



**CITY OF VANCOUVER
INTERNAL AUDIT REPORT
Animal Services Operational Review**

Distribution:

Audit Committee
KPMG (External Auditor)

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EXECUTIVE SUMMARY

May 3, 2021

This audit reviewed operational practices of the City’s Animal Services division to ensure that internal controls are adequate and effective, and key business processes are efficient and comply with City policies and procedures.

Internal controls over processes relating to Animal Services operations require improvement. There is potential for improved internal control and additional risk mitigation in the management of the division’s volunteer program, oversight of fee waivers granted, and inventory management processes.

The more significant findings and recommendations are:

E.1 Enhance oversight of volunteer program

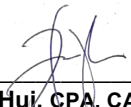
Management has agreed to ensure that volunteer waiver forms are signed annually, to comply with the City’s volunteer policy. Additionally, a schedule of volunteer shifts will be maintained for future reference.

E.2 Review Ride Home Free policy and ensure validity of waived impound fees

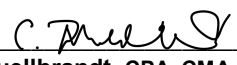
The current practice of granting an impound fee waiver under the division’s Ride Home Free policy will be evaluated. If it is determined that the practice will continue, management will implement additional review processes to ensure that waivers are valid.

E.3 Improve inventory management of kennel supplies

A process for periodic inventory counts will be implemented to strengthen the newly implemented inventory tracking process. Management will also investigate the use of an inventory management tool to determine whether a cost-effective solution is readily available.



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A. BACKGROUND

The Animal Services Division of Development, Buildings and Licensing is responsible for operating the City's animal shelter, coordinating animal adoptions, issuing dog licenses, and enforcing the Animal Control By-law.

Animal Shelter Facility

The City's animal shelter is located at 1280 Raymur Avenue and is open daily from 8:00 a.m. to 8:00 p.m. with visits by appointment only due to current COVID-19 protocols. While the animal shelter was established primarily as a dog shelter, today there is a wide variety of animals that are cared for including birds, reptiles and rodents.

Organizational Structure

The Animal Services Division is comprised of one manager and 27 staff regular full time and auxiliary staff. The organizational structure supports three functions: animal care, enforcement, and administration. The division's annual operating budget is \$1.77 million.

Community Involvement

Animal Services relies on donated items from the public or other organizations for items such as blankets, pet food and other supplies, as funding is limited for these items. The division runs various community outreach initiatives at community events, parks, and other high traffic areas with the objective of promoting responsible dog ownership and establishing positive interactions with the public.

B. SCOPE

The audit objective was to provide reasonable independent assurance that the existing internal controls and business processes related to the operations of the City's Animal Services division are adequate, effective, and efficient. Our work included a review of the processes and selected sample transactions related to:

- human resources;
- financial management;
- inventory management;
- cash handling;
- procurement; and
- customer service.

The audit is not designed to detect fraud. Accordingly there should be no such reliance.

C. CONCLUSION

In our opinion, internal controls over processes relating to Animal Services operations require improvement. While some processes have been newly implemented to enhance oversight, additional risks can be mitigated and processes improved by strengthening controls around volunteer program management, impound fee waivers, and inventory management.

Findings and recommendations have been discussed with appropriate management and responses incorporated in this report.

D. RISK ANALYSIS

The potential significant risks considered if controls were not in place are:

- Staff may not comply with City policies or established departmental procedures;
- Staff may not have adequate training to perform their job function and ensure animal care is appropriate;
- Staff health and safety risk;
- Cash donations may not be applied to the intended activity;
- In-kind donations and other inventory may not be tracked and safeguarded;
- The process for administering the Animal Welfare Grant may not be fair and transparent;
- Revenue may not be received; some customers may not be charged the appropriate fee;
- Supplies may not be purchased in a cost efficient manner; and
- Contractor services may not be procured following the City's procurement policy.

E. AUDIT ISSUES, RECOMMENDATIONS AND MANAGEMENT RESPONSES

E.1 Enhance oversight of volunteer program

Animal Services operates a volunteer program whereby volunteers can walk and interact with dogs from the animal shelter. Given limited staff time this enables additional care and attention to be provided to the animals. Due to safety concerns related to COVID-19, this program was pared down in 2020 and was restarted in 2021 on a more limited basis to focus primarily on dog-walking.

Four volunteers are currently involved in the program as the number of dogs held at the shelter remains low. A colour-coding system is employed to match dogs with appropriate volunteers and activities, based on a dog's behaviour as well as the experience and ability of the volunteers.

Volunteer Waiver Form to be Signed Annually

In addition to various procedure documents outlining the tasks and activities permitted during dog-walking shifts, volunteers are required to sign a City of Vancouver Volunteer Form. A section of this form is a waiver that releases the City from any liability arising from the volunteer activity. For 2021, one volunteer had signed the form, with the remaining three having most recently signed in 2019. As this sign-off is required annually, management indicated that the remainder will sign a 2021 waiver prior to their next volunteer shift.

Improve Scheduling of Volunteer Shifts

The Animal Services Supervisor manages the volunteers and uses an Outlook calendar to schedule the volunteer shifts. In this current format, it is difficult to retrieve a record of which

volunteers were on-site at the shelter for a given time period. A consolidated schedule would be useful if any incidents take place at the shelter that require contact tracing, such as a COVID-19 exposure.

Recommendations:

E.1.1 The Assistant Director, Community Standards should oversee that Animal Services staff track and maintain records of volunteer waivers signed to ensure that all volunteers sign annually. This should be completed by September 30, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.1.2 The Assistant Director, Community Standards should ensure that Animal Services staff develop and maintain a volunteer shift schedule that would establish a record of volunteer visits to the facility for future reference as required. This should be in place by September 30, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.2 Review Ride Home Free policy and ensure validity of waived impound fees

Current practice is that if a dog is impounded by Animal Services, the Animal Control Officer will waive the impound fee if it is determined that the dog is licensed and has not been granted a previous waiver during the calendar year. To record the waived fee, this transaction is entered into the system as a "Ride Home Free (RHF)". One advantage of the current practice in providing one annual impound fee waiver is that it may provide an incentive to citizens to obtain a dog license.

Operational Standard in Place for Staff

Animal Services has developed an operational standard for RHF's for staff's use that outlines the requirements that need to be met before applying this waiver. The operational standard was approved in 2015 by the Manager of Animal Services at that time. However, while the practice has been defined and approved by management, the Animal Control Bylaw does not establish the practice of providing a waiver for dog license holders.

Not All Records Updated Accurately

There were 75 RHF's entered into the system during 2020 and impound fees are \$96.00 for licensed dogs. Review of a sample of these transactions revealed two issues:

- Comments were not always entered into the system to record the RHF for the specific dog, which could result in an additional RHF granted. This is due to the manual entry required and the fact that two systems are involved that are not automatically linked.
- One RHF was found to have been granted when the dog license had expired. There is no system control to prevent a waived impound fee being made in error.

Recommendations:

E.2.1 The Assistant Director, Community Standards should review the current practice of waivers of impound fees under the Ride Home Free policy and consider whether the practice should continue. This review should be completed by September 30, 2021.

Management Response:

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

E.2.2 If the Ride Home Free policy and granting of impound fee waivers to dog license holders is to continue, management should establish an effective process to ensure that waivers are valid. This should be completed by December 31, 2021.

Management Response:

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

E.3 Improve inventory management of kennel supplies

Supplies, including pet food used at the animal shelter are obtained primarily by donations from individuals and other animal care organizations. These in-kind donations are inventoried and secured in a separate storage trailer. While there is no record of the value of the inventory, most items are of low value and the total inventory is estimated to be worth less than \$10,000.

Prior to February 2021 there was no inventory tracking in place. Currently, tracking is done manually and maintained in an excel database which is updated monthly. Manual sign in and sign out sheets are used to record changes to inventory as supplies are used, received, or expired.

Recommendations:

E.3.1 The Assistant Director, Community Standards should ensure that Animal Services staff implement a periodic inventory count process to ensure supplies are adequately safeguarded and accounted for. Consideration should be given to adequate segregation of duties so that the inventory tracking and inventory count functions do not involve the same staff member. This process should be in place by September 30, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.3.2 The Assistant Director, Community Standards Management should investigate whether an appropriate, cost-effective inventory management tool could be readily deployed. This assessment should be complete by September 30, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.4 Formalize contract for animal behaviourist services

The Animal Services division engages the services of an animal behaviourist to conduct assessments of dog behaviour. These services are authorized by the Manager, Animal Services when deemed relevant and useful typically for providing evidence in a court setting.

One animal behaviourist specialist has been providing these services for the past number of years. Services provided and billed by this specialist amounted to \$22,000 in 2020, and \$18,000 in 2019. While there is no documentation of the initial selection of provider of these services, management indicated that they were chosen due to their unique credentials and reputation in the field. Spending on these services has slowly increased over the years due to the nature of court cases involving aggressive dogs.

There currently is no formal agreement in place with the animal behaviourist.

Recommendation:

E.4.1 The Assistant Director, Community Standards Management should consult with the Supply Chain Management department to ensure a proper contractual agreement is put in place for animal behaviourist services. Initial discussions should be underway by July 31, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.5 Review and formalize departmental procedure documents to improve business processes

The Animal Services Division has a comprehensive set of departmental procedure documents, which are referred to as “operational standards”. These serve as guidelines for staff on various aspects of operations, including dog handling, ticketing, impounding, and court procedures.

The operational standards are stored in a Vandocs folder for staff reference. There are 112 records in this folder; some records are marked as “Current” and some as “Old”.

Twenty-eight operational standards that were identified by management as the most relevant. Review of these documents revealed the following:

- 14 standards did not contain documented management approval on the latest revision of the document;
- Two standards appeared to be incomplete or were otherwise missing information; and
- Ten standards were dated back to 2016 or older and there was no evidence of review since then.

Recommendations:

E.5.1 To improve the effectiveness and efficiency of the operations, the Assistant Director, Community Standards Management should ensure that all Animal Services policy and procedure documents (operating standards) are completed and approved by management. Older documents should be moved to an archive to reduce the number of folder records and provide ease of reference. Once updated and approved, the procedure documents should be communicated to staff in Animal Services. This should be completed by December 31, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.5.2 The Assistant Director, Community Standards Management should oversee that a process is established for periodic review of departmental policy and procedure documents to ensure that they are kept current. A process should be in place by December 31, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.5.3 The Assistant Director, Community Standards Management should finalize a guideline / operational standard addressing the usage of vehicles. This should be updated and communicated to staff by December 31, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations

E.6 Ensure completion of staff training

Animal Services staff, particularly animal control officers, have a specialized role that requires training and experience in multiple areas. The nature of their jobs can involve dealing with aggressive dogs and also various types of interactions with dog owners.

While management indicated that staff are often hired with existing experience in handling animals, Animal Services staff also complete training sessions provided internally by the City's learning system.

Training records for 26 Animal Services staff were reviewed and revealed the following:

- Seven staff have not completed the City's training in violence prevention;
- 18 staff members have not completed the occupational first aid training; and
- Five staff have yet to complete the City's conflict of interest / code of conduct course.

While staff may have completed training externally in some of these topics prior to starting their role at the City, it may be useful to provide this training as a refresher after a period of time.

Recommendation:

E.6.1 The Assistant Director, Community Standards Management should oversee an assessment of training requirements for Animal Services staff, a review of training completed and identification of any gaps. Any outstanding training should be completed by staff by December 31, 2021.

Management Response:

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

E.7 Review usage and tracking of monetary donations

In addition to donated supplies, Animal Services accepts monetary donations made by cash, cheque, credit or debit card. Tax-deductible receipts for amounts over \$20 are issued and mailed directly to donors by staff in Accounting Operations. Monetary donations received in 2020 were approximately \$3,000, and \$5,300 in 2019.

The Animal Services webpage on the City's website refers to the acceptance of monetary donations and does not contain details on the purpose or usage of these funds. Currently the revenues from shelter donations are allocated such that they settle to the Animal Services cost centre, thereby offsetting general operating costs of the division.

Of the other Metro Vancouver municipalities that operate animal shelters and also accept monetary donations from citizens, the following practices were noted:

- City of Coquitlam – donations are not used to offset operating costs;
- City of New Westminster – donations are earmarked for veterinary costs;
- City of Surrey - donations are directed to an external site for contributing towards purchase of dog beds.

Recommendations:

E.7.1 The Assistant Director, Community Standards should review the current policy of applying donated funds to the shelter’s operating costs, rather than designating a specific purpose such as veterinary care. The usage of donated funds should be formalized and communicated clearly on the Animal Services webpage as well as any associated donation tax receipt so that donors are aware on how their donation will be used. This should be completed by September 30, 2021.

Management Response:

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

E.7.2 If monetary donations going forward are to be applied to a designated purpose, the Assistant Director, Community Standards Management should ensure that a mechanism is put in place to enable accurate tracking of the usage of the funds. This should be completed by September 30, 2021.

Management Response:

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

E.8 Enhance visibility of and accessibility to Animal Welfare Grant

As stated in the September 4, 2020 report to Council regarding the 2020 Animal Welfare Grant, “The objective of the Animal Welfare Grant is to provide financial aid to registered non-profit organizations that assist Vancouver in a capacity that the City cannot feasibly provide while supporting the City’s animal control and licensing work.” The amount of the 2020 Animal Welfare Grant was \$11,935, and allocated to two organizations, as approved by City Council on October 21, 2020.

Grant Application Evaluation is in Place and Documented

Animal Services staff currently choose which organizations receive an application package based on their involvement with the shelter. For the 2020 grant, 14 organizations were provided with an application package; four organizations applied. A formal evaluation is and rating of applicants was performed and documented by management.

Webpage information can increase visibility to public

While the Council report that recommends the awarding of the grant is publicly available, the Animal Services webpage currently does not contain any reference to the Animal Welfare Grant. Providing an overview of the grant, timing, and process for applying would increase transparency and reach a wider audience.

Recommendation:

E.8.1 The Assistant Director, Community Standards should ensure that information about the Animal Welfare Grant is made widely accessible. A description could be included on the Animal Services webpage to ensure that this information is shared equitably among all potential grant recipients. This should be updated by December 31, 2021.

Management Response:

Please check one:

- Agree with the findings
- Disagree with the findings

Please check one:

- Agree with the recommendations
- Disagree with the recommendations