



Clerk of the Circuit Court
Board of County Commissioners
Marion County
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Internal Audit Division

David R. Ellspermann

Clerk of the Circuit Court

Wallace K. Watford

Internal Auditor

MEMORANDUM

TO: Lee A. Niblock, Community Resources Bureau Chief
Jill E. Lancon, Animal Center Director

FROM: David R. Ellspermann, Clerk of the Circuit Court

DATE: June 13, 2006

RE: FOLLOW-UP REVIEW OF MARION COUNTY ANIMAL CENTER

The Internal Audit Division has performed a follow-up review of our previous Special Review of Marion County Animal Center (*Report No. 2003-03*) to report on the status of recommendations contained therein. This review was conducted in accordance with Division Policy and Procedure #3.5 to “determine the extent of actions subsequently taken by County management in response to the findings and recommendations included in the report.”

The follow-up review procedures principally consisted of management and staff inquiries, review of written documentation and on-site observations. This report addresses the specific recommendations and management responses contained within the original report.

As disclosed in the attached summary, there were five (5) recommendations made in the original report. We determined that three (3) were fully implemented and two (2) were partially implemented. We commend management for the fully implemented recommendations and encourage management to ensure the remaining recommendations are implemented to the fullest extent practicable.

This report includes a final section that expands our comments on the status of the two recommendations which were partially implemented, as well as current issues we feel should be brought to management’s attention. We note that management promptly addressed these additional issues before the release of this report and should be commended for taking these immediate actions.

This review was performed by Sachiko Leon and Kathy Fitzhugh, Staff Auditors, under the direction of Wallace Watford, Internal Auditor. We would like to express our appreciation to the Animal Center Director and Department staff for their assistance and cooperation during this follow-up review.

c: Patrick G. Howard, County Administrator
Gisela, R. Salas, Deputy County Administrator

Status of Recommendations included in the Animal Center Report # 2003-03

Recommendation	Management Response	Current Status	Auditor Comments
1. Animal Center should make daily and current deposits, and discontinue its practice of holding daily receipts. Further, any customer refunds should be made through authorized check requests.	Concur	Implemented	Review of records of deposit procedures confirmed that Animal Center has been making daily and current deposits to the extent practicable and has followed proper refund procedures. See Additional Discussion on the following page.
2. Animal Center management should continue with the update of the Employee Manual to ensure that each policy and procedure is current.	Concur	Implemented	The manual had been updated. The Director informed us that the manual is further being updated for use as a training manual.
3. Animal Center management should establish a procedure for periodic physical inventory of selected drugs, medicines and vaccines, which are then reconciled to supporting records of the purchases and usages of the items.	Concur	Partially Implemented	Animal Center performs inventories of selected drugs regularly but does not reconcile. We offer our assistance to implement a reconciliation process. See Additional Discussion on the following page.
4. Animal Center management should consider additional inventory control enhancements over its animal food and maintenance items. These could include: establish a procedure for periodic physical inventory of selected items and reconciliation to supporting records of the purchases and usages of the items; establish a policy that allows, and under what circumstances, food and other care items to be given for foster care and adopted animals; and establish a policy to note usages of certain significant items on individual animal records.	Concur	Partially Implemented	Our recommendation was made to increase accountability of use of donated as well as purchased food and animal care items to ensure those were only used for the animals which Animal Center is responsible. Additional inventory of the specified items were not performed. Animal Center did address distribution of food and maintenance items pertaining to animal foster care. Records of distributed items are documented in each animal's kennel card. See Additional Discussion on the following page.
5. The appropriate County personnel should give due consideration to the Animal Center Director's suggestions in the interior improvements of the facility.	Concur	Implemented	The Director's input was given due consideration. The facility improvements began in March 2006.

ADDITIONAL DISCUSSION

Daily Receipts Deposit (Recommendation #1)

This recommendation was fully implemented. During our follow up review, we became aware that revenues from Friday and Saturday are not picked up until following Tuesday. Department staff stated that the Monday pick up was discontinued by the contracted security firm, Wackenhut, due to an inconvenience to the firm. The Center operates on Monday but is closed to the public, and the firm must use an employee gate for pick up on that day. This gate can only be opened by somebody inside the facility. The firm would be delayed if no employee was readily available when the firm drove up.

Total revenues of Friday and Saturday are usually between \$2,000 and \$3,000, of which approximately 50 % is cash. We believe the Center takes adequate precaution for the security and safeguarding of the revenues, but there is additional exposure the longer cash and checks are maintained on the premises. **We recommend** that Animal Center consider requesting Wackenhut to resume Monday pick ups.

(We discussed this issue on May 10th with the Director, who immediately implemented the recommendation. Wackenhut has resumed Monday pick ups and now notifies the Center before arrival.)

Inventory Issues (Recommendations #3 and #4)

Both recommendations concerned taking physical inventories and reconciling to purchases and usages of the items. Although these two recommendations were not fully implemented, we believe that the Animal Center made good faith efforts toward implementation.

Recommendation #3 concerned inventory and reconciliation of selected drugs. We determined the status of the recommendation as “partially implemented” because physical inventories were taken regularly but the results were not reconciled to the supporting records of purchases and usages of the respective items. The Animal Center Director stated that they might not have understood the proper reconciliation processes. We will assist staff with inventory reconciliation and other minor technical inventory issues which are being separately addressed to Management.

We determined recommendation #4, concerning inventory of animal food and maintenance items, to be “partially implemented.” The intent of our recommendation was to increase the accountability of the usage of food and animal care items to ensure that they were only for the animals which Animal Center is responsible. Animal Center did not account for those items. This issue was, however, addressed in the Center’s Policies and Procedures which states “Food and litter may be dispensed if needed...” and “Document the items that are given to the foster parent on the kennel card.” We still recommend that Animal Center take physical inventory of food and maintenance items for care of animals, such as starter packs, and reconcile. In its response to the recommendation, Management listed five action items to implement the recommendation. Although the interpretation of the recommendation was somewhat different from our intent, the Center carried out those action items and has been taking physical inventories of cleaning and surgical supplies. We did not intend to recommend inventories of all such supplies, only animal food and care items. Management should examine and select items for inventorying which would provide operational benefits to Management.

Distribution of Supplies for Foster Care Animals

The Animal Center has a Foster Care program in which volunteers temporarily take home animals who require more attention until they become adoptable. The program policy states that “Any foster home needing supplies ie: carrier, litter box, and dishes may borrow items needed for the care of the foster animals.” It further states that consumable items such as “Food and litter may be dispensed if needed when the animals are released to the foster home.” Management informed us that only Department employees who foster animals were provided with such care items. Management cited a reason that the public often doesn’t return the items borrowed. We believe that all foster homes should be treated equally. **We recommend** that foster families, whether members of the public or Department employees, receive equal treatment and benefits for their services. **We further recommend** that Animal Center establish procedures which would ensure the collection of borrowed items to the extent practicable from the foster homes.

(We discussed this issue on May 10th with the Director, who promptly addressed this issue and informed all staff to make equipment available to all foster families who require it. Further, the Director informed us that these instructions are being incorporated into the Employee Manual that is currently being updated.)