were for purposes related to the operations of the Library. For reimbursements of travel related to training, we contacted the event sponsors to obtain training schedules and attendance records.

Results

Clerk treasurer Michelle Haff received 116 non-payroll payments from the Library during the Period totaling \$16,376. Of the 116 payments to Ms. Haff, 96 were not supported by documentation or were supported by only a check stub.

Custodian Robert Haff received 29 non-payroll payments totaling \$4,968, of which 26 were not supported by documentation or were supported by only a check stub.

Our scan of the expenditures made during the Period did not identify any unusual expenditures that required additional examination or vendors that appeared to be uncommon for use by a library in its normal course of business.

Findings for Recovery

Michelle Haff

As Library clerk treasurer, Michelle Haff was responsible for preparing disbursements and maintaining support for expenditures. Ms. Haff received payments totaling \$10,472 for reimbursements that were not supported by documentation. Due to the lack of available documentation, we were unable to determine whether the expenditures were for purposes related to the operations of the Library. Ms. Haff also received duplicate reimbursements totaling \$708 for items paid for with Library credit cards or claimed more than once on expense reimbursement forms. Ms. Haff received payments totaling \$1,185 for travel reimbursements claimed to locations where there was no confirmed training attended by Ms. Haff or legitimate Library related reason for traveling to the location.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$12,365 against Michelle Haff in favor of Claymont Public Library.

Robert Haff

Robert Haff was employed as the Library custodian from April 2006 to May 2008. Mr. Haff received payments totaling \$3,968 that were not supported by documentation. Michelle Haff, Mr. Haff's wife, was responsible for preparing disbursements and maintaining support for Library expenditures. Due to the lack of available documentation, we were unable to determine whether the expenditures were for purposes related to the operations of the Library.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$3,968 against Robert Haff in favor of Claymont Public Library.

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Library disbursements were prepared and issued by clerk treasurer Michelle Haff, who also controlled the accounts from which disbursements were made. Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amounts of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex. rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

Accordingly, a finding for recovery is hereby issued against Michelle Haff in the amount of \$3,968 for public monies illegally expended in favor of Claymont Public Library. Ms. Haff shall be jointly and severally liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Mr. Haff.

Management Comment

Board Oversight of Disbursements

We noted the following weaknesses in the Board's oversight of the disbursement cycle:

- The signature of the Board president was required on the checks; however, the president did not review the corresponding voucher packets prior to signing the checks; and
- Blank checks were sometimes signed by the Board president.

We recommend Board members sign checks only after reviewing the corresponding voucher packets, and blank checks not be signed prior to being completed.

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Issue No. 3 – Credit Card Purchases

Procedures

We identified the credit card accounts paid by the Library and obtained monthly credit card statements from the issuing institutions to identify purchases and payments made on the accounts.

We compared the monthly statements to supporting documentation and payment records maintained by the Library to determine the completeness of the Library's supporting documentation.

We examined available documentation to determine whether the credit card purchases were made for Library operations.

Results

During the Period, the Library maintained the following credit card accounts:

	Account Name	Credit Limit	No. of Transactions	Total Purchases
Visa	Claymont Public Library	\$2,000	844	\$46,000
Visa	Lorrie Wheeler	\$2,000	156	\$13,312
Visa	Michelle Haff	\$750	544	\$24,763
Lowe's	Claymont Public Library	\$6,500	73	\$5,936

Visa Credit Cards

The three Visa credit cards were issued to the Library in June 2005. The application, signed by clerk treasurer Michelle Haff, requested that cards be issued in the names of the Library, director Lorrie Wheeler and Ms. Haff. The card issued in the name of the Library was used primarily by Ms. Haff. The Library provided only 219 receipts as support for the 1,544 purchases made using the three credit cards during the Period. Of these, only 186 were itemized receipts.

Lowe's Credit Cards

The Library maintained a business account with Lowe's that was opened in December 2005. There were no itemized receipts provided by the Library as support for 50 of the 73 transactions made using the Lowe's credit card during the Period. The account was not paid in full each month, which resulted in finance charges and late fees totaling \$192.

Findings for Recovery

Michelle Haff

According to the Library's Policies and Procedures Employee Handbook, as clerk treasurer, Michelle Haff was "responsible for issuance, account monitoring, retrieval and overseeing of compliance with the library credit card policy."

During the Period, two Library Visa credit cards were used by Ms. Haff to make purchases totaling \$70,763. Of this amount, \$62,129 was not supported by documentation or was for purchases unrelated to Library operations. Due to lack of available documentation, we concluded certain unsupported charges were not related to the operation of the Library based on the description and nature of the vendor listed on the credit card statements. These charges included gasoline, automotive repairs and rentals, retail and grocery stores, restaurants, hotels and airfares, Paypal transactions, utilities and cellular phone payments.

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Ms. Haff paid \$1,379 from her personal checking account to the credit card company for personal charges. Ms. Haff did not reimburse the Library for the remaining personal charges of \$60,750, which included alcohol charges of \$37. Ms. Haff had control of the Visa credit card and was also responsible for preparing disbursements and maintaining support for the expenditures.

Ms. Haff also used the Library's Lowe's credit card to make purchases totaling \$2,353 that were not for Library operations. These purchases included batteries, light bulbs, trash bags, lawn and garden items, tools and paint supplies. Ms. Haff signed the credit card receipts for 19 transactions using the Lowe's credit card. There were no receipts provided by the Library to indicate who made 48 other transactions; however, Ms. Haff had control of the Lowe's credit card and was also responsible for preparing disbursements and maintaining support for the expenditures.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued against Michelle Haff in the amount of \$63,103 in favor of the Claymont Public Library.

Robert Haff

Robert Haff was employed as the Library custodian from April 2006 to May 2008. During this period, Mr. Haff used the Library's Lowe's credit card to make purchases totaling \$126 that were not for Library operations. Mr. Haff signed the credit card receipts for these purchases.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued against Robert Haff in the amount of \$126 in favor of the Claymont Public Library.

Library disbursements were prepared and issued by clerk treasurer Michelle Haff, who also controlled the accounts from which disbursements were made. Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amounts of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex. rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

Accordingly, a finding for recovery is hereby issued against Michelle Haff in the amount of \$126 for public monies illegally expended in favor of Claymont Public Library. Ms. Haff shall be jointly and severally liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Mr. Haff.

Findings for Recovery Repaid Under Audit

Lorrie Wheeler

During the Period, the Library paid \$13,312 in credit card charges that Library director Lorrie Wheeler initiated. Of this amount, \$152 was for unsupported charges that were not related to Library operations. We concluded certain unsupported charges were not related to the operation of the Library based on the description and nature of the vendor listed on the credit card statements.

Additionally, the Library reimbursed Ms. Wheeler \$126 for miscellaneous expenses. The miscellaneous expenses were duplicate reimbursements submitted by Ms. Wheeler which had been charged on the Library credit card and paid by the Library.

We proposed a finding for recovery in the amount of \$278 against Ms. Wheeler and in favor of the Claymont Public Library. Ms. Wheeler remitted \$278 to the Library and accordingly, we considered this a finding for recovery repaid under audit.

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Donna Moody

In June 2007, a reimbursement request was submitted by Library employee Donna Moody that included alcohol purchases of \$10 incurred while she was attending a training conference. The Library reimbursed Donna Moody for this expense.

Ohio Attorney General Opinion 82-006 addresses the expenditure of funds for public purposes. This opinion, citing the Ohio Supreme Court case of *State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951), provides guidance as to what may be construed as a public purpose. First, the expenditure is required for the general good of all inhabitants. Second, the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. The determination of what constitutes a public purpose is primarily a legislative function. As such, the decision to expend public funds "...must be made in accordance with the procedural formalities governing the exercise of legislative power. Specifically, the decision must be memorialized by a duly enacted ordinance or resolution and may have prospective effect only." 1982 Op. Atty. Gen. No. 82-006. Auditor of State Bulletin 2003-005 states that the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and views such expenditures as manifestly arbitrary and incorrect.

We proposed a finding for recovery in the amount of \$10 against Ms. Moody and in favor of the Claymont Public Library. Ms. Moody remitted \$10 to the Library. Accordingly, we considered this a finding for recovery repaid under audit.

Management Comments

Library Credit Cards

The Library credit card policy states "The Director, Trustee, or employee designated by the Director, may use the credit card(s). It/they may be used for the purchase of goods or services obtained on behalf of the library as well as lodging and meals. All credit card charges must be business related and not personal in nature." The policy does not require employees to submit itemized receipts for credit card charges incurred. During the Period, the Library paid credit card expenses that were not itemized and were not supported by receipts. Through review of available documents, we identified employees who charged personal expenses on the Library credit cards for non-business related items.

Failure to require and review detailed itemized documentation can lead to a lack of accountability for purchases and the possibility of incurring purchases unrelated to the operations of the Library.

We recommend the Library adopt more stringent controls over credit card usage, including, but not limited to, requiring the employee to provide a detailed itemized receipt as well as the credit card slip. All purchases made by credit card should be supported as to the purpose. We also recommend the Library implement procedures that include a detailed examination of charges and resolution of questioned items. We recommend the review procedures include whether the charges were supported, for a library-related purpose and in accordance with Library policies.

Travel Expense Policy

Through review of the Library's Policies and Procedures Employee Handbook we determined the Library has not adopted a formal travel expense policy that addresses items such as allowable meals, mileage reimbursement rates, lodging limitations, personal telephone calls and prohibited expenses. The risk of inappropriate travel expense expenditures is increased without a formal policy.

Our review of the credit card transactions documented hotel stays for non-business related purposes, pay-per-view movies and personal phone calls that were charged to Michelle Haff's hotel room and were then paid with the Library credit card with no reimbursement paid by the employee.

Failure to have a travel policy and establish maximum reimbursement rates and verify that all charges were related to Library travel resulted in the Library paying charges that may have been excessive and/or personal in nature.

Supplement to the Special Audit Report

We recommend the Library implement a policy to specifically identify allowable travel expenses. The Library should consider establishing limitations on meal charges and gratuities, in-state and out-of-state hotel rates, and whether movies and personal phone calls will be reimbursed. If an employee is unable to find lodging within the established maximum rates, we recommend the Library create a "hotel exception form" to substantiate the excess charge, with a supervisor's approval. Additionally we recommend employees provide more detailed information as to the reasons for the travel such as the location traveling to and from as well as the purpose of the travel and the name of the conference attended. Also, the Library should include in the policy that all employees are required to provide evidence of travel expenses through itemized receipts and those receipts should be maintained in the Library's accounting records. Prior to reimbursing employee travel expenses or paying for travel related credit card charges, the Board or director should review hotel expenses for compliance with Library policies.

Supplement to the Special Audit Report

Issue No. 4 – Revenue Collections

Procedures

We compared for reasonableness the amounts reported as collected in the duplicate receipt books completed by the desk librarians to the receipts entered in the Uniform Accounting Network receipt ledger and deposits to the Library bank account. To conduct our reasonableness test, we selected a three month period that had complete receipt books for both Library branches.

We reviewed, summarized and quantified all receipts documented in the duplicate receipt books by date and/or by week during the Period.

We compared the totals obtained in the above procedure to the weekly deposit log sheet, where available, and noted any discrepancies.

Using the weekly log sheets where available and duplicate receipt books, we traced the recorded revenue amounts to a valid Library deposit.

Results

The Library collected miscellaneous revenue from patrons for fines, copy machine use and facsimile fees. Duplicate receipts were prepared by each branch on a daily basis to document total collections. Five duplicate receipt books could not be located; two from the Uhrichsville branch and three from the Dennison branch. The Dennison branch manager prepared weekly deposit log sheets for amounts collected and turned over to clerk treasurer Michelle Haff for deposit. Because the log sheets were complete and representative of the receipt books, we used the log sheets to determine the total collections for the Dennison branch. The Uhrichsville Branch did not create similar log sheets.

Our reasonableness test showed that for the three month period of April 2007 to June 2007, there was a \$915 shortage between the amounts collected per the receipt books and log sheets compared to the amounts deposited per bank deposit slips. As a result, we expanded our examination to include the period of January 1, 2006 through December 31, 2008. We did not expand our examination to 2005 due to lack of complete records and minimal exceptions noted in 2006.

Finding for Recovery

As Library clerk treasurer, Michelle Haff was responsible for depositing revenue collected by the Library staff from patrons for fines and miscellaneous fees. Documents maintained by the staff indicated that monies received by the Library and turned over to Ms. Haff did not agree to amounts deposited into the Library's checking account. For the period examined, there was a shortage of \$1,775 between amounts collected and deposited.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies collected but not accounted for is hereby issued in the amount of \$1,775 against Michelle Haff in favor of Claymont Public Library.

Noncompliance Citation

Record Retention

Ohio Revised Code Section 149.351 (A) states in part, "(a)ll records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code..."

Supplement to the Special Audit Report

The Library was unable to locate two duplicate receipts books from the Uhrichsville branch and three from the Dennison branch. Lack of supporting documentation increases the risk that revenue collections may be diverted for improper uses.

As noted in the results to Issue No. 2, the Library was unable to locate the supporting documentation such as check stubs, receipts and invoices for the disbursements issued to Michelle Haff and Robert Haff. For the Period there were 116 checks written to Ms. Haff. Of those disbursements, 55 had no check stubs, receipts or invoices to support the disbursements and an additional 39 had only a check stub to support the disbursements. For the period there were 39 checks written to Mr. Haff and of those 26 had no check stubs, receipts or invoices to support the disbursements.

We recommend the Library ensure that all records are adequately safeguarded. In addition, we recommend that the Library Board of Trustees establish a formal records retention policy.

Management Comments

Cash Collection/Receipt Overview

We noted the following weaknesses in the Library's control procedures over cash collections:

- Deposits made to the bank were not reviewed by another employee to ensure all money received was deposited in a timely manner.
- Duplicate receipts were not issued to ensure accountability is maintained when collecting fines and fees from patrons.

We recommend the Library director review the deposits that are prepared by the clerk treasurer. The director should sign off on the deposit records documenting her review and authorization to make the deposit. We recommend that the Library issue a duplicate receipt to patrons for all monies collected regardless of the amount or purpose. The Library branch managers should maintain copies of records at each branch documenting what was collected on a weekly basis and turned over to the clerk treasurer.

Clerk Treasurer Surety Bond

During the Period, Ms. Haff was responsible for depositing money collected on behalf of the Library. She also prepared disbursements, maintained supporting documentation for expenditures and controlled the Library's credit cards and bank accounts. Although the Library maintained an insurance policy covering employee theft, as clerk treasurer, Ms. Haff was not bonded in the case of a loss or theft. To reduce the risk of loss of Library assets, employees in a position having broad financial responsibilities should be bonded in an amount that is commensurate with their responsibility.

We recommend the Library obtain a surety bond for the employee holding the position of clerk treasurer.



Mary Taylor, CPA
Auditor of State

CLAYMONT PUBLIC LIBRARY

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 22, 2010