



Washington County Auditor's Office

1st Follow Up:

Audit of Animal Services

Final Report

June 10, 2019



Audit Team: County Auditor: John Hutzler, CIA, CGAP, CCSA
Auditor Assigned: Peter Morris, CGAP
Reviewer: Keith Shoop, CGAP

I. Background and Summary

The Animal Services Division within the Department of Health and Human Services (HHS) enforces Washington County's animal service code, which includes licensing dogs, investigating animal abuse, sheltering stray animals, and returning lost pets to their owners.

In February 2018, the Washington County Auditor released his report titled "Audit of Animal Services," together with the response of the County Administrator and the Director of HHS. The Auditor made six recommendations for action to improve compliance with industry standards for animal care, to improve compliance with applicable laws, and to improve controls over cash.

Management generally agreed with the report. The response from the County Administrator and the HHS Director provided reasonable assurance that management would implement five recommendations relating to code compliance and cash handling.

We scheduled this follow-up review to determine the extent to which management had implemented those five audit recommendations. We will address the sixth recommendation, compliance with industry standards for animal care, in a separate report.

We found that management had fully implemented four of the five recommendations. On the final recommendation, two parts are in process.

II. Overview of the Original Review

Audit Objectives

The Auditor's Office initiated the Animal Services Audit to address the following objectives:

- a. Did Animal Services comply with industry standards of care?
- b. Did Animal Services comply with applicable laws?
- c. Did Animal Services adequately safeguard cash?

Findings and Recommendations

The original audit determined that Animal Services followed most, but not all applicable laws and could improve controls over cash handling. Compliance with industry standards for animal care will be addressed in a separate report.

To improve its compliance with applicable laws, we recommended that Animal Services should:

1. License all animal rescue entities that operate within Washington County,
2. Make available to the public a full list of animals in the custody or care of animal services or any enforcement officer, and.
3. Revise its policy to clarify that staff must retain all finding reports of domestic animals for six months.

To improve cash handling, we recommended:

4. Animal Services management should:
 - a. Revise cash handling policies and procedures to address cash transactions in the field, and the processing of mail payments,
 - b. Discontinue, or increase controls over, the practice of accepting cash payments in the field,
 - c. Change the safe combination at least once a year and following the departure of any staff with safe access,
 - d. Establish processes and written procedures for documenting the transfers of the daily deposit between Animal Services administrative staff and animal service officers and between those officers and HHS Administration,
 - e. Reconcile Animal Services daily receipts to the general ledger,
 - f. Ensure that Animal Services staff
 - i. Perform all cash counts out of public view,
 - ii. Lock their cash drawer when they go on break,
 - iii. Securely store the beginning balance for any unused cash drawer,
 - iv. Process mail payments on the day of receipt,
 - v. Securely store all credit card information.
5. HHS Administration should enable reconciliation of daily receipts to the general ledger by providing Animal Services management with a daily report of the general ledger entries for daily shelter deposits.

III. Status of Audit Recommendations

We found that management had fully implemented four of the five recommendations. On the final recommendation, two parts are in process.

1. Animal Services should establish a process for animal rescue entities operating in Washington County to obtain a license.

Final Status - Fully Implemented In our 2018 audit, we found that, although County Code required that animal rescue agency operating in Washington County obtain a license from Animal Services, Animal Services had not established a process for animal rescue entities (AREs) to apply for and obtain a license. Animal Services has now established that process, and notified all known AREs operating in the County of their obligation to obtain a license. Animal Services is reviewing applications.

2. Animal Services should make available to the public a full list of animals in the custody or care of Animal Services or any enforcement officer.

Final Status - Fully Implemented In our 2018 audit, we found that Animal Services did not provide a public listing of every impounded animal as required by County Code. Animal Services did not include impounded animals held pending a court hearing, dangerous dogs, and animals quarantined as potentially rabid.

Animal Services now keeps a daily record of all animals impounded at the shelter and will provide that record to members of the public upon receipt of a public records request. Such requests will be addressed immediately as requests for readily available information, without a records review to determine whether all or a portion of the contents may be subject to exemption, checking with County Counsel, estimating costs or requiring payment.

3. Animal Services should revise its policy to clarify that staff must retain all finding reports of domestic animals for six months.

Final Status - Fully Implemented In our 2018 report we found that only five months of finding reports were retained by the shelter and made available for public inspection, although County Code requires that six months of reports be available. Animal Services policy had not clearly communicated the legal requirements to staff.

Animal Services has revised its policy to clarify six months of records of findings reports must be retained and available to the public.

4. To improve controls over cash, Animal Services management should :
 - a. Revise cash handling policies and procedures to address cash transactions in the field, and the processing of mail payments.
 - b. Discontinue, or increase controls over, the practice of accepting cash payments in the field.
 - c. Change the safe combination at least once a year and following the termination of any staff with safe access.
 - d. Establish processes and written procedures for documenting the transfers of the daily deposit between Animal Services administration and HHS Administration.
 - e. Reconcile Animal Services daily receipts to the general ledger.
 - f. Ensure that Animal Services staff:
 - i. Perform all cash counts out of public view,
 - ii. Lock their cash drawer when they go on break,
 - iii. Securely store the beginning balance for any unused cash drawer,
 - iv. Process mail payments on the day of receipt,
 - v. Securely store all credit card information.

Current Status – In Process Animal Services implemented nearly all the cash management recommendations.

- a. Management revised cash handling policies and procedures to discontinue the practice of accepting cash payments in the field and the processing of mail payments.
- b. Field officers may no longer accept cash payments.
- c. Policy now requires a manager change the safe combination at least once a year and following the departure of any staff with safe access. However, we found the combination was not changed until several weeks after the departure of an employee with safe access. *We will conduct further follow-up to determine whether management fully implements this recommendation.*
- d. Management developed a process and procedures to document the transfer of daily deposit from Animal Services Administration to Health and Human Services Administration.
- e. Management now reconciles daily deposits to the general ledger.
- f. Animal Services changed the opening time of the animal shelter to allow staff to count cash out of public view. Staff lock their cash drawers during breaks, and

securely store starting cash for drawers not in use and all credit card information. Animal Services adopted a policy of processing mail payments within 3 days of receipt. This does not satisfy County Fiscal Policy which requires that receipts exceeding \$100 be deposited on the day of receipt. *Animal Services management reported they are working with the Finance Department on a potential change to the Fiscal Policy.*

5. HHS Administration should enable reconciliation of daily receipts to the general ledger by providing Animal Services management with a daily report of the general ledger entries for daily shelter deposits.

Final Status - Fully Implemented Our 2018 audit found that HHS did not reconcile Animal Services daily receipts recorded in the general ledger to the Animal Services records of daily receipts. Our current review found Animal Services worked with HHS Administration to develop a procedure and reporting process to provide Animal Services with a report allowing daily reconciliation of receipts deposited.

IV. About this Review

In March 2019 we initiated a follow-up review to determine whether management had implemented five recommendations from our February 2018 Audit of Animal Services. We asked the Animals Services Manager to describe any actions taken to implement the Auditor's recommendations, and to provide documentation that would support the actions taken. We reviewed the response to our request, reviewed the documentation submitted, and collected additional information as necessary to provide sufficient, appropriate evidence to conclude whether each recommendation was fully implemented. We will review the unimplemented recommendation again in one year. We concluded that a recommendation was Fully Implemented if we found management had completed the recommended actions or had adequately addressed the issues identified by alternative means. We concluded that a recommendation was Partially Implemented if we found management had completed some, but not all, actions and planned to take no further action on the recommendation. We concluded that a recommendation was Not Implemented if we found management had taken no action to implement the recommendation and did not plan to take action. We identified a recommendation as In Process if management planned to take further action to implement the recommendation.

We conducted this follow-up audit in accordance with generally accepted government auditing standards, except that we have not had an external peer review. 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 findings and conclusions based on our audit objectives.



signed:

John Hutzler, CIA, CGAP, CCSA
Washington County Auditor



June 7, 2019

TO: John Hutzler, County Auditor

FROM: Robert Davis, County Administrator
Sia Lindstrom, Sr. Deputy County Administrator

SUBJECT: RESPONSE TO FIRST FOLLOW UP: Audit of Animal Services

We have reviewed the report dated May 23, 2019, regarding your first follow-up to the Animal Services Audit which was initiated in 2017.

We appreciate the work the Auditor's Office undertook to assess the important services provided within the Animal Services Division. HHS values continuous quality improvement. The recommendations in your original report supported our intention to ensure we provide quality services throughout HHS, which includes Animal Services.

Your follow-up report is a positive and accurate assessment of the steps taken at Animal Services to address your recommendations. We appreciate the collaboration of the Auditor's Office with the staff at Animal Services and believe that the combined efforts have resulted in improvements to our programs and services.

Cc: Marni Kuyl, Health and Human Services Director
Mjere Simantel, HHS Assistant Director
Randy Covey, Animal Services Manager