

OFFICE OF AUDITS & ADVISORY SERVICES



DEPARTMENT OF ANIMAL SERVICES – SERVICE CONTRACTS AUDIT

FINAL REPORT

Chief of Audits: Juan R. Perez
Audit Manager: Lynne Prizzia, CISA, CRISC
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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

May 7, 2015

TO: Dawn Danielson, Director
Department of Animal Services

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: DEPARTMENT OF ANIMAL SERVICES – SERVICE CONTRACTS AUDIT

Enclosed is our report on the Department of Animal Services – Service Contracts Audit. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Ida Miclat at (858) 694-2050.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

AUD:IM:aps

Enclosure

c: David Estrella, Deputy Chief Administrative Officer, Community Services Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Brian Hagerty, Group Finance Director, Community Services Group

INTRODUCTION

Audit Objective The Office of Audits & Advisory Services (OAAS) completed an audit of the Department of Animal Services - Service Contracts. The objective of the audit was to assess adequacy of service contracts with various cities.

Background The County of San Diego (County) Department of Animal Services (DAS) provides animal-related law enforcement, sheltering, medical, and pet adoption services for the unincorporated areas of the County and, by contract, the following cities:

- San Diego
- Carlsbad
- Del Mar
- Encinitas
- Santee
- Solana Beach

DAS operates three animal shelters in the County. One shelter is located in the city of San Diego, one in the north region in Carlsbad, and one in the south region in Bonita.

DAS has a standard five-year service contract for animal services with the six cities. The service contract may be renewed for another five years. Either party may terminate the contract by giving a one-year advance written notice of intention to terminate.

The service contracts are signed by each City Mayor or designated representative prior to County Board of Supervisors approval. The standard contract includes a clause that a Joint Operating and Financial Plan (OFP) would be developed by all parties using an agreed-upon costing methodology. The Joint OFP is prepared by DAS annually, approved by the city, and becomes part of the service contract as Attachment B. The OFP includes the gross cost of providing services to the individual city, the estimated revenues to be collected, and the net cost that the city will pay to the County on a quarterly basis.

Chameleon, an integrated animal shelter case management system, is the core animal management system used by DAS. Animal records including dog licensing, adoptable and found animal, and payment processing information are entered and maintained in Chameleon.

Audit Scope & Limitations The scope of the audit included fiscal year 2013-14 to current. The audit included an assessment of service contracts at all County shelters.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Reviewed policies and procedures related to the shelter operations, including contracts with various cities.
- Interviewed DAS' management and staff regarding the service contracts and the Chameleon animal management system.
- Observed shelter facilities and operations.
- On a sample basis, conducted specific audit procedures such as inquiry, document inspection, reconciliation, and analysis.

AUDIT RESULTS

Summary

Within the scope of the audit, the service contracts with various cities are adequate. To further improve the effectiveness of the process, OAAS has the following findings and related recommendations:

Finding I:**Non Follow-up Enforcement of Vaccinated but Unlicensed Dogs**

DAS does not conduct follow-up enforcement for incomplete Dog License Application and Rabies Certificates (the form) submitted by veterinarians to DAS. Veterinarians are required by the California Compendium of Rabies Control and Prevention Title 17 California Code of Regulations Section 2606.4 to provide complete information of the dog owner's name, address, and phone number on the form; however, not all veterinarians are completing the form. DAS has not developed written policies and procedures for follow-up enforcement. As a result, dogs that were vaccinated were not followed up for licensing.

Per the service contract Section 4, Item C-3, DAS should conduct follow-up enforcement of vaccinated but unlicensed dogs and unvaccinated and unlicensed dogs within city's jurisdiction. Such enforcement efforts shall include, but are not limited to, written correspondence and telephone communication with dog owners.

Recommendation:

DAS should develop written policies and procedures for follow-up enforcement and to monitor compliance with the service contract agreement Section 4, Item C-3. DAS should also ensure the completion of the form.

Finding II:**Incorrect Basis for Computing Spay and Neuter Fund Allocation**

DAS currently allocates 5% of dog license fee revenues to the Spay and Neuter Fund based on estimated license fee revenues; however, the service contract requires that the allocation should be based on collected license fee revenues. As a result, the Spay and Neuter Fund may be over or under funded.

Service contract Section 8, Item 1 specifies that 5% of all license fee revenues collected by the County should be deposited into a separate trust fund account.

Recommendation: DAS should base the 5% allocation to the Spay and Neuter Fund on collected license fee revenues in compliance with the service contract agreement Section 8 Item 1. DAS should also determine the difference between the estimated and collected license fee revenues, and process the necessary allocation adjustment to the Spay & Neuter Fund.

Office of Audits & Advisory Services

C ompliance R eliability E ffectiveness A ccountability T ransparency E fficiency

VALUE

DEPARTMENT'S RESPONSE



County of San Diego

DAWN DANIELSON
DIRECTOR

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RECEIVED

May 6, 2015

MAY 07 2015

TO: Juan R. Perez
Chief of Audits

OFFICE OF AUDITS &
ADVISORY SERVICES

FROM: Dawn Danielson, Director
Department of Animal Services

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: DEPARTMENT OF ANIMAL SERVICES – SERVICE CONTRACTS AUDIT

Finding I: Non Follow-up Enforcement of Vaccinated but Unlicensed Dogs

OAAS Recommendation: DAS should develop written policies and procedures for follow-up enforcement and to monitor compliance with the service contract agreement Section 4, Item C-3. DAS should also ensure the completion of the form.

Action Plan:

1. DAS will develop a written policy and procedure for follow up enforcement of vaccinated, but unlicensed dogs within the jurisdictions that we serve.
2. DAS will review its current process and make revisions as necessary to improve its monitoring and follow up of vaccinated, but unlicensed dogs.
3. This review process will include improved communications and education with non-compliant veterinarians and animal hospitals that are required to submit owner information of vaccinated dogs.

Planned Completion Date: October 31, 2015

Contact Information for Implementation: Laurie Joniaux, Deputy Director

Finding II: Incorrect Basis for Computing Spay and Neuter Fund Allocation

OAAS Recommendation: DAS should base the 5% allocation to the Spay and Neuter Fund on collected license fee revenues in compliance with the service contract agreement Section 8 Item 1. DAS should also determine the difference between the estimated and collected license fee revenues, and process the necessary allocation adjustment to the Spay & Neuter Fund.



TO PROTECT THE HEALTH, SAFETY AND WELFARE OF PEOPLE AND ANIMALS



DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: DEPARTMENT OF ANIMAL SERVICES – SERVICE CONTRACTS AUDIT

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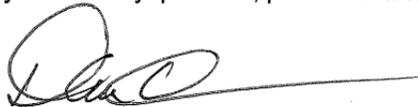
Action Plan:

1. DAS conducts a "True Up" process in the second quarter of each fiscal year to reconcile projected costs with actual costs for each contract city. It will include the difference between the estimated license revenue amounts and actual license revenue amounts collected for the Spay/Neuter Fund calculation for each contract city as part of its annual "True Up" process.
2. DAS will discuss this issue with the contract cities and may change the language in the contract to allow for the current practice of collecting Spay/Neuter revenue from each contract city.

Planned Completion Date: Second quarter of FY 2015-16.

Contact Information for Implementation: Randall Krogman, Administrative Services Manager II.

If you have any questions, please contact Mr. Krogman at (619) 767-2622.



Dawn Danielson, Director
Department of Animal Services