Review of Selected Business Processes at the Animal Care and Regulation Division

April 15, 2010

Report No. 10-05

Office of the County Auditor
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County Auditor
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Executive Summary

This report presents the results of our review of selected business processes at the Animal Care and Regulation Division (ACARD). Initially our objective was to evaluate controls over the cash handling process. Based upon the severity of deficiencies identified in the early stages of our review, we expanded our scope to include the pet licensing and citations functions and information technology controls over the Chameleon software system used by ACARD to manage many of the Division’s operations. Our findings and recommendations are divided into the following functional categories:

**Pet Licensing (pages 6-13):**
ACARD lacks adequate controls to effectively and efficiently manage its pet licensing program, including failure to:
- ensure available vaccination and licensing information is current in the Chameleon system,
- implement consequences for non-compliance or non-payment,
- ensure timely payment of revenues and submission of certificates from veterinarians, and
- reconcile veterinarian accounts at the end of the year.

**Citations (pages 13-15):**
ACARD doesn’t monitor or track unpaid citations nor do they file lien notices for citations issued against non-paying pet owners.

**Cash Handling (pages 15-21):**
ACARD does not have adequate controls in place to ensure the integrity of its cash handling processes, including:
- failure to secure cash and checks received through the mail,
- failure to ensure all deposits are made within 24 hours of receipt,
- lack of daily reconciliation for licensure and citation activities, and
- lack of segregation of duties.

**Accounts Receivables (page 21-22):**
ACARD does not maintain proper accounts receivable records and does not monitor or have adequate procedures in place to collect overdue accounts.

**Information Technology (IT) Controls (pages 23-28):**
ACARD lacks adequate controls over information technology, including:
- ineffective utilization of the Chameleon system,
- deficiencies in physical controls over IT equipment,
- inappropriate separation of conflicting duties along with unrestricted system access, and
lack of back up resources to support ACARD systems.

Other Findings (pages 28-29)
ACARD lacks written policies and procedures to guide administrative staff through day to day operations.

It is important to note that during the course of our review ACARD Managers were attentive to identified concerns and took immediate actions to rectify many of the observed deficiencies. As applicable, discussions of the findings contained within this report are based upon our original observations of conditions within the Division. Recommendations included herein are designed to address the observed deficiencies and to assist ACARD in their continuing and expanding efforts for improvement. The extent of the remedial actions needed would appear to exceed the staff resources within ACARD. Therefore, we recommend the Board of County Commissioners direct the County Administrator to create a team of individuals with the necessary financial, business or operational expertise to assist ACARD in addressing the critical issues enumerated in our report.

Purpose and Scope

The original purpose of this review was to evaluate controls over cash handling processing at ACARD. Based upon the severity of our initial findings, our scope was expanded to include the pet licensing and citations functions and controls over the Chameleon software system. Our objectives were to determine if the appropriate controls are in place to manage these processes and to evaluate the Division’s effectiveness in the assessment and collection of program fees and fines. These functions are managed through the Chameleon software system (Chameleon). Therefore, our review also included an assessment of the general controls and system functionality of Chameleon. Our review encompasses the processes in place at ACARD from July 2009 through April 15, 2010.

Methodology

To accomplish our objectives, we:

- Reviewed Florida Statutes and Broward County Code of Ordinances,
- Reviewed Volume 8, *Cash Handling and Deposit Procedures* of the Internal Control Handbook (ICH)
- Interviewed ACARD managers and employees and toured the Fort Lauderdale facility,
- Observed ACARD staff in various phases of work,
Compliance Review

- Reviewed applicable ACARD records and documents, including relevant policies and procedures,
- Analyzed available financial data and reports generated by the Chameleon system,
- Conducted reviews of peer county ordinances and animal control programs, including interviews with management staff,
- Reviewed available policies and procedures governing system administration, management and use,
- Identified ACARD controls over its Information Technology (IT) environment, including review and observation of processes for:
  - Administration and management of user access to Chameleon, its database and operating infrastructure.
  - Maintenance of the application through changes to the software (internally developed or vendor provided patches/updates), configuration, database, operating system or reporting functions.
- Evaluated the computer operations required to support daily, monthly and annual processing, and
- Reviewed procedures and performed walkthroughs covering input, processing and output associated with the Chameleon system as it relates to financial record keeping including receipts, payments, and automated reconciliation of accounting records.

Background

ACARD’s goal is to promote responsible pet ownership, animal care and community safety. As such, it is ACARD’s responsibility to enforce County ordinances, codes and state laws pertaining to the care of dogs and cats. ACARD operates seven days a week, 24 hours a day with a budgeted staff of 59. The following is a summary of ACARD’s programs and services:

- **Field Operations:** Animal Control Officers enforce the provisions of Broward County Code, Chapter 4\(^1\) and respond to calls regarding sick, injured, stray or vicious animals. Officers responding to calls may retrieve ‘at large’ cats and dogs or issue citations to pet owners in violation of applicable regulations. In fiscal year 2009, ACARD reported 12,449 animals transported by Animal Control Officers and issuance of 3,741 citations.

- **Animal Shelters:** ACARD operates two fully functional animal care shelters located in Fort Lauderdale and Pompano Beach. These facilities provide for the care of impounded or quarantined animals pending adoption or retrieval by their owners. ACARD staff strives to adopt out as many healthy animals as possible.

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\(^1\) Broward County Code of Ordinances, Chapter 4 includes multiple provisions regarding the care and ownership of cats and dogs, such as requirements for vaccinations and licensure, pet restraints, dangerous dogs, and prohibitions against cruelty, abandonment, experimentation and fighting.
In fiscal year 2009 ACARD reported that 1,872 impounded pets were returned to their owners and 3,263 cats and dogs were adopted.

- **Clinic**: The clinic is staffed by a licensed veterinarian and provides medical care, vaccinations and sterilization services to impound and County owned animals (e.g. Parks and Recreation stable operations).

- **Vaccination and Licensure Programs**: ACARD sponsors low cost rabies vaccination programs and coordinates County-wide licensure activities. As applicable, pet owners who fail to properly vaccinate and/or license their pets may be issued citations. In fiscal year 2009, approximately 163,000\(^2\) license tags were issued to pet owners and 1,608 animals were provided with rabies vaccinations\(^3\) via low cost vaccination clinics.

- **Public Education and Marketing Programs**: include special events (i.e. vaccination clinics) and communication with the public regarding adoption services, pet safety education, ordinance requirements and volunteer opportunities. Services also include responsible pet ownership sessions with elementary school children.

- **Real time website information**: Every 30 minutes, the Division’s website is updated with the pictures and basic information of rescued and/or adoptable cats and dogs. This service facilitates reuniting owners with lost pets as well as providing information to the public about adoptable animals.

- **Partnerships with over 40 animal rescue groups**: In fiscal year 2009, ACARD reportedly released 1,321 animals to local rescue organizations. The Division also partners with Pet Supermarket stores to have cats and kittens available for adoption at various store locations.

- **Stop Pet Overpopulation (SPOT)**: The SPOT program provides sterilization services to low income families; in fiscal year 2009, 3,528 pets were sterilized through this program.

- **Oral rabies vaccine program**: Controls the spread of rabies disease through the vaccination of wildlife (ex: raccoons) by leaving treated food items in various habitats.

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\(^2\) This number does not include vaccinations and licenses issued at the shelter by the Veterinarian on staff.

\(^3\) Rabies vaccinations are considered the first line of defense in preventing the spread of this potentially fatal disease, which can affect both animals and humans.
As shown in Exhibit 1, ACARD’s operations generated fees, fines and miscellaneous revenues totaling $2,386,519 while expenditures totaled $4,494,096. The resulting “operating deficit” of $2,107,577 was funded by the general fund. ACARD’s principal revenues are from license fees, shelter operations (i.e. adoption, impounding, etc.) and citation charges.

**Exhibit 1:** In FY 2009, ACARD operating revenues of $2,386,519 were lower than expected, representing 53% of the Division’s actual expenditures

<table>
<thead>
<tr>
<th>ACARD 2009 Revenues and Expenditures</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Fees</td>
<td>$2,500,000</td>
<td>$1,864,555</td>
</tr>
<tr>
<td>Shelter- Fort Lauderdale</td>
<td>$300,000</td>
<td>$297,764</td>
</tr>
<tr>
<td>Shelter- Pompano</td>
<td>$50,000</td>
<td>$62,275</td>
</tr>
<tr>
<td>Other Fines/Forfeits</td>
<td>$220,000</td>
<td>$143,637</td>
</tr>
<tr>
<td>Fines and Citation Surcharges</td>
<td>$25,000</td>
<td>$9,631</td>
</tr>
<tr>
<td>Miscellaneous*</td>
<td>-</td>
<td>$8,657</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$3,095,000</td>
<td>$2,386,519</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$4,251,340</td>
<td>$4,494,096</td>
</tr>
<tr>
<td>Amount Funded by General Fund</td>
<td>$1,156,340</td>
<td>$2,107,577</td>
</tr>
<tr>
<td>Revenue % of Expenditures</td>
<td>73%</td>
<td>53%</td>
</tr>
</tbody>
</table>

*Includes Paw Heroes grant, sale of surplus equipment, insufficient funds service fees and cash over/short.

Source: Operating Budget 2009 and Reports from Advantage Financial System

As shown in Exhibit 2, the majority (78%) of the Division’s revenue is from the sale of pet licenses.

**Exhibit 2:** License fees represented 78% of all revenue collected by ACARD in fiscal year 2009

Source: Office of the County Auditor analysis of ACARD revenues
Findings and Recommendations

Our findings and recommendations are presented by functional area as follows:

1. Pet Licensing – pages 6-13
2. Citations - pages 13-15
3. Cash Handling - pages 15-21
5. Information Technology Controls pages 23-28, and

Pet Licensing

Section 828.30, Florida Statutes and Sections 4-10 and 4-11, Broward County Code of Ordinances, require that all dogs and cats be vaccinated against rabies by the age of four months. Rabies vaccinations can be administered for one or three year periods and are typically obtained through licensed veterinarians. In Broward County, vaccinations may also be obtained through ACARD offices. Both County Ordinance and State Statutes require veterinarians to submit to ACARD a signed rabies vaccination certificate. Information on the certificate is used to identify the pet, its owners, license tag number and vaccination serial numbers and expiration dates.

Broward County also requires that any persons who own a dog or cat over two months in age obtain a license for their pet. The requirement for licensure is a current rabies vaccination; therefore, the majority of licenses are obtained by owners at the time of their pet’s vaccination. However, persons may obtain and/or renew their pet’s license in a variety of ways:

- At time of adoption through ACARD, Humane Society, Pet Supermarket, or other animal rescue agency,
- Directly from ACARD while attending a low cost rabies vaccination clinic,
- Through authorized veterinarians who issue licenses and tags to owners at the time of vaccination, or
- If the veterinarian who inoculates the pet is not authorized to sell licenses, or the owner declines to purchase the tag at that time, the owner may alternatively obtain the license directly from ACARD in one of the following ways:
  - on-line license renewal system accessible from ACARD’s website

Both Florida Statutes and County Ordinances excuse this requirement when it is certified by a veterinarian that vaccinating the animal would be injurious to its health; however, once the pet’s health permits the animal should be vaccinated.

Juvenile licenses are available for pets under four months of age; however it was discontinued in FY 2010. One year licenses are sold to everyone now.
Compliance Review

- mailing rabies vaccination certificate and fees to ACARD’s offices
- in person at ACARD’s shelter locations

License fees typically vary based upon the term of the license, the animal’s sterilization status, age and other classifications. As shown in Exhibit 3 below, the fees for neutered/spayed dogs and cats are lower than the fees for unsterilized animals. In addition to having higher licensure fees, guard dogs and dangerous dogs also require one time registration fees of $250 and $500, respectively. At a minimum, all licenses expire on the date the vaccination expires. Following expiration of the animal’s vaccination and/or license, owners have up to thirty days to re-vaccinate/renew their pet’s license or they may face late fees and/or additional fines/citations.

### Exhibit 3: Dog and cat license fees vary based on several factors

<table>
<thead>
<tr>
<th>Type of License</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juvenile (2-4 months old)</td>
<td>$5</td>
</tr>
<tr>
<td>1 year</td>
<td></td>
</tr>
<tr>
<td>Adult, Sterilized</td>
<td>$15</td>
</tr>
<tr>
<td>Adult, Non sterilized</td>
<td>$31</td>
</tr>
<tr>
<td>3 year</td>
<td></td>
</tr>
<tr>
<td>Adult, Sterilized</td>
<td>$35</td>
</tr>
<tr>
<td>Adult, Non sterilized</td>
<td>$75</td>
</tr>
<tr>
<td>Guard Dog (one year, sterilized or unsterilized)</td>
<td>$150</td>
</tr>
<tr>
<td>Dangerous Dog (one year, sterilized or unsterilized)</td>
<td>$300</td>
</tr>
<tr>
<td>Service Animal</td>
<td>No fee</td>
</tr>
</tbody>
</table>

*Source: Broward County Administrative Code, Part V. Animal Care and Regulation, Section 37.61 Fee Schedule*

When issued a license, each pet receives a numbered identification tag. With minor exceptions, the identification tag is to be worn at all times. The purpose of the tag is to indicate proof of rabies vaccine and to identify owners of lost pets through the County’s database system.

To facilitate the licensing of pets in Broward County, ACARD issues license tags to some local veterinarians who in turn sell the tags to pet owners. Each veterinarian and/or agency who issue licenses is required to submit to ACARD, on a monthly basis, rabies certificates for all vaccines administered, a reconciliation worksheet listing the corresponding license number and type issued, and collected payments. At the end of each fiscal year, veterinarians are required to return all unused tags to the County.

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6 A “Dangerous Dog” is a dog that has done the following:
- A dog that when unprovoked approaches a person in a menacing fashion or with an attack attitude.
- A dog that has killed or caused the death of a domestic animal in one incident, while off the owner’s or keeper’s property.
- Has aggressively bitten, attacked, endangered, killed or inflicted severe injury on a human being on public or private property.
- Has been used primarily or in part for the purpose of dog fighting.

7 Exceptions include participation in organized exhibitions, legal sport, or when confined in a licensed kennel.

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Presently ACARD has partnerships with approximately 133 veterinarians and rescue groups (veterinarians) for issuing licenses.

It is important to note that according to the Code of County Ordinances, all veterinarians administering a rabies vaccination are required to submit a certificate to ACARD, even if they do not participate in the County’s licensing program. Specifically, Section 4-10 states “one copy of the certificate shall be retained by the veterinarian for at least one (1) year after the vaccination expires, and the other copies shall be distributed to the owner and ACARD.” This permits ACARD to assist in the prevention of rabies through monitoring the administration of vaccines as well as enforcing licensure requirements for owners who fail to purchase licenses in a timely manner.

As a result of these requirements, ACARD staff receive a large volume of rabies certificates and license data, all of which is to be entered into ACARD’s operational and financial database, Chameleon. The Chameleon system is used to track owners and their pets by maintaining information such as owner’s name and address, pet descriptions (including name, gender, sterilization status, breed and coloring), vaccination dates, license numbers, license expiration dates, microchip or tattoo numbers and fees paid. Having this information is important for several reasons:

- Lost pets wearing tags can be readily reunited with owners,
- Vaccination status can be readily checked for animals that are bitten by another animal, or who bite an animal or person, and
- ACARD can issue warning letters to owners whose pets’ vaccinations and/or licenses have expired, or if necessary, issue citations to those who continuously fail to comply with vaccination and/or license requirements.

As previously shown on page 5, in fiscal year 2009, approximately $1.9 million in license fees were collected, representing over 78% of ACARD’s total revenue. Therefore to ensure revenue budget projections are met in the future, it is important that the licensing program operates in an optimal manner, achieving desired results. In addition to being a significant revenue source for the Division, the licensing program is important for disease control and ensuring Broward County’s compliance with State Statutes.

**Finding 1:**

**ACARD lacks adequate controls to effectively and efficiently manage its pet licensing program.**

Deficiencies include:
- Failure to ensure available pet vaccination and licensing information is current in the Chameleon system
- Lack of controls necessary to adequately monitor veterinarians issuing licenses including a failure to:
Compliance Review

- enter into formal written arrangements with veterinarians,
- implement consequences for non compliance or non-payment,
- monitor charges to pet owners against licenses types and payments submitted,
- ensure timely payment of revenues and submission of certificates from veterinarians,
- timely collect unissued tags at the end of the year
- reconcile veterinarian accounts at the end of year to ensure all payments and unused tags have been remitted to ACARD.

- Inconsistent assessment of late fees to owners whose pets’ licenses expire.

The current time lag for entering vaccination and license data in the Chameleon system is 13 months.

ACARD staff receives rabies certificates and/or license data from adoption agencies, veterinarians, and individuals requesting licenses either on line or by mail and are required to enter selected information in the Chameleon system. ACARD managers state that due to the large volume of information received, there is a backlog of records for data entry. As of the end of March 2010, management stated that data entry was completed for licenses submitted by veterinarians up through February 2009, which is a 13 month lag.

Although no formal policy exists to establish expected time frames for data entry, delays of this magnitude are clearly detrimental to effective and efficient operations. For example, without current data available: (1) staff may not have current contact information for lost pets and may not be able to return them to their owners; (2) staff may not have up to date vaccination information and may unnecessarily quarantine or re-vaccinate impounded animals; (3) staff cannot reliably determine if an animal who bites or is bitten by another animal has current vaccinations; and (4) staff cannot efficiently issue warnings and/or citations to owners.

ACARD lacks control over veterinarians issuing license tags

In an effort to facilitate pet licensure, ACARD issues tags to approximately 133 veterinarians who in turn sell these tags to pet owners. This process allows people to conveniently obtain their pet’s license at the time of vaccination. To recover their administrative costs, veterinarians can choose between two methods of compensation for their efforts: (1) retain $2.50-$3.00 of the fees collected for each license and remit the balance of collected monies to ACARD; or (2) charge and retain up to an additional $5 fee and remit the full license purchase price to ACARD. Rescue organizations are permitted to charge new owners the full license fee (or include the license as part of the overall adoption cost) but are only required to remit $1 for each pet license issued.

Each month, veterinarians are required to submit reconciliation worksheets to ACARD denoting the various types of licenses sold (one or three year terms for sterilized or
unsterilized pets), the numbers of the tags sold, rabies certificates for all vaccinations provided and payment for fees collected on behalf of ACARD. If a rabies vaccine is administered to a pet but the owner chooses not to purchase the license, the veterinarian is still required to submit the rabies certificate noting the owner 'declines' to purchase the license. At the end of the fiscal year, veterinarians are required to return to ACARD all unissued tags and submit any additional amounts owed, including fees for lost tags.

In reviewing the licensing program and cash receipts processes, we observed the absence of several basic controls and the inability of ACARD staff to determine the amount of monies potentially owed for fiscal years 2007, 2008 and 2009. Our findings include the following:

- **Lack of formalized relationship:** No written agreements are executed between ACARD and veterinarians. Without formalized agreements/contracts, ACARD lacks the ability to enforce its requirements or impose consequences for non-payment or non-compliance. ACARD staff state that signed agreements were previously in place, but cannot recall when they expired. On September 22, 2009, the Board approved the standard agreement between ACARD and the veterinarians which was implemented for the 2009 -2010 fiscal year.

- **Lack of control over charges to pet owners:** Veterinarians are currently allowed to either retain a portion of the fees collected, or charge their customers an additional amount. ACARD does not require veterinarians to declare their preferred method of compensation nor do they monitor the actual amounts charged to customers on ACARD’s behalf. Requiring veterinarians to declare which option is chosen allows ACARD to reconcile the fees owed which facilitates accounting for the receivables.

- **Lack of knowledge over type of licenses sold:** ACARD relies on representations made by veterinarians to collect and self report the appropriate license fees for the tags sold. Self reporting creates the potential for under reporting and loss of revenue to the County. For example, if a veterinarian sold a license for an unsterilized pet, the owner may be charged $31, plus $5 administrative costs, totaling $36. However, if the same license was reported as being sold to a sterilized pet, using the administrative retaining fee, the amount remitted to ACARD would be $12.50, potentially allowing the vet to keep $23.50, rather than the correct amount of $5.

- **Lack of knowledge regarding monies due:** ACARD relies on veterinarians to report on a monthly basis the number and type of licenses sold each month. Reconciliation worksheets and rabies certificates are due to ACARD by the 10th day of each month. If no reconciliation worksheet is submitted, ACARD does not know the amount due and is unable to invoice the veterinarian. Exhibit 4 below shows the monthly submission of license tags sold for fiscal year 2009 for the 133 veterinarians that participate in the Pet Licensing program.
Exhibit 4: Monthly submissions of License Tags sold by Veterinarians for fiscal year 2009

<table>
<thead>
<tr>
<th>Categories</th>
<th>Number of Submissions</th>
<th>Percentage Submissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted All</td>
<td>85</td>
<td>64%</td>
</tr>
<tr>
<td>missing 1-2 submissions</td>
<td>35</td>
<td>26%</td>
</tr>
<tr>
<td>missing 3 or more submissions</td>
<td>13</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>133</td>
<td>100%</td>
</tr>
</tbody>
</table>

Failure to collect timely payments results in loss of income and interest for ACARD, while failure to receive rabies certificates results in incomplete data in the Chameleon system and the related consequences outlined on page 8.

- **Lack of controls over license tags:** Veterinarians are issued tags in boxes of 100, and may request as many boxes of tags as they like. The serial numbers of the tags issued to each veterinarian are tracked in an Excel spreadsheet. Each month, veterinarians self-report the numbers of the tags issued and also report ‘lost or stolen’ tags. There are no consequences or follow up procedures for tracking ‘lost’ tags, which may result in lost revenues ranging from $15-$75 each. Furthermore, ACARD staff acknowledge that at the end of each fiscal year they do not reconcile the number of unissued tags returned to the number issued to the veterinarians. This is significant as there are potentially thousands of license tags that are unaccounted for and not returned to ACARD. For example, in fiscal year 2009 approximately 236,400 license tags were ordered (approximately 183,000 tags were issued to veterinarians and 53,400 tags were on hand at ACARD for sale). However, ACARD reported in total approximately 163,000 licenses were sold for the same period. Veterinarians returned 67,479 tags, leaving approximately 5,921 tags unaccounted for. At the minimum sales value of $15 each, the unaccounted amount for tags could be valued at $88,815.

- **Lack of annual reconciliation:** ACARD has not completed an annual reconciliation of tags issued and monies paid by veterinarians for fiscal years 2007, 2008 and 2009. For example, the dollar value of the number and types of tags reported as being sold by each veterinarian, minus any applicable fees retained, should equal/ (reconcile to) the total revenues remitted to ACARD. Without performing reconciliations, ACARD cannot determine the revenues due, the number of unissued tags that should be returned, or whether the veterinarian is in compliance with program requirements. As a result, ACARD is likely to be experiencing a loss of revenue, interest income and inventory.

This lack of reconciliation violates the County *Cash Handling and Deposit Procedures*, Volume 8, Section VI. A. of the ICH, which states:
“Organizations that issue permits, licenses, stickers, certificates and other such documents of value need to control these documents by pre-numbering them and accounting for the numbers issued in comparison with the revenue received. This procedure helps to ensure that for every document issued from inventory there is corresponding revenue to the County.”

Although ACARD has pre-numbered the licenses being issued, proper accounting for each numbered item against revenue received has not occurred. Furthermore, Section VIII. A. 3. of the ICH also states “reconciliation must be made periodically of documents used with recorded revenues.” Completing reconciliation activities on a regular basis will improve ACARD’s control over issued licenses and revenue collection, ensure appropriate fees are charged, and payments are remitted in a timely manner.

Late fees for expired licenses are not consistently assessed to owners

Broward County Administrative Code, Part V, Animal Care and Regulation, Section 37.61 Fee Schedule, notes that a late fee of $10 shall be charged for not renewing licenses within 30 days of the expiration date. At the time of our review, this charge was not consistently applied to all customers. For example, the Division’s on-line payment system contains a mechanism to determine if the animal’s previous license had expired and would assess the late fee as applicable. ACARD cashiers processing on-site license renewals can also determine and assess late fees. However, owners purchasing licenses through the Division’s mail in program, at rabies clinics or through authorized representatives (veterinarians, Pet Supermarket) are issued licenses without being charged the appropriate late fees.

Recommendations:

We recommend the Board of County Commissioners direct the County Administrator to take the following actions and provide a progress report to the Board by September 30, 2010:

1. Develop and implement an action plan to reduce the agency’s backlog of entering licensure and vaccination data into the Chameleon system, and subsequently ensure the database is kept current.
2. Implement controls necessary to effectively monitor representatives empowered to issue pet licenses on behalf of Broward County. These actions should include but not be limited to:
   - execution of formalized agreements with issuing veterinarians, with language that provides for: specific due dates of revenue submissions; standardized forms for submission which include the signatures of responsible parties and honesty attestations; consequences for non compliance; and penalties/payments for lost tags,
periodic and random reviews of monthly submissions to verify that the licensing program is being carried out in accordance with the terms of the agreement,

- enforcement of agreement terms, including penalties, fees and corrective actions as appropriate,

- regular reconciliation of licenses issued and payments remitted.

3. Reconcile amounts received from veterinarians against license tags issued, including the collection of unused tags and monies due for fiscal 2009 and consider the feasibility and economic benefit of reconciling 2007 and 2008.

4. Ensure that late fees for expired licenses are consistently applied to all customers in accordance with established fee schedules.

Citations

ACARD Animal Control Officers are authorized to issue citations when they have “probable cause to believe” a person is in violation of Chapter 4, Animals and Fowl, of the Broward County Animal Care and Regulation Ordinances. In general, citations are issued by Animal Control Officers in one of two ways. They may issue citations in the field to persons whose pet is found to be at large, not properly licensed, a nuisance or who has subjected their pet to cruelty, abandonment or fighting. Secondly, they can issue citations in the office to pet owners who have not submitted proof of vaccination or license in a timely manner. Citations are considered to be ‘civil penalties’ and the related fines are delineated in the Broward County Administrative Code, Part 5, Section 37.61n.

Citations issued in the field are payable through the Clerk of Court (Clerk) while citations issued in the office are payable directly to ACARD. All citations include a surcharge fee of $5 to help offset administrative costs. For ‘field’ citations, the Clerk retains the $5 ‘Collection Fee’ surcharge and charges the County an additional $2.50 ‘processing fee’. For ‘office’ citations, this fee is retained by ACARD. The Clerk prepares lien letters for individuals that owe outstanding citation fees. These liens are sent to ACARD for recording with County Records, Taxes and Treasury (RTT) Division.

ACARD staff is assigned to routinely pull citation reports from Chameleon that identify pet owners that are in violation of Broward County Animal Care and Regulation Ordinances by having expired vaccination and/or license. A warning letter is usually generated to apprise pet owners of a violation and allows them 30 days to comply. If the pet owner does not comply within 30 days, a second letter with the citation is issued to the pet owner giving the pet owner 10 days to comply. ACARD staff generates a ‘citation report’ to determine whether the citation was paid. If not paid, a final citation letter and invoice (including an assessment for the late fee) are printed and mailed. Each record is individually updated to add the late fee and also print an invoice.

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8 Each month the Clerk of Court remits to Broward County a single check and a Monthly Remittance Fine and Forfeiture Report which delineates the fines collected for each agency/fund. Animal Control revenue and surcharges are included in this report.
Exhibit 5 below shows the number of citations and the revenues received in fiscal years 2008 and 2009 by ACARD’s Animal Control Officers.

<table>
<thead>
<tr>
<th>Issuer</th>
<th>FY 2008 # Issued</th>
<th>FY 2009 # Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citations</td>
<td>2,452</td>
<td>2,428</td>
</tr>
<tr>
<td>Revenue Collected</td>
<td>$142,243</td>
<td>$143,637</td>
</tr>
</tbody>
</table>

Source: Animal Care and Regulation Division

Finding 2:

ACARD does not:
- monitor or track unpaid citations and
- record liens for unpaid citations.

ACARD does not have procedures to monitor and track citations; as a result the failure to collect fines can result in lost revenue.

Section VI, Document Control, part A of the ICH states “organizations that issue permits, licenses, stickers, certificates and other such documents of value need to control these documents by pre-numbering them and accounting for the numbers issued in comparison with the revenue received.”

At the time of our fieldwork, ACARD did not routinely reconcile citations issued to amounts received from the Clerk. The Clerk collects citation fees on behalf of ACARD; however ACARD does not update the Chameleon system to reflect revenues collected from the Clerk. As a result, ACARD does not know if the amounts received from the Clerk are correct, cannot determine the number of outstanding citations, and the dollar amount of unpaid citations. Failure to update the Chameleon system with the revenues received from the Clerk of Court results in data inaccuracies.

ACARD does not record liens for unpaid citations.

We noted that the Clerk keeps track of citation judgments and payments. If a pet owner is found to be in violation of County ordinances and receives a citation, defaults and does not pay, the Clerk’s system automatically generates a warning letter. If the pet owner does not respond to the warning letter, a lien letter is generated. The lien letter informs the pet owner that a lien will be filed on property they own in Broward County. At the time we performed our fieldwork, the Clerk provides copies of lien letters to ACARD. ACARD staff informed us that they maintain the letters in their internal records, but do not record the lien with the RTT Division. ACARD staff stated that it was too costly to record the liens and they did not have money in the budget, therefore no liens have ever been recorded.
County Records Taxes and Treasury Division staff told us that there is no charge to record the lien for ACARD. According to RTT staff, ACARD could prepare and attach a “transmittal” document to the lien notices and forward to the RTT Division. The lien would be recorded against the person’s real and/or personal property in their name.

Failure to take actions to recover amounts owed to the County for violations of County ordinances reduces revenues that are available to support ACARD operations.

Recommendations

To promote effective issuance and collection of citations, we recommend the Board of County Commissioners direct the County Administrator to take the following actions and provide a progress report to the Board by September 30, 2010:

5. Maintain and update citation data in the Chameleon system and reconcile both the office and field citations on a monthly basis.

6. Prepare a Citation receivable report and follow up on unpaid citations receivables regularly.

7. Evaluate alternative collection methods including recording lien notices with RTT to provide a mechanism for the County to recover amounts owed from pet owners.

Cash Handling

As noted on page 5, ACARD has several sources of revenue, including adoption fees, shelter charges, licenses and citations. Payments for these services/fines can be received as cash, checks or credit card transactions, which can be made either in person, by mail or over the internet. Based on the variety of payment types and methodologies, the processing of cash receipts within ACARD can be complicated. However, as all County agencies face ongoing budgetary cutbacks, it is increasingly important that all available revenues are properly realized, recorded and deposited.

The Internal Control Handbook (ICH) provides guidance to County agencies for the management of cash receipts. Effective internal controls at ACARD are critical to its financial support of operations. These controls include:

- Proper recording of revenue ensures charges to customers are correctly assessed in accordance with County fee schedules established by the Board of County Commissioners,
Compliance Review

- Receipting and documenting monies paid helps to maximize revenue used to support County programs and provides effective services to customers and stakeholders,
- Timely deposits help to maximize County cash flow,
- Segregation of duties minimizes loss due to theft, and
- Supervisory review ensures accountability, accuracy and integrity of operations.

Finding 3:

ACARD does not have adequate controls in place to ensure the integrity of its cash handling processes.

Control deficiencies noted:
- Lack of controls to adequately monitor access to safe,
- Failure to secure cash and checks received through the mail,
- Failure to ensure all deposits are made within 24 hours of receipt as required by County policy,
- Lack of daily reconciliations for licensure and citation activities,
- Lack of segregation of duties,
- Unsecured transportation of cash between facility locations, and
- Unsecured cash and late deposits following off site rabies vaccination clinics.

Each deficiency is examined in detail below.

Lack of controls to adequately monitor access to safe

*Volume 8, Cash Handling and Deposit Procedures, Section V.B* of the ICH describes controls for the safekeeping of cash, noting access to secured areas should be controlled, safe combinations should be changed annually or after the termination of employees with previous access, and records should be maintained of all changes. These procedures help to reduce loss by limiting access to the safe and tracking those who are granted access.

ACARD’s Fort Lauderdale facility has a small safe which is used to store daily deposits (cash and checks), cashier ‘banks’ and other assorted documents. The safe is located in a locked area within the Administrative offices. At the time of our fieldwork, no log of safe combination changes or staff access had been maintained. ACARD staff were unable to recall when the combination was changed, which staff possessed knowledge of the combination, which staff had access to the locked area, or when the lock to the safe was changed.

Upon observation of these conditions, we shared our concerns with ACARD Managers who took immediate action. Specifically, Managers reported that access is restricted to only essential personnel and the lock to the general area containing the safe and the
safe combination were subsequently changed. Also, ACARD created a log to record all persons with access to the area and the combination itself. These initial actions appear adequate; however, monitoring and ongoing implementation of these controls will be needed.

Failure to secure cash and checks received through the mail; failure to ensure deposits are made within 24 hours of receipt

ACARD receives various payments through the mail. The most common payment types are checks for citation payments and license fees (from individual owners and veterinarians that issue licenses, see pages 6-13 for additional descriptions of licensing processes).

During our fieldwork we observed the mail opening, sorting and distribution processes for license fees. These tasks are assigned to clerical staff by the Office Manager on a rotating schedule. Mail is opened and envelopes, letters or invoices are date stamped. If checks are received, they are typically left in the original envelope. Once all mail is sorted, bundles are either hand delivered to the assigned section, or placed in the appropriate staff member’s mailbox. As a result, envelopes containing checks may be left unsecured in mailboxes for hours or overnight until the staff person retrieves them. This condition is particularly troublesome because mailboxes can be readily accessed by all staff and are within eye’s view and arm’s reach of the visiting public. On Thursday July 30, 2009, prior to normal shelter operating hours, we observed over 60 checks which were left in mailboxes overnight awaiting pick up by staff.

We also noted that after staff picked up their mail, open envelopes with checks remained on the staff’s desk for hours and/or days waiting processing. This creates opportunities for loss and delays in the processing of deposits. For example, on Friday, July 24, 2009, we observed data entry staff processing mail and checks received on Wednesday July 21, which we were told were deposited on Monday July 27, three business days after receipt.

The Internal Control Handbook provides guidance to County agencies regarding the receipt of mail and time frames for deposits. Volume 8, Section III. C. of the ICH notes that a record of all mail receipts should be made and kept (such as a list or photocopy) for comparison to deposits as well as serving as a source of information in case of loss. It is also requires that all checks “be endorsed immediately upon opening of the mail to prevent access by others.” Further, Sections IV. A and B of the ICH state the “control objective of deposits is ensuring that the funds are deposited intact and timely.” Therefore, it is required that agencies “deposit funds received during the business day no later than 10:30 a.m. the next business day.” The ICH notes the “daily depositing of receipts is necessary to promote to maximum return on funds invested and to minimize loss due to theft of funds that would remain on hand.”
In response to our concerns, ACARD managers immediately changed their mail distribution and depositing processes. Managers state the individual who is assigned to mail distribution for the day now creates photocopies of all checks received. The actual checks are immediately stamped for County deposit, tallied, and placed in the safe for deposit the next day. The photocopies of checks are then distributed to staff who process the payments received. This allows deposits to occur in a timely manner while securing payments received through the mail immediately upon receipt.9

Lack of daily reconciliations

Following our observations of mail distribution process, we observed data entry staff performing tasks relating to the licensing process. Staff assigned to license activities act as ‘cashiers’ and ‘receive’ the license fees sent through the mail. Staff update the Chameleon database with applicable information and then mail license tags to paying customers. At the close of business, each cashier completes a Cashier Verification Worksheet and submits the day’s receipts to the Accounting Clerk. We noted there was no daily reconciliation of licenses sold against inventory held by staff. Lack of reconciliation creates an opportunity for loss as there is no control in place to verify the correct numbers of licenses that were sold and the appropriate amount of monies collected.

Volume 8, Section VIII.A of the ICH states daily reconciliations should occur to “review the work of the cashier making sure that funds received agree with the record of daily transactions” and later verify that “the amount deposited agrees with recorded revenue.” At the close of our fieldwork, ACARD had not yet initiated a process to compare the number of licenses issued during the day against the inventory on hand.

These same concerns exist for the processing of checks received through the mail for the payment of citations. These items are processed in a similar method as license fees, and additional reconciliation duties would be indicated here as well.

Lack of separation of duties

The ICH notes the objective of proper separation of duties as the prevention of one individual from having control of all stages of cash handling. Examples of separation of duties outlined in the ICH include maintaining records of cash receipts, restricting use of cash drawers to a single employee per day, requiring supervisory approval of voids and/or corrections, and limiting employees who handle cash receipts from record keeping responsibility.

In observing activities at ACARD, we noticed several instances where increased separation of duties is warranted:

9 The US Postal Service typically delivers mail to ACARD offices in the mid to late afternoon. Therefore mail is sorted for the day by late afternoon hours. Deposits are prepared each morning which are then picked up by an armored car service mid-day. As a result, ACARD is unable to make deposits by 10:30 a.m. Managers state that Revenue Collection is aware of their circumstances and daily timetables.
Compliance Review

- One staff person with full administrative rights to the Chameleon database is also responsible for administering the online system used to purchase licenses via credit card. This includes responsibility for documenting receipt of online credit card payments and issuing license tags to customers.
- One staff person is in control of issuing citation warnings, creating citation charges, receipting citation payments and clearing incorrect citation charges.
- Cashiers create charges for customers paying for services received at the shelter; if an error is made cashiers may ‘void’ their own work.
- The Accounting Clerk occasionally acts as a ‘verifier’ for cashiers. The same staff member is later required to ‘check’ the same amounts while preparing the daily deposit.

During our fieldwork and in response to our concerns, ACARD Managers have removed all licensing responsibilities from the database administrator and have prohibited the Accounting Clerk from verifying cashier submission prior to preparation of the daily deposit. However, additional actions should be taken to ensure appropriate separation of duties.

Unsecured cash transport between facility locations

ACARD operates two shelter facilities, both of which collect fees in the form of cash, checks and credit card payments. As most administrative personnel are located at the Fort Lauderdale shelter, it has become common practice for the Pompano shelter location to transport their daily receipts to Fort Lauderdale to be prepared for deposit. Typically money (cash and checks) is transported in a plain, unsealed envelope noting the amount, and is hand delivered by an ACARD staff member/Animal Control Officer.

Good business practices dictate that when cash is transported between locations a locked bag or other security measures should be used. In response to our concerns, ACARD immediately purchased a lock bag to use for transporting deposits. However, additional security and timely deposits could be achieved if the Pompano location performed its own depositing function. ACARD managers state that they will be “implementing the use of an after hours depository,” allowing Pompano to manage its own deposits.

Unsecured cash and late deposits following off site rabies vaccination clinics

To assist low income residents in obtaining rabies vaccinations and required licenses for their pets, ACARD staff conduct several events at local parks throughout the year. Events are typically scheduled in low income areas in high need of services and are held on Saturdays to increase attendance.

At these ‘rabies clinics’, residents pay $15 for a rabies vaccination and pet license. Presently only cash is accepted at these events as ACARD does not have the ability to receive credit card payments while off site. Staff indicate cash is counted and secured in a locked bag after every twenty transactions. At the end of the day a final
reconciliation is completed and cash is again stored in the locked bag. Cash receipts of $3,000-$5,000 are typical at such events. As these clinics are held outside of normal business hours (off site and on Saturdays) cash receipts are typically taken home by a staff member and brought back to ACARD offices for deposit on Monday morning.

This process falls outside of the guidelines established by the Internal Control Handbook and sound business practices. Furthermore, the safety and security of staff can be compromised when large amounts of cash are collected. In response to our concerns, ACARD managers state that their process has been modified to require staff to make an ‘after hours’ deposit immediately following the event.

Recommendations:

To improve controls over cash handling processes and better protect the County’s interests, we recommend the Board of County Commissioners direct the County Administrator to take the following actions and provide a progress report to the Board by September 30, 2010:

8. Improve controls governing staff access to safe including, but not limited to:
   - Limiting staff access to area where safe is located
   - Changing safe combination on a periodic basis, including after changes in staff or assigned responsibilities,
   - Maintaining a written log of staff with safe access, including names, dates and a listing of assigned responsibilities necessitating access, and
   - Adhering to other procedures defined within the Internal Control handbook and/or recommended by Records, Taxes and Treasury Division (RTT).

9. Increase controls to ensure the security of cash and checks received through the mail.

10. Ensure all deposits are made within one business day of receipt, or in accordance with other Division specific guidelines as may be established by RTT Division.

11. Reconcile pet license tags issued by staff to fees collected on a daily basis.

12. Segregate staff duties and responsibilities in accordance with the ICH.

13. Ensure cash and/or checks transported by staff are delivered using locked bags and detailed receipts.

14. Explore the feasibility of Pompano shelter facility making its own deposits.

15. Immediately prohibit staff from taking cash, checks or other County assets home for overnight storage.

16. Improve controls protecting the safety and security of both ACARD staff and County revenue collected during off site rabies clinics through:
   - exploring feasibility of accepting credit card payments in lieu of cash;
   - accepting checks in payment for services and immediately endorsing all checks ‘for deposit only’ with the name of the Division;
   - requiring staff to return to ACARD offices and secure cash receipts within the Division’s safe or have staff make bank deposits immediately following off site events.
Accounts Receivable

ACARD charges fees for pet licenses, citations, adoption and vaccinations etc. If payment is not received at the time services are provided, a receivable is created. Most citations and some pet licenses are not paid for upon receipt and therefore tracking the amounts due is essential to the collection of outstanding revenues. The Chameleon system has the capabilities of identifying unpaid licenses and citations. It also has the capability of producing receivable reports necessary to support collection efforts.

Finding 4

ACARD does not maintain proper accounts receivable records and does not monitor or have adequate procedures in place to collect overdue accounts

Accounts receivable are not properly maintained

ACARD uses the Chameleon system to capture total accounts receivable balances, however there are no procedures to monitor, track, compile and maintain an aging of the accounts receivable. Such reports are important because this identifies the amount that is owed to ACARD and determines the collection efforts and processes used to track and monitor the receivables. This jeopardizes ACARD’s ability to readily assess amounts due and take appropriate action when customers do not pay the amounts owed. ACARD is also not compliant with Section VII. B., Recording of Revenue and Accounts Receivable, of the Internal Control Handbook (ICH) that stipulates the following:

(a) Organizations that need to maintain accounts receivable detail should ensure, at a minimum on a monthly basis that the total of the detail entries agrees with the general ledger. Any differences should be explained or adjusted.

(b) An Aged list of accounts receivable should be reviewed by management regularly. Monthly statements of amounts due or past due should be issued.

(c) Any adjustments to accounts receivable should be made by a person not involved with collections.

We reviewed a sample of 20 accounts in Chameleon totaling $28,493 for fiscal years 2008 and 2009 to determine whether they were valid accounts and evaluate collection efforts. We found all accounts represented valid receivable balances; however:

- The accounts receivable function is not managed and monitored to ensure ACARD receives all monies owed.
Compliance Review

- ACARD does not prepare monthly accounts receivable detail to show amounts owed to the County,

- ACARD does not perform monthly aging of accounts receivable or send monthly statements or collection notices for unpaid receivables.

**ACARD does not have procedures in place to collect overdue accounts receivable.**

ACARD staff stated that in the past, overdue accounts were handled by Broward County Support Enforcement Division (SED). However, since the arrangement with SED terminated in 2007, no other procedures or methods were implemented to collect receivables. Staff was unaware of the accounts receivable balances or the total amount outstanding.

Failure to adequately monitor, age, and perform collection efforts for past due accounts receivable reduces cash receipts and revenue. As a result, ACARD is more dependent on General Fund support than on its fees.

**Recommendation**

17. To improve the accounts receivable process and increase receipt of revenue, we recommend the Board of County Commissioners direct the County Administrator to:
   a. Enter all pet licenses and citations in the Chameleon system on a timely basis,
   b. Prepare monthly aging report of all receivables,
   c. Immediately implement monitoring of the receivables,
   d. Perform collection efforts on all aged receivables by actively managing receivable balances.
Information Technology Controls

ACARD licenses Chameleon, a third-party software product from HLP Inc., to facilitate the management of operations and delivery of services. The Chameleon system provides the following features:

- Tracking of registered animals and corresponding persons,
- Records of ACARD veterinary care and boarding services,
- Customer service calls, dispatch for field officers,
- Front office point of sale, cashiering,
- Administration of licensing and tag issuance, for individuals, retail stores, veterinarian offices, and associated not-for-profit groups, and
- Reporting on operations activity, in conjunction with Crystal Reports

Accordingly, our review procedures considered general information system (IS) controls over Chameleon system processing. General Information Systems (IS) controls are the structure, policies and procedures that apply to an entity’s overall computer operations and help promote integrity, confidentiality, and availability of the information systems and data. Details of our findings from the technology review are presented below.

Finding 5
ACARD lacks adequate control over information technology.

We found that:

- ACARD processes are not designed to effectively utilize Chameleon to improve the accuracy of operating records and create process efficiencies.
- Deficiencies in physical controls over Information Technology (IT) equipment exposes ACARD to increased risk of system unavailability.
- Inappropriate separation of conflicting duties along with unrestricted system access expose ACARD to an increased risk of compromised system and data integrity.
- Backup resources to support and maintain ACARD systems and electronic devices have not been established, increasing the risk of system unavailability.
- User access controls require improvement to promote data integrity and accountability for user activity.
ACARD processes are not designed to effectively utilize Chameleon to improve the accuracy of operating records and create process efficiencies.

At the time of our review, operating procedures for routine ACARD tasks were informally defined and not subject to sufficient levels of management oversight and control. In reviewing the Chameleon features and functionality, we determined that ACARD operating practices were not using the available automation features. For example, Microsoft Excel spreadsheets were used to track license tag inventory records, even though Chameleon features a tag inventory program.

The degree of manual processing at ACARD diminished the use and importance of Chameleon automation and likewise, management’s ability to rely on the system for managing operations. Although Chameleon was maintained in compliance with vendor recommendations, the application was not being used consistently by ACARD staff.

In the absence of standard operating procedures, there is increased risk that ACARD staff will not use Chameleon in a consistent manner to ensure accurate and complete electronic records of ACARD operations. The effectiveness of technology investments and reliability of operational reports will continue to diminish over time.

**Deficiencies in physical controls over Information Technology (IT) equipment exposes ACARD to increased risk of system unavailability.**

According to best practices for computer operations, adequate protection against physical and environmental exposures, such as fire, flooding, and unintentional or malicious damage or theft is necessary to ensure continued system availability.

ACARD IT equipment (servers and other hardware) is located in the IT manager’s office. Although a separate A/C unit was installed to manage the risk of server overheating, other physical and environmental controls have not been established to secure the equipment. For example, the room is not designated as “restricted to authorized staff” and physical access to the room is not secured.

**Inappropriate separation of conflicting duties along with unrestricted system access expose ACARD to an increased risk of compromised system and data integrity.**

Ideally, conflicting duties such as system maintenance, transaction processing and security administration should be assigned to separate staff and managed through system access restrictions. Separation of conflicting duties helps control data and system integrity.

ACARD is a small organization (59 employees) with limited administrative resources. The IT Manager is the only staff person with the knowledge and experience to maintain, support and manage ACARD systems and data. As a result, the IT Manager is responsible for system maintenance, transaction processing and user support, including security administration. In addition, the IT Manager has unrestricted system access to perform these responsibilities.
Although having one IT support staff is not uncommon in smaller operating environments, this condition increases the risk of compromised system and data integrity. Consequently, there is a greater need for compensating management controls over data input, processing and output. One example of a compensating management control is routine validation of system reports with source documents by operations supervisors.

**Backup resources to support and maintain ACARD systems and electronic devices have not been established, increasing the risk of system unavailability.**

Although Chameleon is licensed software, subject to vendor support, ACARD's IT Manager has been instrumental in configuring Chameleon and developing custom reports and forms in the related reporting tool, Crystal. The IT Manager is a key resource for ACARD, responsible for maintenance, support and security of systems. In addition, ACARD management relies on the IT manager to support/manage electronic and communication devices used in field operations.

While ETS staff provide limited backup for database management responsibilities, a backup resource(s) has/have not been identified or trained to perform other assigned duties in the absence of the IT Manager.

If the IT Manager is not available or able to perform their assigned functions, there is an increased risk of prolonged system interruption due to a lack of available support. ACARD might not be able to access operating records of animals, related persons, or licenses. To mitigate this risk, best practices suggest the use of backup personnel and cross-training of staff.

**User access controls require improvement to promote data integrity and accountability for user activity.**

Access controls over systems and data are fundamental to protecting data and system integrity and necessary to create user accountability. To evaluate the use of access controls at ACARD, we reviewed 1) Chameleon user accounts to ensure access was restricted to active County employees with responsibility for ACARD operations, and 2) account privileges to understand how users are assigned and/or restricted to system functions as required by their position responsibilities. We noted the following conditions:

- In the course of our review, ACARD removed approximately 20% (20/105) of Chameleon user accounts, where user access was no longer necessary. Accounts removed were for staff who had separated from ACARD or temporary/test accounts. Failure to restrict terminated users’ accounts in a timely manner provides an avenue for current users to sign on to the system using a valid, but compromised account, and reduces user accountability for system activities.

- There were inconsistencies in the assignment of access privileges. For example, several staff designated as Animal Care Specialist II had varying levels of Chameleon access. Positions that appeared to be subordinate, such as Animal

*Office of the County Auditor*
Care Specialist I, were assigned more privileges than an Animal Care Specialist II or III.

Factors that may have contributed to these conditions include:

- Informal operating practices at ACARD which necessitated the assignment of individual system access based on staff activities, not position responsibilities. For example, one Animal Care Specialist I may have been responsible for one set of activities, while another Animal Care Specialist I was assigned different tasks.

- User accounts had not been reviewed to validate users as active County employees with ACARD responsibilities and to ensure Chameleon access was commensurate with position responsibilities.

- Informal practices for creating, maintaining and revoking system access.

In the absence of effective access security and controls, the integrity of data processing may not be reliable and user accountability for system activities is diminished.

**Recommendations**

18. To ensure effective use of investments in automation and promote controlled, efficient operations, we recommend the Board of County Commissioners direct the County Administrator to align operating practices with available system functionality. This can be accomplished through:

   - Detailed process walkthroughs with the IT Manager,
   - Standardization and documentation of operating processes,
   - User training on revised processes and system utilization,
   - Development of an ACARD technology plan, which identifies data elements used and captured in operations and related management reporting needs.

19. For improved controls over system availability, we recommend the Board of County Commissioners direct the County Administrator to:

   Implement available physical and environmental controls including:

   - Designate the computer office as ‘restricted to authorized personnel’, e.g., the IT Manager and Director/Asst Director staff.
   - Lock the door to the computer office when the IT Manager is not present.
   - Prohibit introduction of animals, liquids, and other pollutants that could damage the equipment.
   - Install separate smoke/fire detectors in the computer room/office.
20. Evaluate and report on the feasibility of relocating the servers to an off-site County data center, to leverage existing environmental/physical controls.

21. To manage the risk of compromised system and data integrity, we recommend the Board of County Commissioners direct the County Administrator to implement the following compensating controls:

- Remove transaction processing responsibilities from the IT Manager. The IT Manager should not be assigned to input, review, adjust, or void transaction data in Chameleon.

- Update established fee schedules in the system and restrict user input to standardized values to facilitate the identification of transaction processing anomalies (overrides).

- Require supervisory (other than the IT Manager) monitoring of daily transactions and reconciliation of system reports of ACARD activity to source documents.

- Test and reconcile system reports of accumulated transactions for each financial period (week, month, quarter, year).

- Reconcile revenue transactions (adoptions, licensing) with actual receipts.

- Require daily management review of non-routine transactions (fee overrides or receipt adjustments).

- Reconcile system data with anticipated outcomes. For example, reconcile system reports of daily receipts and receivables with operational trends and activity. Investigate variances that are considered outside of acceptable ranges.

22. To mitigate the risk of prolonged system interruption and ensure available support of ACARD systems and electronic devices, we recommend the Board of County Commissioners direct the County Administrator to:

   a. Maintain accessible updated/upgraded systems documentation of,

      - The ACARD system version, configuration, and any locally developed programs/interfaces, e.g., such as views used for reporting.

      - Inventories of all electronic and communication devices, warranty information and contact information for supplier support.

   b. Identify and train backup resources to act in the absence of the ACARD IT Manager, by

      - Requesting ETS to identify and train staff to perform ACARD system administration responsibilities.
• Cross-training of ACARD staff to perform system reporting.

c. Request ETS perform a routine review of the database and Microsoft server configurations to validate ACARD system documentation.

23. To improve user access controls, we recommend the Board direct the County Administrator to develop and implement policies and procedures for establishing and maintaining access to Chameleon. The resulting procedures should include:

• A methodology and standards for restricting access privileges according to employee responsibilities.

• A process for requesting, authorizing, creating and maintaining user access to ACARD systems, including regular review and validation of user accounts and access privileges by management.

Other Findings

Finding 6

ACARD lacks written policies and procedures to guide administrative staff through day to day operations.

Throughout the course of this review, we noted that ACARD lacks sufficient written policies and procedures to guide staff through the completion of their duties on a day to day basis. This deficiency was observed in all areas addressed within this report: cash handling, licensing, citations, data entry and information technology. In many instances, there were no written procedures available for review; in other cases, written guidelines were incomplete, outdated, or inadequate to successfully guide staff.

Written procedures are considered sound business practice and serve as reference guides employee. As such, written procedures can improve accuracy and consistency in operations and assist in staff training.

During the course of our review, ACARD Managers made many changes to their operations, and additional changes are likely. Ensuring staff have up to date and comprehensive procedures to refer to will improve the speed and accuracy of these changes.

Finding 7

ACARD does not collect rabies vaccination certificates as required by State Statutes.

ACARD is not collecting rabies vaccination data as required by State Statute. Section 828.30(3), Florida Statutes states “Upon vaccination against rabies, the licensed
Compliance Review

veterinarian shall provide the animal’s owner and the animal control authority with a rabies vaccination certificate.” This requirement is reflected in Broward County Ordinance 4-10 which states that “Evidence of rabies vaccination shall consist of a fully completed County rabies vaccination certificate...copies shall be distributed to the owner and to the Animal Care and Regulation Division.” However, ACARD staff note rabies certificates are not routinely submitted by veterinarians who do not participate in the licensing program, and some veterinarians who participate in the program do not regularly submit rabies certificates. Furthermore, no rabies certificates are submitted for ferrets, which are also required to be vaccinated.

Recommendations:

To improve its operational effectiveness and efficiency, and to ensure the procedural improvements recommended throughout this report are correctly and consistently implemented by ACARD staff, we recommend the Board of County Commissioners direct the County Administrator to:

24. Develop comprehensive, written procedures (‘desktop guides’) to assist staff with the handling of ACARD’s administrative functions and successful implementation of the recommendations included in this report. Guides should:
   - be written in accordance with principles detailed in the Internal Control Handbook,
   - include protocols such as separation of duties, regular reconciliation of activities, time frames for completion and supervisory review,
   - be accessible by all staff in hard copy or electronic formats and each person should receive training as applicable,
   - be reviewed on a periodic basis and updated as needed, and
   - staff should be held accountable for compliance with established rules and procedures.

25. Ensure that all licensed veterinarians administering rabies vaccinations to dogs, cats or ferrets submit rabies certificates to ACARD offices, as required by State Statutes and County Ordinance.