

City of Austin



**A Report to the  
Austin City Council**

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AUDIT REPORT

# Animal Services Program Audit

April 2015



## REPORT SUMMARY

The Animal Services Office continues to meet the City's 90% live outcome goal. However, Animal Services does not have sufficient facilities and resources allocated to meet the goal and remain in line with State requirements and industry best practices. As a result, the City's animal shelters are overcrowded, animals are not consistently receiving the recommended level of care, and response times to calls for assistance are untimely. In addition, Animal Services does not have sufficient processes to record and prioritize calls, reducing their ability to manage field operations. Animal Services also does not adequately monitor and safeguard medications.

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**GOVERNMENT AUDITING STANDARDS COMPLIANCE**

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We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**AUDIT TEAM**

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Walton Persons, CPA, CICA, Assistant City Auditor  
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April 2015



## Audit Report Highlights

### Why We Did This Audit

This audit was conducted as part of the Office of the City Auditor's (OCA) FY 2014 Strategic Audit Plan.

### What We Recommend

The Chief Animal Services Officer should:

- evaluate kennel shelter operations and implement strategies to ensure Animal Services complies with applicable state requirements and meets recommended best practices for the housing and care of animals;
- establish policies and procedures to ensure information collected on department operations is complete and accurate; and
- establish policies and procedures to safeguard shelter drug inventories.



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# ANIMAL SERVICES PROGRAM AUDIT

## BACKGROUND

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The Animal Services Office (Animal Services) provides care to approximately 20,000 animals annually with a fiscal year (FY) 2014 budget of \$8.7 million and 95.5 FTEs.

In March 2010, the City of Austin (City) and Travis County adopted a resolution with a live outcome goal of 90% and incorporated a three-year Implementation Plan. Live outcomes refer to animals that are adopted, fostered by the community, or transferred to a partner rescue organization. In FY 2012 and each year thereafter, Animal Services management has reported that it has achieved the 90% live outcome goal.

## OBJECTIVE AND SCOPE

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The objective of the audit was to evaluate Animal Services operations as compared to best practices and to determine whether they comply with applicable laws, regulations, and policies. The audit focused on animal kennel care, call response times, and drug inventory management.

The audit scope included Animal Services shelter activities from October 2012 through November 2014.

## WHAT WE FOUND

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Animal Services continues to meet the 90% live outcome goal established by the City and Travis County. However, Animal Services does not have sufficient facilities and resources allocated to meet the City's live outcome goal and remain in line with State requirements and industry best practices. As a result:

- the City's animal shelters are overcrowded,
- animals in the shelters are not consistently receiving the recommended level of care, and
- response times to many citizen calls related to aggressive animals, injured animals, and police requests for assistance are untimely.

Animal Services does not have sufficient processes to record and prioritize calls from citizens regarding animal emergencies, which results in unreliable data and reduces their ability to manage field operations effectively.

Animal Services also does not adequately monitor and safeguard medications, which may result in noncompliance with federal requirements or possible misuse.

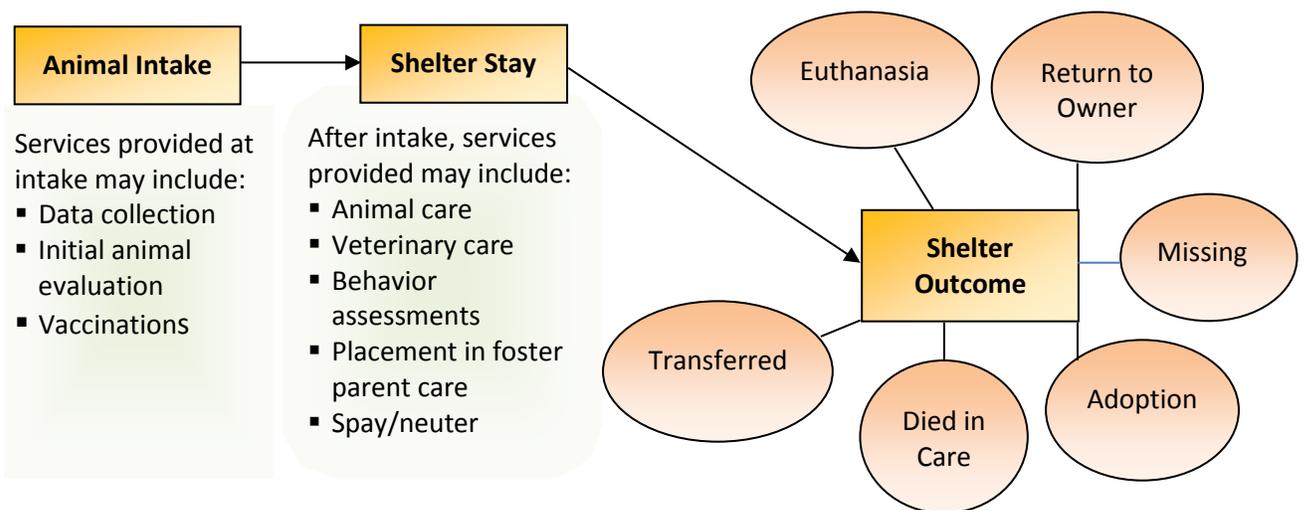
## BACKGROUND

The Animal Services Office (Animal Services) operates the City’s animal shelters with a budget of \$8.7 million and 95.5 full-time equivalent employees in fiscal year (FY) 2014. In December 1997, the City of Austin passed a resolution adopting the goal of ending the killing of adoptable homeless pets at the City of Austin’s animal shelter by the year 2002. In March 2010, the City and Travis County adopted a resolution with a live outcome goal of 90%<sup>1</sup> and incorporated a three-year Implementation Plan aimed at reducing animal intake and increasing live outcomes. In FY 2012 and each year thereafter, Animal Services management has reported that it has achieved the 90% live outcome goal.

The Austin Animal Center<sup>2</sup> provides care to approximately 20,000 animals annually in 462 kennels (268 kennels for dogs and 194 kennels for cats). Animal Services also operates an overflow animal facility at the Town Lake Animal Center<sup>3</sup>, which has 58 kennels. Austin Pets Alive, Inc., a nonprofit corporation, also operates a shelter in the Town Lake Animal Center. Animal Services partners with approximately 140 animal rescue groups such as Austin Pets Alive, Austin Humane Society, Animal Trustees of Austin, and Emancipet, Inc., to enhance the placement of animals housed at the shelter.

Exhibit 1 shows the detailed animal flow through the shelter and animal intake and outcomes during FY 2012 through FY 2014. Animal Services’ operates in the City of Austin and unincorporated areas of Travis County.

**EXHIBIT 1**  
**Animal Flow Through the Shelter and Animal Services-Reported Companion Animals (Cats and Dogs) Intake and Outcomes for FY 2012 Through FY 2014**



<sup>1</sup> The percent of all cats and dogs taken in by the shelter that are adopted, returned to owner, or transferred.

<sup>2</sup> The Austin Animal Center is located at 7201 Levander Loop Building A, Austin, TX 78702

<sup>3</sup> The Town Lake Animal Center is located at 1156 W. Cesar Chavez St., Austin, TX 78703

		FY12			FY13			FY14		
		Cats	Dogs	Total	Cats	Dogs	Total	Cats	Dogs	Total
Intakes	Euthanasia Request	14	45	59	19	64	83	28	70	98
	Owner Surrender	2,210	2,733	4,943	1,965	2,369	4,334	1,305	2,016	3,321
	Public Assist	162	922	1,084	155	989	1,144	205	926	1,131
	Stray	5,228	7,466	12,694	5,668	7,430	13,098	5,297	7,601	12,898
	<b>Total</b>	<b>7,614</b>	<b>11,166</b>	<b>18,780</b>	<b>7,807</b>	<b>10,852</b>	<b>18,659</b>	<b>6,835</b>	<b>10,613</b>	<b>17,448</b>
Outcomes	Adoption	2,828	4,718	7,546	3,146	4,278	7,424	2,658	4,533	7,191
	Died	98	30	128	79	35	114	77	31	108
	Euthanasia	593	777	1,370	620	767	1,387	419	632	1,051
	Missing	3	1	4	2	6	8	3	3	6
	Return to Owner	307	2,691	2,998	337	2,998	3,335	315	2,921	3,236
	Transfer	3,514	2,877	6,391	3,680	2,729	6,409	3,534	2,484	6,018
	<b>Total</b>	<b>7,343</b>	<b>11,094</b>	<b>18,437</b>	<b>7,864</b>	<b>10,813</b>	<b>18,677</b>	<b>7,006</b>	<b>10,604</b>	<b>17,610</b>
Live Outcome Rate	91.81%	92.98%	92.52%	92.03%	92.88%	92.53%	93.95%	94.02%	93.99%	

**SOURCE:** OCA analysis of the Animal Services Shelter Operations and Animal Inventory Reports, October 2014

*Note: Live Outcome Rate= (Adoption + Return to Owner + Transfer) ÷ (Adoption + Return to Owner + Transfer + Euthanasia)*

## OBJECTIVE, SCOPE, AND METHODOLOGY

The Animal Services Program Audit was conducted as part of the Office of the City Auditor's (OCA) FY 2014 Strategic Audit Plan, as presented to the City Council Audit and Finance Committee. OCA included the audit in the Strategic Audit Plan due to risks identified by OCA, audits of animal shelter operations in other cities, and interest in Animal Services operations by the Council and public.

### Objective

The objective of the audit was to evaluate Animal Services' operations as compared to best practices and to determine whether they comply with applicable laws, regulations, and policies. The audit focused on animal kennel care, call response times, and drug inventory management.

### Scope

The audit scope included Animal Services shelter activities from October 2012 through November 2014.

### Methodology

To accomplish our audit objectives, we performed the following steps:

- conducted interviews with Animal Services staff and management;
- reviewed state regulations, Animal Services policies, and best practices related to shelter operations;
- compared Animal Services practices to identified best practices from the guidelines established by the Association of Shelter Veterinarians and the National Animal Care & Control Association;
- visited and observed shelter kennel operations;
- identified and tested key internal controls over pharmaceuticals, including inventory record-keeping practices and drug usage;
- tested activities and documentation related to moving a selected sample of animals through the shelter system; and
- evaluated the shelter information management system, including controls over system access, and analyzed system data for completeness and accuracy.

## AUDIT RESULTS

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**Finding 1: Animal Services does not have sufficient facilities and resources allocated to meet the City’s live outcome goal and remain in line with State requirements and industry best practices. As a result, the City’s animal shelters are overcrowded, animals in the shelters are not consistently receiving the level of care recommended by best practices, and response times for many citizen calls are untimely.**

The Animal Services Office continues to meet the 90% live outcome goal established by the City of Austin and Travis County. Animal Services management reports that it reached the 90% goal in 2010 and a review of the department’s records confirmed that it met the goal in 2014. However, Animal Services does not have sufficient facilities and resources allocated, as indicated by overcrowding at the Austin Animal Center and continued use of the Town Lake Animal Center. In addition, animals in the shelters are not consistently receiving the recommended level of care and response times to many citizen calls related to aggressive animals, injured animals, and police requests for assistance are untimely.

### **THE CITY’S ANIMAL SHELTER IS OVERCROWDED**

An analysis of daily animal inventory reports prepared by the department showed that Austin’s animal shelter exceeded its capacity by a monthly average of 32 to 96 dogs from October 2013 through August 2014. According to the Guidelines for Animal Standards of Care in Animal Shelters established by the Association of Shelter Veterinarians and the National Animal Care & Control Association (NACA), an animal shelter must not exceed its maximum capacity for care. Some of the key factors that determine capacity for care include the number of appropriate housing units and staffing for programs or services.

Animal Services operates two facilities in the Austin area. In 2011, the City opened the new Austin Animal Center on Levander Loop in East Austin, which operates as the City’s main shelter. Animal Services also operates an overflow facility downtown in the Town Lake Animal Center.

The overcrowding appears to be a result of limited space at the Austin Animal Center coupled with longer stays for animals in the shelter. When the City constructed the new shelter, it did not significantly increase the capacity over what the City had at the older Town Lake Animal Center. The new facility has 462 kennels while the Town Lake Animal Center had 460. As of September 2014, approximately 326 of the 794 cats and dogs in the Austin Animal Center had stayed for periods ranging from 1 to 31 months. According to Animal Services staff members, animals would likely have been euthanized for space prior to adoption of the City’s live outcome goal.

*In September 2014, the City Council earmarked funding for expanding Animal Services’ shelter through constructing additional kennels. According to Animal Services, the expected completion of the construction has not yet been determined.*

### **OVERCROWDING IMPACTS THE LEVEL OF CARE PROVIDED FOR ANIMALS**

Animal Services management and staff members stated that because the shelter regularly operates above capacity, they house animals in temporary cages over long periods of time and cohabitate animals that would otherwise reside separately due to incompatibility issues such as aggression. Exhibit 2 shows an example of an animal in a temporary cage at the shelter.

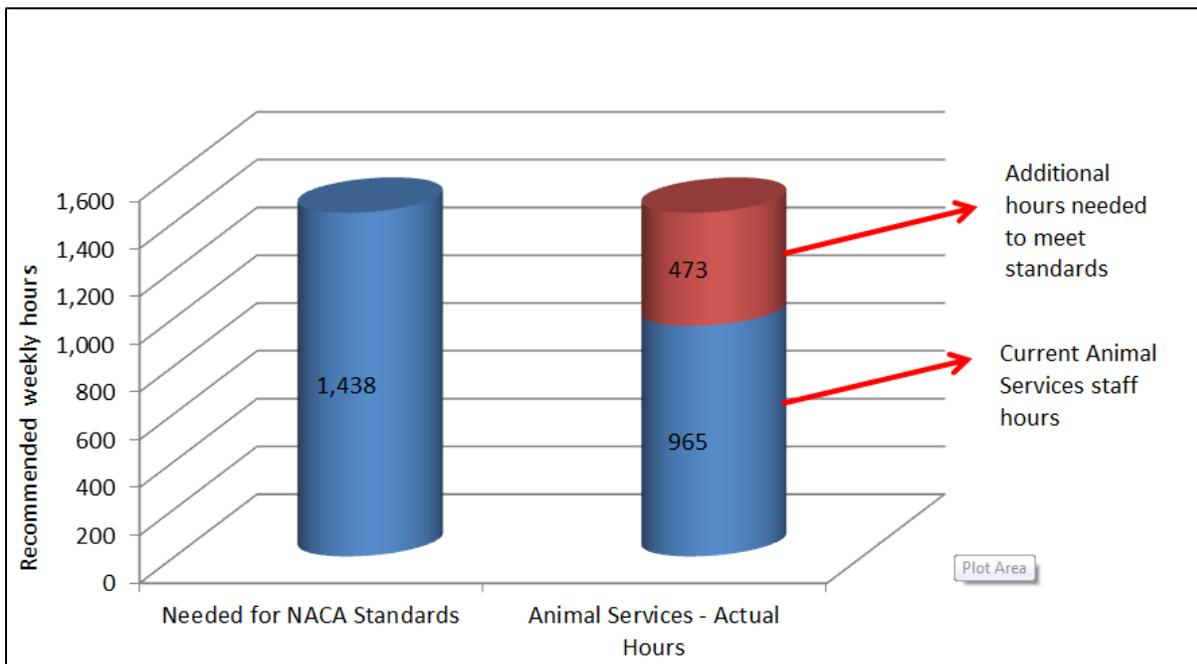
**EXHIBIT 2**  
**Temporary Animal Cages at the Shelter**



**SOURCE:** OCA shelter site visit observations, September 2014

NACA recommends that organizations housing animals provide a minimum of 15 minutes of care time per day for feeding and cleaning each animal. However, an analysis of staff levels at the Austin Animal Center indicates the kennel areas appear understaffed by 33%, based on NACA’s recommendations. As such, Animal Services did not have sufficient staff allocated to meet the 15 minutes animal care recommended by the standards, as shown in Exhibit 3.

**EXHIBIT 3**  
**NACA Recommended Animal Care Time Compared with Staff Time Available at the Austin Animal Center**



**SOURCE:** OCA analysis of Animal Services staffing levels, October 2014

Animal Services employees indicated feeling overwhelmed by the consistent overcrowding in the shelter, which increases the risk of negligence and increased safety issues. The continued overcrowding, combined with prolonged use of the substandard Town Lake Animal Center, could impede Animal Services' ability to achieve its mission, which is to provide a safety net for lost and homeless animals in the community, and promote the humane and compassionate treatment of animals.

**THE TOWN LAKE ANIMAL CENTER IS DEFICIENT**

In October 2012, the Texas Department of State Health Services placed the City on one-year probation after an inspection of the Town Lake Animal Center found the facility did not comply with the State's animal housing requirements. The facility failed additional state inspections in August 2013 and September 2014, yet Animal Services housed approximately 60 dogs at the facility during the period covered by this audit.

As shown in Exhibit 4, the State's inspection reports indicated that the Town Lake Animal Center was not structurally sound or maintained in good repair. The September 2014 inspection report also recommended that the City address the observed deficiencies or consider closing the facility.

**EXHIBIT 4  
Major Issues at the Town Lake Animal Center Noted in State Inspections**

August 2013 Inspection Observations	September 2014 Inspection Observations
Marked and severe deterioration of the structure	<ul style="list-style-type: none"> <li>▪ Very significant structural failings</li> <li>▪ Significant deterioration and disrepair of the facility</li> </ul>
Evidence of rodent and vermin infestation	Kennels in major disrepair
Cage doors with fencing lifting up that could cause injury to the animals	<ul style="list-style-type: none"> <li>▪ Latching mechanisms that barely maintained secure closures</li> <li>▪ Door in disrepair</li> </ul>
Eroded floors that prevented adequate cleaning and sanitation and a drain backed up with water	Floors with numerous cracks holes and chips preventing adequate cleaning and sanitation
Non-functional ventilation	Inadequate ventilation system

**SOURCE:** Texas Department of State Health Services Inspection for Rabies Quarantine Facilities and Impoundment / Shelter Facilities reports, August 2013 and September 2014

The City's Code Compliance Division has also cited the Town Lake Animal Center in November 2014 for structural violations. Exhibit 5 shows examples of structural violations noted by Code Compliance. In addition, an inspection of the facility in 1999 found the presence of asbestos. Asbestos has been linked to the development of serious respiratory diseases and cancer.

**EXHIBIT 5**  
**Structural Code Violations at the Town Lake Animal Center**



**SOURCE:** Code Compliance report, November 2014

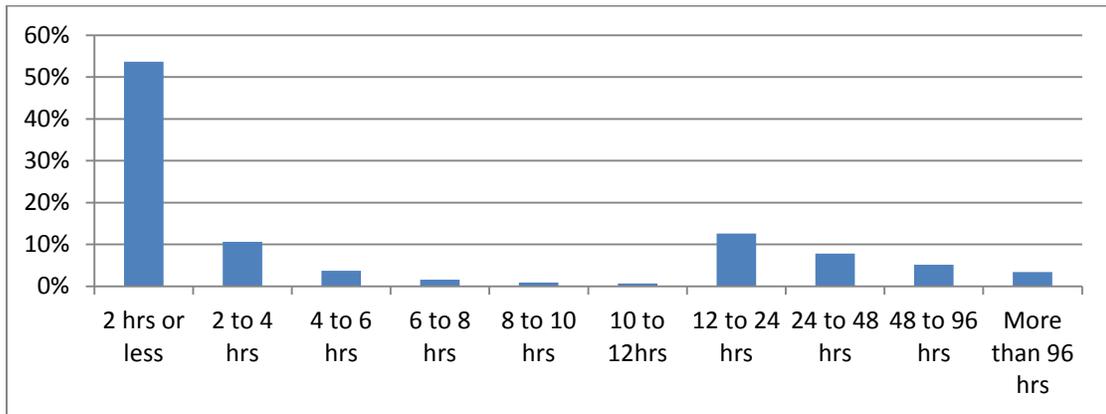
Title 25 of the Texas Administrative Code requires organizations that shelter animals to ensure the facilities are structurally sound and maintained in good repair in order to contain the animals, protect them from injury, and prevent the transmission of disease. Continued noncompliance with state requirements could eventually lead to the City losing its license to operate the facility. In addition, by not following safety standards and best practices, Animal Services increases the risk of injury or death to animals and people, including employees and volunteers.

**RESPONSE TIMES TO CITIZEN CALLS ARE UNTIMELY**

An analysis of available data for citizen service calls showed that although Animal Services responds to most active emergency calls within two hours, responses take over 12 hours for many of these calls and the department does not have written criteria for prioritizing calls.

Animal Services responded in a timely manner to most active emergencies called in by citizens during FY 2014. The department received 30,861 service calls from citizens during the year, with 13,725 (44%) of those considered active emergency, or priority 1, calls. These priority 1 calls include calls related to aggressive animals, injured animals, and police requests for assistance. As shown in Exhibit 6, records maintained by Animal Services indicate that for 54% of the priority 1 calls an animal control officer arrived on the scene within two hours. However, Animal Services did not respond to 29% of the calls until 12 or more hours after the citizen made the call.

**EXHIBIT 6**  
**Animal Services Priority 1 Response Times From Citizen Call to Arrival on Scene**  
**for FY 2014**



**SOURCE:** OCA analysis of Animal Services citizen Priority 1 service call response times for FY 2014, November 2014

Overall, the average time between when Animal Services receives a call and an animal control officer arrives on scene to priority 1 calls is 16 hours. As a result, animals deemed by the department to be presenting an active emergency are not restrained or otherwise handled, and the animals may continue to present a danger to citizens and other animals. Average response time for non-priority 1 calls was 54 hours.

Animal Services staff and management indicated that one cause for long response times is that officers are encouraged to spend significant time driving around trying to locate the owners of stray animals. Animal Services encourages this approach in response to the consistent capacity overflows at the shelter (as discussed above). Animal Services does not track the hours spent locating animal owners, which means they are not able to quantify the effect on response times. In addition, Animal Services often does not dispatch officers to address calls received after hours until the next morning. As a result, the median response time for calls received between 5:00 p.m. and midnight exceeds 10 hours.

Animal Services responds to complaints and requests for help from citizens of both Austin and unincorporated areas of Travis County. Complaints and requests come to the department through various sources including the City's 311 system, police calls for assistance, direct citizen calls to the shelter, and Animal Services employees. Responses to animal-related emergency calls should be rapid to control dangerous animals and minimize pain and suffering of sick and injured animals, and to protect citizens. By not responding to citizen calls in a timely manner, the department may not be able to achieve its mission of protecting citizens and animals in the community.

According to the October 14, 2014 Texas Department of State Health Services report, Travis County recorded the second highest incidence of rabies (in the 3rd quarter) in the state. Without allocating additional Field Operations staff to respond to increased call volumes, Travis County may ultimately experience increases in deaths caused by rabies. In addition, without complete and reliable information on response times, Animal Services management may not be able to manage field operations effectively and address barriers to more consistent and timely responses to citizens' requests for assistance.

**Finding 2: Animal Services does not have sufficient processes to record and prioritize calls, which results in unreliable data and reduces their ability to manage field operations effectively.**

In addition to taking longer to respond to calls due to overcrowding, Animal Services also does not have policies or supervisory reviews to ensure the completeness of call response-time data. For FY 2014, data for determining response times was missing for 6,578 (21%) of the calls received by the department. Key missing data included call receipt times and the time of arrival on the scene. Animal Services did not respond at all to 2,290 (7%) of the 30,861 calls and did not document the reason for not responding.

The department does not have written policies or guidelines establishing the criteria for prioritizing calls. Animal Services classifies citizen service calls using a five-point priority ranking. Management stated that examples of priority 1 active emergencies include animal bites, aggressive and vicious animals, and police requests for assistance, while priority 2 calls include requests where the lives of citizens or animals are not in immediate danger, such as reports of stray animals. However, Animal Services has not established the criteria in writing. As a result, the dispatch staff, which classifies the calls, was not consistent in classifying the FY 2014 service calls. For example, Animal Services explained that the majority of priority 1 calls were for dog bites, aggressive dogs, and vicious dogs; however, employees classified several similar calls as priority 2, 3, or 4, without a documented explanation for the difference in classification. Management indicated that developing policies for the department has not been a priority until recently.

**Finding 3: Inadequate monitoring and safeguarding of medications increases the risk that Animal Services may not comply with federal requirements or detect instances of possible misuse or waste.**

Animal Services is not fully complying with Federal Drug Enforcement Administration (DEA)<sup>4</sup> requirements for controlled substances or following best practices for managing drug inventories. As a result, Animal Services cannot effectively monitor and safeguard shelter drugs, including controlled substances, against the risk of misuse or waste. In addition, Animal Services could lose its license to acquire and use controlled substances if it does not comply with DEA requirements, which would disrupt daily operations and prevent it from fulfilling its mission.

During FY 2013 and FY 2014, Animal Services expended approximately \$500,000 and \$600,000, respectively, on drugs and medical supplies, including controlled substances, vaccines, and other medications for the benefit of animals treated in the Austin Animal Center. Animal Services administers both controlled substances<sup>5</sup> and uncontrolled drugs to animals. Controlled substances have the potential for abuse by individuals, if not adequately restricted. The DEA regulates the use and storage of controlled substances to protect public health and safety.

As stated in Finding 1, the number of animals in Austin's shelter exceeds capacity and Animal Services does not have sufficient resources allocated for the care of the animals. The shelter

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<sup>4</sup> The DEA was established in 1973 to serve as the primary agency responsible for the enforcement of federal drug laws.

<sup>5</sup> A controlled substance is a drug that has been declared by federal or state law to be illegal for sale or use, but may be dispensed under a physician's prescription.

veterinarian’s focus appears to be on treating animals, with less time for performing administrative tasks.

While Animal Services appears to store controlled substances in a safe and secure manner, as required by the DEA, the department needs to improve its compliance with DEA requirements for record keeping and expired drugs.

**RECORD KEEPING**

Animal Services is not complying with certain federal mandated record keeping requirements, as shown in Exhibit 7.

**EXHIBIT 7**

**Animal Services Compliance with DEA Record Keeping Requirements for Controlled Substances**

DEA Requirement	Animal Services Complied?	Observations
Maintain complete and accurate inventory records for all on-hand <sup>6</sup> controlled substances	No	Animal Services inventory records do not account for all on-hand controlled substances inventory. <ul style="list-style-type: none"> <li>▪ <i>The drug use logs do not account for donated controlled substances</i></li> <li>▪ <i>Some expired drugs are not recorded in the inventory</i></li> </ul>
Perform an inventory of controlled substances every two years	No	Animal Services has not performed the DEA inventory for all controlled substances in their possession in the past three years. Management was unable to provide evidence that it conducted an inventory.
Retain all used DEA-controlled substance order forms	No	Animal Services does not retain all DEA controlled substances order forms.

**SOURCE:** OCA Analysis of the Animal Services controls for management of drugs, October 2014

Animal Services does not have adequate policies and procedures to guide staff in effectively managing the drug inventory. Manual daily use logs of controlled substances are inaccurate and incomplete. Balances recorded in the daily use logs do not always reconcile to records maintained in the information management system, and required inventory counts have not taken place.

The DEA requires organizations to track the usage of controlled substances, and Federal regulations mandate that organizations report thefts or significant loss of controlled substance to the DEA. While Animal Services maintains daily use logs for its controlled substances, the logs show repeated unexplained changes in the balances of drugs. For example:

- The daily use logs for a drug used in euthanasia of animals indicated that on several occasions, employees opened and put a new bottle into use, but the log did not indicate what happened to the balance remaining from the prior bottle. Daily use logs contained unexplained balances

<sup>6</sup> “On-hand” means that the controlled substances are in the possession of or under the control of the registrant.

ranging up to 42 ml over the period November 25, 2013 through November 11, 2014. At one point, the log indicated a negative balance of 14 ml, with no explanation.

- A daily use log for a pain medication showed a balance of 13.75 tablets on January 31, 2014. A new bottle was opened that day, and there is no record to indicate what happened to the balance of 13.75 tablets.

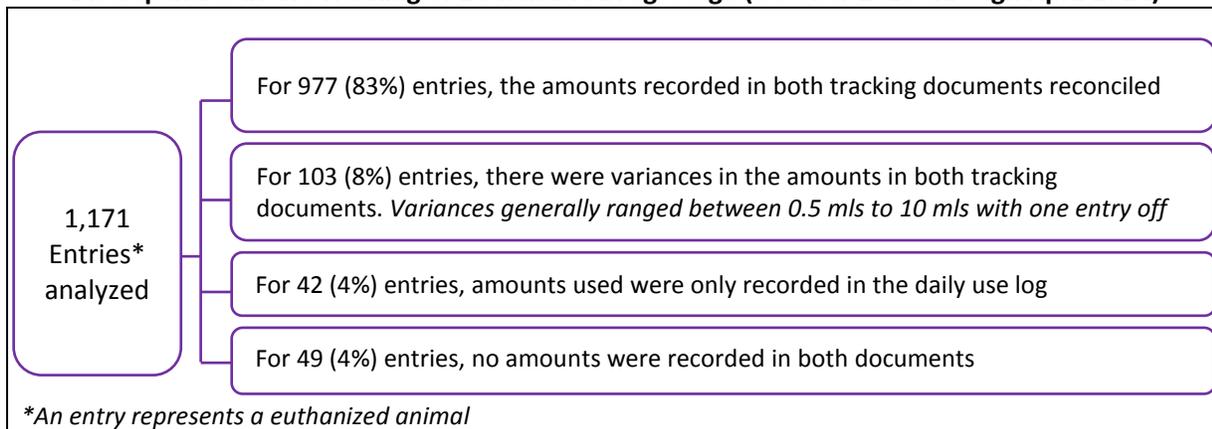
Organizations that use controlled substances are responsible for determining what constitutes a “significant” loss. Animal Services has not defined what is a reportable significant loss of controlled substances; nor has it identified a threshold for incidental losses that could trigger further investigation. As a result, Animal Services may not be able to detect a theft or a significant loss of a controlled substance. The loss of small quantities of controlled substances, repeated over time, may indicate a significant problem that Animal Services must report to the DEA.

The manufacturers of drugs used for euthanasia provide recommended dosages, based on an animal’s weight. However, Animal Services is not consistent about logging the weight of animals receiving drugs. Tracking the weight would help management detect and investigate any potentially questionable drug usage.

Animal Services also records controlled substance usage information in the shelter information management system. A reconciliation of the euthanasia drug daily use logs and the information management system for the period October 2013 through April 2014 revealed discrepancies in amounts recorded in both, as shown in Exhibit 8.

### EXHIBIT 8

#### Discrepancies in the Tracking of Euthanasia Drug Usage (October 2013 through April 2014)



**SOURCE:** OCA analysis of Animal Services’ drug usage tracking documents, October 2014

For all drugs and medical supplies, including those that do not fall under DEA requirements for controlled substances, organizations should perform regular physical counts. However, Animal Services does not conduct periodic physical inventory counts and reconciliations of drugs and medications. In fact, the department does not have inventory records for drugs and medical supplies not regulated as controlled substances.

#### EXPIRED DRUGS

Animal Services also does not appear to comply with certain federally mandated requirements for expired drugs, as shown in Exhibit 9.

**EXHIBIT 9**  
**Animal Services Compliance with DEA Requirements for Expired Drugs**

DEA Requirement	Animal Services Complied?	Observations
Expired drugs are disposed of in accordance with DEA regulations	No	Animal Services maintains a significant amount of expired drugs, but they have not developed a guiding policy for disposal of these drugs
Have a quarantine area for storage of expired drugs	No	Animal Services comingles expired drugs with non-expired drugs

**SOURCE:** OCA analysis of the Animal Services controls for management of drugs, October 2014

The controlled substance inventory and usage records indicate that Animal Services dispensed expired drugs to animals, as shown in Exhibit 10.

**EXHIBIT 10**  
**Examples of Drugs Administered to Animals After the Drug Expiration Date**

Substance	Bottle #	Date Received	Expiration Date	Use After Expiration
Diazepam	52	4/15/2013	May 2014	Used 7 times between June 2014 through October 2014
Morphine	67	6/15/2012	January 2014	Used 15 times between 2/13/2014 through 10/16/2014

**SOURCE:** OCA analysis of the Animal Services drug usage logs and reports, October 2014

**SEPARATION OF DUTIES**

Animal Services does not have adequate policies and procedures for oversight and supervisory review of drug inventories. Best practices recommend separating job responsibilities, such as purchasing and receiving medical supplies, including drugs, maintaining custody of the supplies, and keeping the inventory records. However, Animal Services does not segregate duties over the management of drugs. One employee is responsible for purchasing, receiving, recording, and maintaining the drug inventory. The same employee also has the ability to modify inventory and drug usage records. In addition, there is no independent verification of these activities by another employee.

**Recommendations**

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- 1. The Chief Animal Services Officer should evaluate kennel shelter operations and implement strategies to ensure Animal Services complies with applicable state requirements and meets recommended best practices for the housing and care of animals. Areas of review should include:**
  - a) determining the optimum level of staff needed for kennel operations to meet best practices for animal care,**

- b) **developing and implementing strategies to meet state requirements for animal housing and to ensure alignment with best practices related to capacity and animal care, and**
- c) **developing and implementing strategies to ensure Animal Services timely responds to citizen emergency service calls.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response.

- 2. **The Chief Animal Services Officer should establish policies and procedures to ensure information collected on department operations, such as records of call responses, is complete and accurate, including:**
  - a) **providing documented guidance to dispatch staff on the criteria for categorizing customer service calls, and**
  - b) **ensuring that field staff track, collect, and report all necessary information regarding each service call including reasons for not responding.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response.

- 3. **The Chief Animal Services Officer should establish policies and procedures to safeguard shelter drug inventories, including policies and procedures for:**
  - a) **drug purchases, receiving, storing, and use;**
  - b) **separation of duties; and**
  - c) **disposal of expired or defective drugs, including the documentation, storage, and segregation of expired drugs from unexpired drugs.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response.

In addition to the findings and recommendations noted above, we have provided a separate letter to the Chief Animal Services Officer communicating deficiencies in internal controls that are not significant to the objectives of the audit, but which warrant the attention of Animal Services management.

MANAGEMENT RESPONSE



City of Austin

Animal Services Office, Austin Animal Center

7201 Levander Loop, Austin, TX 78702

**To:** Corrie Stokes, *Acting City Auditor*  
**From:** Chris Noble, *Acting Chief Animal Services Officer*   
**Date:** April 21, 2015  
**Subject:** Animal Services Program Audit Response

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Ms. Stokes,

This memorandum is to acknowledge receipt of the Animal Services program audit report prepared and presented by your office. The audit resulted in the following three findings that will require a comprehensive response from ASO management:

- Animal Services does not have sufficient facilities and resources allocated to meet the City's live outcome goal and remain in line with State requirements and industry best practices. As a result, the City's animal shelters are overcrowded, animals in the shelters are not consistently receiving the level of care recommended by best practices, and response times for many citizen calls are untimely.
- Animal Services does not have sufficient processes to record and prioritize calls, which results in unreliable data and reduces their ability to manage field operations effectively.
- Inadequate monitoring and safeguarding of medications increases the risk that Animal Services may not comply with federal requirements and detect instances of possible misuse or waste.

Further, I want to also use this correspondence to concur with the findings *and* recommendations presented in the audit report. As such, the ASO will develop detailed strategies to address the recommendations by June 2015, and then prepare and provide a detailed action plan at a later date to the Audit and Finance Committee.

If you or your staff needs anything please let me know.

cc: B. Lumbreras

*The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

## APPENDIX A

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**AUDITOR NOTE 7/6/2015** - On June 12, 2015 Animal Services Office provided a detailed management audit response including proposed strategies for implementation, status of strategies, and proposed implementation dates. This response has been incorporated in the report below on 7/6/2015.



City of Austin

**Animal Services Office, Austin Animal Center**  
7201 Levander Loop, Austin, TX 78702

**To:** Corrie Stokes, *Acting City Auditor*  
**From:** Chris Noble, *Acting Chief Animal Services Officer*   
**Date:** June 12, 2015  
**Subject:** Animal Services Office Audit Response

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Please accept the attached document as our formal management response to the Animal Services Office audit findings. The document contains our management responses to include our Concurrence of Proposed Strategies for Implementation, Status of Strategies, and Proposed Implementation Dates.

If you have any further questions or concerns please contact me at your earliest convenience.



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## Animal Services Program Audit

### Management Response

#### **Finding #1**

*The Chief Animal Services Officer should evaluate kennel shelter operations and implement strategies to ensure Animal Services complies with applicable state requirements and meets recommended best practices for the housing and care of animals. Areas of review should include:*

- a) Determining the optimum level of staff needed for kennel operations to meet best practices for animal care;*
- b) Developing and implementing strategies to meet state requirements for animal housing and to ensure alignment with best practices related to capacity and animal care; and*
- c) Developing and implementing strategies to ensure Animal Services timely responds to citizen emergency service calls.*

#### **Management Response**

##### **Concurrence and Proposed Strategies for Implementation:**

Management Concurs on all three findings.

- a) Based upon cited NACA recommendations Animal Care is understaffed by 33%. This is a mathematical issue. The ASO must have additional Animal Care personnel to provide the minimum recommended time to adequately provide 15 minutes of care daily to each animal.
- b) The ASO should no longer occupy the TLAC facility. The TLAC shelter continues to degrade structurally as each year passes. As such, the facility is deficient and cannot pass minimum state sheltering standards. However, until the new AAC kennels are built, the ASO will be forced to utilize the TLAC facility.
- c) Animal Control responded to 30,861 calls for service in the last fiscal year; of those calls, one quarter required follow-up which generated additional sequences for individual calls, which is the equivalent of 38,576 calls for service (assuming that the call only required one follow-up sequence). Priority 1 calls make up 44% of all calls, averaging 46 per day. Average daily staffing is 4-6 Animal Protection Officers, excluding absences for state mandated training, vacation, and sick leave. Each officer averages 7-11 Priority 1 calls per day.

##### **Status of Strategies:**

- a) Seven (7) additional Animal Care personnel have been requested in the FY16 budget.
- b) Additional kennels are scheduled to be constructed at the Austin Animal Center. Public Works has selected a general contractor and the process is underway. The additional space will address current capacity levels but cannot account for population increases and the anticipated need for future additional capacity.

## Animal Services Program Audit

### *Management Response*

- c) Animal Control cannot implement any action plans unless additional personnel are allocated to this Office. Animal Control is currently staffed at 1/3 of the nationally recommended level. This, too, is a mathematical issue; The ASO simply does not have the sufficient number of Animal Control officers to respond to citizen emergencies in a timely manner. Nonetheless, the ASO requested and received two new Animal Control FTEs to be funded by Travis County. Additional COA funded Animal Control personnel will be requested in the FY17 budget.

#### **Proposed Implementation Date:**

- a) October 1, 2015
- b) August 30, 2017
- c) October 1, 2016

#### **Finding #2**

*The Chief Animal Services Officer should establish policies and procedures to ensure information collected on department operations, such as records of call responses, is complete and accurate, including:*

- a) Providing documented guidance to dispatch staff on the criteria for categorizing customer service calls.*
- b) Ensuring that field staff track, collect, and report all necessary information regarding each service call including reasons for not responding.*

#### **Management Response**

#### **Concurrence and Proposed Strategies for Implementation:**

Management concurs with both findings.

- a) A policy addressing call prioritization & categorization has been submitted and is pending review/approval by the incoming Chief Animal Services Officer. Once the policy is approved by management all officers will be trained; the training will be documented.
- b) A process/procedure is currently in the development stage. Once submitted and approved by management all officers will be trained; the training will be documented.

#### **Status of Strategies:**

- a) Pending
- b) Pending

## Animal Services Program Audit

### *Management Response*

**Proposed Implementation Date:**

- a) July 2015
- b) August 2015

**Finding #3**

*The Chief Animal Services Officer should establish policies and procedures to safeguard shelter drug inventories, including policies and procedures for:*

- a) *Drug purchases, receiving, storing, and use;*
- b) *Separation of duties; and*
- c) *Disposal of expired or defective drugs, including the documentation, storage, and segregation of expired drugs from unexpired drugs.*

**Management Response**

**Concurrence and Proposed Strategies for Implementation:**

Management concurs with all three findings.

Policies and procedures will be updated and/or established:

- a) Acquisition of controlled substances will be identified by a Doctor of Veterinary Medicine (DVM) on a weekly basis as indicated by a pre-determined need minus stock on hand. Weekly inventories will be initiated by the DVM and kept in a file in the Safe Room within the Pharmacy.
  - I. Placing Orders-
    - i. Schedule 2 (II) Drugs: The required 222 Form (triplicate) will be filled out by the ordering tech and the DEA registered DVM. Once the order is placed, a copy of the 222 form will be posted on the "Current Order" clipboard in the locked Safe Room in the Pharmacy.
    - ii. Schedule 3 (III) Drugs: An Ordering Tech will place the order. A copy of the order form will be posted on the "Current Order" clipboard in the locked Safe Room in the Pharmacy.
  - II. Receiving Orders-
    - i. Schedule 2 (II) Drugs: A Receiving Tech and a DVM will confirm all items have been received, then date, initial and file the 222 form. Either the Receiving Tech

## Animal Services Program Audit

### *Management Response*

- or the receiving DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.
- ii. Schedule 3 (III) Drugs: A Receiving Tech and a DVM will confirm all items have been received, then date, initial and file the order form. If a partial order arrives, date, initial, and document actual delivery count on the order form then return it to "Current Order "clipboard. Either the Receiving Tech or the receiving DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.
- III. Significant Loss of Controlled Substances
- i. Austin Animal Services has defined an acceptable discrepancy of 10% or less of the total beginning volume, not to include 0.05ml of needle hub loss for each withdrawal. Hub loss will be documented and subtracted from the balance when recording the end use of a controlled substance. Any discrepancy will be documented when recording the end use of a controlled substance. A discrepancy greater than 10% should be immediately reported to a supervisor. Federal regulations mandate that thefts or significant loss of a controlled substance will be reported to the DEA.
- IV. Inventory of Controlled Substances
- i. DEA required inventory will be done every 2 years by a Lead Tech and a DVM. All inventory items will be counted and documented in stock log books. The entry in the log book will begin with "DEA REQUIRED INVENTORY". The inventory will be dated and initialed by both parties.
  - ii. Quality control of controlled substance daily use logs will be completed quarterly by Veterinary Services Supervisors. Supervisors will conduct physical inventory counts of daily use drugs and reconcile with log books. Results will be documented in daily use drug logs. The entries in the log book will begin with "Quality Control Reconciliation" and will list actual quantity, documented quantity and any discrepancies along with date and initials.
- V. Donated Controlled Substances and other drugs
- i. Controlled substances will not be accepted as donation to Austin Animal Center from the public. Controlled drug medications that are brought in with a specific animal will be kept locked in the safe or locked cabinet. When no longer needed for that animal, the drugs will be kept in the safe until disposed of.

## Animal Services Program Audit

### *Management Response*

- b) To reduce risk of theft, misuse or significant loss, the duties of inventorying, ordering and receiving controlled substances have been segregated. A DVM will perform the weekly duty of inventorying. The completed inventory will be given to a Lead Tech to place orders as needed.
  - i. Ordering controlled substances: Schedule 2 (II) drugs will require both a DVM and a Lead Tech to initiate an order. All other scheduled drugs will be ordered by a Lead Tech.
  - ii. Receiving controlled substances: A Lead Tech and a DVM will confirm all items received, then date, initial and file the order form. Either the Lead Tech or the DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.
  
- c) Quarantine Area for expired controlled substances.
  - I. Expired Controlled Substances
    - i. When controlled drugs purchased by the COA expire, are damaged or are no longer wanted, a reverse distributor will be contacted and the drugs will be transferred to the registered company. The expired drugs will be quarantined in a clearly marked box in the safe until sent to the reverse distributor. Copies of the records documenting the transfer and disposal will be maintained for a period of two years.

**Status of Strategies:**

- a) Implemented
- b) Implemented
- c) Implemented

**Proposed Implementation Date:**

- a) Complete
- b) Complete
- c) Complete

## Protocol for Administration of Controlled Substances

Acquisition of controlled substances will be identified by a Doctor of Veterinary Medicine (DVM) on a weekly basis as indicated by a pre-determined need minus stock on hand. Weekly inventories will be initialed by the DVM and kept in a file in the Safe Room in the Pharmacy.

### Placing orders

Schedule 2 (II) Drugs: The required 222 Form (triplicate) will be filled out by the ordering tech and the DEA registered DVM. Once the order is placed, a copy of the 222 form will be posted on the “**Current Order**” clipboard in the locked Safe Room in the Pharmacy.

Schedule 3 (III) Drugs: An Ordering Tech will place the order. A copy of the order form will be posted on the “**Current Order**” clipboard in the locked Safe Room in the Pharmacy.

### Receiving Orders

Schedule 2 (II) Drugs: A Receiving Tech and a DVM will confirm all items have been received, then date, initial and file the 222 form. Either the Receiving Tech or the receiving DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.

Schedule 3 (III) Drugs: A Receiving Tech and a DVM will confirm all items have been received, then date, initial and file the order form. If a partial order arrives, date, initial, and document actual delivery count on the order form then return it to “**Current Order**” clipboard. Either the Receiving Tech or the receiving DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.

### Separation of Duties

To reduce risk of theft, misuse or significant loss, the duties of inventorying, ordering and receiving controlled substances have been segregated.

A DVM will perform the weekly duty of inventorying. The completed inventory will be given to a Lead Tech to place orders as needed.

Ordering controlled substances: Schedule 2 (II) drugs will require both a DVM and a Lead Tech initiate an order. All other scheduled drugs will be ordered by a Lead Tech.

Receiving controlled substances: A Lead Tech and a DVM will confirm all items received, then date, initial and file the order form. Either the Lead Tech or the DVM will be responsible for documenting the receipt of these items in the appropriate log book (include date and both sets of initials) and number bottles if applicable.

### **Significant Loss of Controlled Substances**

Austin Animal Services has defined an acceptable discrepancy of 10% or less of the total beginning volume. When recording the end use of a controlled substance, a discrepancy greater than 10% should be immediately reported to a supervisor. Federal regulations mandate that thefts or significant loss of a controlled substance will be reported to the DEA.

### **Inventory of Controlled Drugs**

DEA required inventory will be done every 2 years by a Lead Tech and a DVM. All inventory items will be counted and documented in stock log books. The entry in the log book will begin with "DEA REQUIRED INVENTORY". The inventory will be dated and initialed by both parties.

Quality control of controlled substance daily use logs will be completed quarterly by Veterinary Services Supervisors. Supervisors will conduct physical inventory counts of daily use drugs and reconcile with log books. Results will be documented in daily use drug logs. The entries in the log book will begin with "Quality Control Reconciliation" and will list actual quantity, documented quantity and any discrepancies along with date and initials.