



**Council Auditor's Office**

**Follow-Up on Animal Care & Protective Services Division Audit**

**Report #781A**

**Released on:** May 28, 2020

**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building



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Honorable Members of the City Council  
City of Jacksonville

The purpose of this report is to document our follow-up review of our past report #781, Animal Care and Protective Services Division Audit, and to determine whether corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

We sent a follow-up letter to the Animal Care and Protective Services Division on April 9, 2019 inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit report, the auditees' responses to the recommendations, and the auditees' responses to our follow-up letter. We then performed limited testing to verify the responses. Based on the responses received and our follow-up testing, a table detailing the original number of issues noted and the number of issues resolved as of this follow-up is included below.

<b>Types of Issues</b>	<b>Original Number of Issues</b>	<b>Issues Cleared</b>	<b>Remaining Issues</b>
Internal Control Weaknesses	5	2	3
Findings	8	6	2
Opportunities for Improvement	0	0	0
<b>Total</b>	<b>13</b>	<b>8</b>	<b>5</b>

The following is a brief summary of the remaining issues with responses from Devron Cody, Chief of Animal Care and Protective Services, that we received on February 24, 2020.

**Internal Control Weakness 1-1 - Cash Handling Issues**

In the original audit, we found various cash handling issues such as shared cash registers, receipts not printed at an offsite event, chain of custody documentation issues for revenues collected in the intake area, lack of monthly reconciliation of deposits to the City's accounting system, lack of separation of duties regarding checks received in the mail, and lack of mandatory week-off each year rotation for an employee responsible for processing deposits. We recommended that Animal Care and Protective Services Division acquire additional cash registers, print register receipts for each transaction or use

pre-numbered booklets that would include duplicate copies, maintain and track monies in a manner that provides a proper chain of custody, have an employee other than the person preparing and delivering deposits reconcile Animal Care and Protective Services Division revenues to the City's accounting system, have checks received via the mail processed and deposited by separate employees, and ensure that the individual(s) responsible for processing deposits rotates to other duties or takes a vacation for at least one week annually.

During the follow-up review, we found that some issues still had not been brought into compliance with City policies and procedures on cash handling:

- 1) A pre-numbered receipt booklet that would include duplicate copies was not used at smaller off-site events when receipts cannot be printed.
- 2) The same person maintained accounting records, prepared reconciliations, and had custody over cash.
- 3) Monthly reconciliation of revenues received was not being performed to compare revenues received per the division's cashiering system to the revenues deposited per the City's accounting system. Instead there was only a reconciliation of revenues received per the division's cashiering system to a listing of receipts downloaded from the Tax Collector's cash receipt system.
- 4) There was no mechanism to ensure that the duties of processing cash deposits are assigned to a different employee for at least a week on an annual basis.

***Animal Care and Protective Services Division Response to the Follow-Up of Internal Control Weakness 1-1***

Agree

Disagree

Partially Agree

- 1) *Agreed. ACPS will order prenumbered/duplicate receipt books for events going forward.*
- 2) *Agreed. Going forward, reconciliations will be handled by the financial analyst for the Neighborhoods Department at the Ed Ball location.*
- 3) *Agreed. Same as item 2.*
- 4) *Agreed. ACPS has already made arrangements to have the Accounting Manager position covered by other staff for at least one week each year. Going forward ACPS will ensure that all front desk staff have a one week per year intermission from cash handling duties, as per the City's Standard Operating Procedures for Cash Receipts, and record of the annual intermissions will be maintained by the Accounting Manager.*

**Internal Control Weakness 1-2 - Access Rights Issues**

In the original audit, we found that many users had improper access rights to the information system used by the animal care facility. We recommended that Animal Care and Protective Services Division periodically review the appropriateness of the access rights and actively remove/change access rights when employees move to a different job function or leave the office.

During the follow-up review, we found that a periodic review of the access rights was taking place; however, there was still an issue with timely removal of access rights for terminated employees. The new procedure put in place to identify terminated employees so their access could be removed was not immediate and instead occurs based on biweekly operations meetings. Animal Care and

Protective Services Division should implement a procedure where a database administrator is immediately notified about turnover and transfers that require an access change so access can be removed or changed in a timely manner.

***Animal Care and Protective Services Division Response to the Follow-Up of Internal Control Weakness 1-2***

Agree                       Disagree                       Partially Agree

*Agreed. ACPS managers and supervisors now provide immediate information regarding terminated employees to the Administrative Coordinator. The Administrative Coordinator then promptly removes access from Chameleon for terminated employees.*

**Finding 2-2 - Payment Timeliness Issues**

In the original audit, we found payments to vendors were not made within 45 days as required by the Florida Prompt Payment Act. This was due to information not being submitted to the Accounting Division in a timely manner by Animal Care and Protective Services Division as well as not receiving proper authorization prior to ordering. We recommended that Animal Care and Protective Services Division establish a system that enables the timely payment of vendors in accordance with City payment policies and State Law as well as ensuring that prior authorization is obtained for all purchases.

While there was an improvement with timeliness, the follow-up review found that 3 out of 16 (or 18.75%) invoices were not paid in a timely manner with an average processing time for the late payments of 75 days between the invoice date and the payment date. As in the past, this appears to be an issue with processing by the Animal Care and Protective Services Division and not the City Accounting Division.

***Animal Care and Protective Services Division Response to the Follow-Up of Finding 2-2***

Agree                       Disagree                       Partially Agree

*Agreed. The three invoices mentioned above were paid late during the time the accounting manager position was vacant (vacant more than ninety days). Since that position was filled, invoices have been paid in timely manner.*

**Finding 2-3 - Duplicate Payments**

During the original audit, we found two duplicate payments made to vendors for \$5,865 and \$258. We recommended that Animal Care and Protective Services Division perform a three-way match (of invoice, purchase order, and receipt/package slip) and mark invoices as paid once they have been processed.

While we did find that the three-way match appeared to be occurring, the follow-up review found that invoices were not being marked as paid.

***Animal Care and Protective Services Division Response to the Follow-Up of Finding 2-3***

Agree                       Disagree                       Partially Agree

*Agreed. Invoices are now being marked paid following the three way match and processing payment.*

**Overall Internal Control Weakness 1 - Lack of Formal Policies and Procedures**

During the original audit, we found there were no written internal policies and procedures in place. We recommended that policies and procedures be created that address various operations and functions of the office.

During the follow-up review, we obtained a copy of six Standard Operating Procedures covering various operations and functions; however, all of them were in draft format.

***Animal Care and Protective Services Division Response to the Follow-Up of Overall Internal Control Weakness 1***

Agree                       Disagree                       Partially Agree

*Agreed. ACPS has now finalized the six draft operating procedures, pending final review and signature by the Director, which should be completed within 30 days.*

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We would like to thank the Animal Care and Protective Services Division for their cooperation in conducting this follow-up review.

Sincerely,

*Kyle S. Billy*

Kyle S. Billy, CPA  
Council Auditor