

**OFFICE OF INSPECTOR GENERAL  
CITY OF JACKSONVILLE**



**Final Report  
24-0000003**

**Jacksonville Main Public Library  
Conference Services Audit**

*Matthew Lascell*

**MATTHEW J. LASCELL  
INSPECTOR GENERAL**

*03/13/25*

**DATE ISSUED**

*"Enhancing Public Trust in Government Through Independent and Responsible Oversight"*

## Executive Summary

### What We Did

The Office of Inspector General's (OIG) Audit Unit audited the City of Jacksonville's (COJ) Conference Services at the Main Public Library.

The focus was to determine if Conference Services operations mitigated risk properly by complying with their standard operating procedures (SOPs). We examined Certificates of Insurance (COIs), Facility Use Agreements (FUAs), and proof of payments from October 2023 to October 2024.

### What We Found

The Audit Unit found that FUAs were executed, and full payments were received from all renters; however, we identified the following issues:

- **Non-enforcement of Payment Deadlines:** Payment due dates and consequences were not enforced as required by SOPs. Of the sampled events, 10 did not comply with payment requirements, allowing late payments. Additionally, the SOPs did not address payment procedures for certain types of reservations.
- **Noncompliant or Unapproved COIs:** A total of 23 COIs did not comply with SOPs or were not properly approved by Risk Management. These COIs fell into three categories: COIs requiring amendments, COIs not approved by Risk Management, and late COI submissions.

### What We Recommended

Conference Services should review its internal controls and policies to address late payments. Although all payments were ultimately received, delayed payments pose a financial risk to the City. Additionally, the payment processing method poses a risk to the City as it relates to the renter's personal identification information. Furthermore, the Audit Unit found that the SOPs do not specify a payment policy for events exceeding \$1,000 that are scheduled less than six months before the event date.

Conference Services should also implement stronger controls and policy updates to ensure that no event proceeds without the required COI approval from Risk Management. Events without COIs pose a significant risk to the City.

### Management Response

Conference Services agreed to review their policies regarding payment deadlines and COIs. They will look to enhance their internal controls to manage the identified risks and weaknesses.

### Acknowledgments

We appreciate the collaborative efforts of Conference Services' staff to complete the audit. We further thank the supervisors for their patience and acknowledgment of these findings.

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## DRAFT REPORT

### Purpose

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As part of the Office of Inspector General's 2025 Annual Audit Plan, the Audit Unit conducted an audit of Jacksonville's (COJ) Main Library's Conference Services. (24-0000003) to determine if the risk was appropriately mitigated by adhering to their Standard Operating Procedures (SOPs) as they relate to the rentals of Main Library spaces.

### Background

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The Conference Center, located within the Main Public Library, offers rental spaces for individuals, organizations, and groups from both the public and private sectors. Events held in these spaces must avoid disrupting regular library operations or library-sponsored activities. While meetings and gatherings in the Conference Center's designated areas can take place during both business hours and after-hours, other library spaces are subject to availability and operational constraints.

To secure a reservation at the Conference Center, renters must complete several steps within specified timeframes. First, a signed Facility Use Agreement (FUA) is required to reserve the space. The renter must sign the FUA and make an initial payment within 10 days of receiving the initial confirmation and cost estimate. If the total event cost is under \$1,000, full payment is required at that time. For events exceeding \$1,000, a \$1,000 deposit is due, with the remaining balance payable six months before the event date. Renters can make payments by submitting a Credit Card Authorization (CCA) form or a check. The renter completes the CCA form and provides a copy to Conference Services personnel. The Conference Services staff must manually enter the credit card information into their client relations management (CRM) system. If a renter pays by check, they must bring the check to Conference Services employees in person. Subsequently, the check is delivered to the Edward Ball Building to be processed. Additionally, renters must provide a Certificate of Insurance (COI) at least 30 days prior to the event, which must include appropriate commercial general liability coverage. This COI is subsequently submitted to the City's Risk Management Department for approval.

## Statement of Objectives, Scope, and Methodology

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The audit analyzed if Conference Services managed the risk appropriately for events held at the Main Library's Conference Center . The audit reviewed events from October 2023 to October 2024 with a focus on compliance with the SOP requirements related to COIs, FUAs, and payments.

The audit sought to determine:

1. Whether payments were properly and timely submitted and processed;
2. Whether events had signed FUAs; and
3. Whether COIs were properly and timely submitted.

The Audit Unit reviewed the following laws, directives, policies, and procedures:

- Policies and Procedures for the Conference Center at the Main Library (rev. 2017)
- Sec. 111.830, Jacksonville Ordinance Code

To conduct the audit, the Audit Unit:

- Interviewed Conference Services and Risk Management personnel
- Reviewed the SOPs
- Reviewed documentation of events: FUAs, COIs, and payment records
- Created a sample size of 68 events from the 90 total events with a 90% confidence level and a margin of error +/- 5%.

## Statement of Auditing Standards

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This audit conforms with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. The standards require the Audit Unit to plan and perform the audit to obtain sufficient, reliable, relevant, and useful information to support the engagement results and conclusions based on the stated audit objectives. This audit was also conducted under the authority of Section 1.203(c), Charter of the City of Jacksonville, and Ordinance Code, Section 602.303(a-c).

## Findings and Recommendations

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### **OBJECTIVE 1: Were rental payments timely and properly submitted and processed?**

Conference Services' SOPs distinguish between events based on cost, setting different payment requirements for those exceeding \$1,000 and those under \$1,000. For events over \$1,000, renters must submit a \$1,000 payment upon signing the agreement. Then the remaining balance must be paid at least six months before the event date. For events under \$1,000, the full payment must be paid upon signing the FUA. However, the SOPs do not specify the payment deadline for events over \$1,000 that are booked within six months of the event date. Additionally, if a payment is not made within the required timeframe, the SOPs mandate that this will result in immediate cancellation of the reservation<sup>1</sup>. Renters can make payments via check or credit card. Checks must be delivered to the Edward Ball Building by Conference Services personnel. For credit card payments, renters complete the CCA and provides it to Conference Services. The credit card information is entered manually into Conference Services' payment system. According to Conference Services personnel, the CCA and all renter personal identification information (PII) is destroyed after final payment. Upon review of the events, all 68 had full payments, which were properly deposited with COJ; however, issues existed with the timeliness of the payments.

#### **Finding 1**

Of the 68 events sampled, 21 were scheduled at least six months in advance and exceeded the \$1,000 threshold. Of those 21 events, 10 had late rental payments, with delays ranging from three days after the deadline to the day before. None of these events were canceled with deposits retained, as required by the SOPs.

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<sup>1</sup> "The remaining balance is due six calendar months prior to the event date. Failure to submit full payment at least six months prior to the event date will forfeit the deposit and result in the immediate cancellation of the reservation."  
*Conference Center's Policies and Procedures*



### Recommendation

The Conference Services SOPs state that an event will be canceled if payment is not made on time. However, in practice, this decision is at the discretion of the Conference Center's General Manager. This creates a challenge in balancing the risk of non-payment and lost rental opportunities against the negative publicity for cancelling events—many of which are for nonprofits or local weddings—due to missed payment deadlines.

To address this issue, Conference Services should strengthen its internal controls to ensure timely payments. Potential solutions include imposing late fees, modifying payment processing methods, or amending the SOPs to provide clearer guidance on enforcing payment deadlines.

### Observation 1

Of the 68 events sampled, 36 were scheduled less than six months from the event. All of those events were over the \$1,000 threshold. For these events, the last payment for the event on average occurred 35 days from the event with the latest payment coming the day before the event.

A reasonable interpretation of the SOPs would dictate that these payments should have been made upon signing of the FUA. This did not occur approximately 53% of the time. This situation should be addressed by the SOPs to give personnel proper guidance.

### Observation 2

Because Conference Services personnel handle and store renters' PII, there is a risk of misuse. Unauthorized access or mishandling—whether by internal employees or external bad actors—could result in financial liability and reputational damage for the City.

To mitigate this risk, Conference Services should enhance its payment processes, such as implementing a secure electronic Point-of-Sale (POS) system for processing credit card payments. In addition to improving security, this could also expedite payment processing.

**OBJECTIVE 2: Did events have a signed FUA?**

Conference Services' SOPs require a signed FUA. For all of the 68 events sampled, Conference Services obtained signed FUAs.

**Recommendation**

No recommendation at this time.

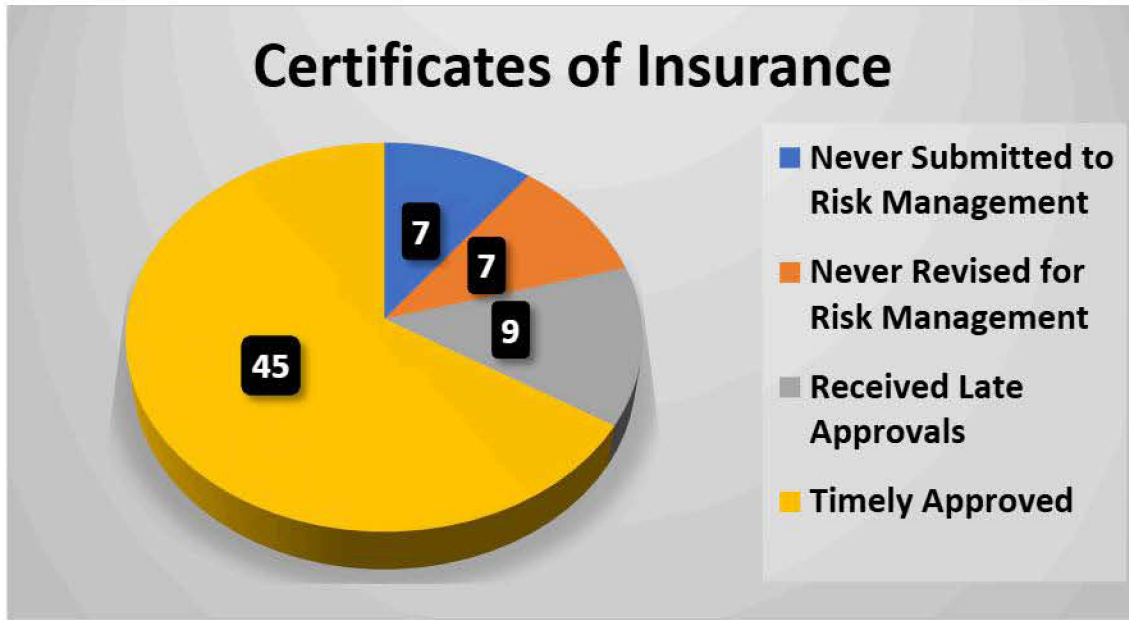
**OBJECTIVE 3: Were Certificates of Insurance timely and properly submitted?**

Conference Services' SOPs require renters to submit a COI at least 30 days before the event date, which must include commercial general liability coverage. Once submitted, Conference Services forwards the COI to COJ's Risk Management Division for review. Risk Management then either approves or rejects the COI, providing reasons for rejection if applicable. If rejected, Conference Services notifies the renter and requests a revised COI that meets Risk Management's requirements. This review and correction process can extend beyond a 30-day deadline, potentially impacting event approval timelines. The Audit Unit discovered multiple COIs that were not timely and properly submitted.

**Finding 2**

Of the 68 sampled events, 23 had COIs that did not comply with Conference Services' SOPs. For seven events, COIs were submitted to Conference Services but were never approved by Risk Management. In another seven cases, COIs were submitted on time and forwarded to Risk Management, but they were rejected for adjustments. However, the subsequent revised COIs were not approved by Risk Management. Finally, nine events had approved COIs, but they were submitted to Conference Services after the 30-day deadline.





**Recommendation**

The audit identified a delay in the business process between a renter submitting a COI to Conference Services and Risk Management approving it. In some cases, the timeline was too tight for renters to submit a revised COI *and* for Conference Services to forward it to Risk Management *and* for Risk Management to complete its review.

To address this issue and mitigate financial and liability risks, Conference Services should reexamine its COI submission process. One option is to implement an automated notification system to remind renters of due dates via text or email. Additionally, Conference Services could extend the COI submission deadline beyond 30 days to allow sufficient time for corrections if needed. Another approach could be enforcing stricter policies, including event cancellation if a valid COI is not submitted on time or by assessing fees for late COIs. Finally, Conference Services could implement internal controls to track COI submissions, allowing staff to identify and address delinquent renters more proactively.

**Conclusion**

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This audit concluded that Conference Services needs to improve in two key areas: enforcing payment deadlines and ensuring COI compliance.

Failure to enforce payment deadlines poses a risk to the City, either through potential revenue loss or the negative publicity of event cancellations. Although all payments were

ultimately received in full, the high rate of late payments indicates a need for stronger controls. Strengthening these measures will help ensure timely payments and reduce the likelihood of event cancellations and resulting lost revenue.

Non-compliance with COI policies presents a significant risk to the City. Without proper COIs, the City could be exposed to legal liabilities, potentially resulting in financial obligations such as damages and litigation costs especially since these events often include alcohol consumption which is a significant risk factor. Addressing this issue is critical to protecting the City from unnecessary legal and financial risks.

Throughout the audit process, staff from Conference Services demonstrated excellent cooperation, providing timely access to all necessary records and personnel. Their responsiveness greatly enhanced the thoroughness and accuracy of the Audit Unit's review. The collaborative spirit underscores Conference Services' commitment to compliance and operational excellence.

## Management's Response

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On 02/28/25, Conference Services was provided with a copy of this audit and given the opportunity to respond on or before 03/10/25.

The signature below acknowledges receipt and review by Conference Services:

- Acknowledged without a Response
- Acknowledged with Response (see attached)

*David Goldschmidt 3/7/25*

David Goldschmidt

Date

General Manager, Conference Services

303 N. Laura Street

Jacksonville, FL 32202

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**RE: 10-Day Response Notification for Conference Services Audit 24-0000003**

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**From** Goldschmidt, David - PLJX <DGoldschmidt@coj.net>

**Date** Fri 3/7/2025 4:12 PM

**To** Inspector General <InspectorGeneral@coj.net>; Likins, Keli - PLJX <KLikins@coj.net>

Our response is as follows:

The administration of the Jacksonville Public Library agrees with the findings and corrective actions identified within OIG Report 24-0000003. We believe the report will result in processes that increase overall efficiency and effectiveness.

**Non-enforcement of Payments Deadlines:** The Library's administration has initiated an internal review of policy and procedures to resolve inconsistencies related to customer payment deadlines. Library staff will update procedures for events exceeding \$1,000. Additionally, staff will compare current policies against industry standards and make recommendations to the Board of Library Trustees, which will enact the needed policy revisions. Regarding payment processing for renters, the Library will engage the City's accounting team to improved methods for processing credit card payments. Until the above changes are formalize, the Library will follow all current policies and procedures to the letter.

**Noncompliant or Unapproved Certificates of Insurance (COI):** Regarding COI approval from Risk Management, the Library has already identified and implemented new operational controls to ensure compliance with City policies and procedures. The changes include the division of labor, use of spreadsheet tracking for documentation, and improved managerial oversight. The Library's administration recognizes the importance of and is committed to meeting Risk Management's requirements. The Library will revise all related deadlines to allow for timely corrections and communications.

We enjoyed working with you. Thank you for your time,

David Goldschmidt  
General Manager, Conference Center  
Jacksonville Public Library  
303 N. Laura Street  
Jacksonville, FL 32202  
O: 904-255-6085