

Memorandum



Date: December 5, 2016

To: Dr. Takashi Wada, Director of Public Health
Heather Fletcher

From: Heather Fletcher, Internal Audit Manager

Subject: Allegations Regarding the Santa Barbara Animal Shelter

CC: Mona Miyasato, County Executive Officer
Terri Maus-Nisich, Assistant County Executive Officer
Suzanne Jacobson, Chief Financial Officer
Jan Glick, Director of Animal Services
Theo Fallati, Auditor-Controller

On June 22, 2016, Internal Audit was notified of allegations regarding employee wages and waived fees at the Santa Barbara Animal Shelter (the Shelter). Some allegations fell outside of Internal Audit's purview and were forwarded by Internal Audit to the CEO's office for further assessment. In accordance with County Resolution No. 11-432, Internal Audit assessed allegations made regarding employee wages and waived fees by completing the following procedures:

- Obtained and read applicable ordinances and policies and procedures on waived fees
- Read service provider agreements
- Obtained a list of waived fees and reviewed a sample selection of six waived fees
- Made inquiries
- Reviewed timecards of Santa Barbara Shelter staff

Based on the results of our assessment, we recommend that Public Health consider taking the following actions:

Recommendation #1: Employee Overtime

It was alleged that a Santa Barbara Shelter employee worked overtime and did not code it in the timekeeping system, although the employee's position is non-exempt. We found this allegation to be substantiated. We recommend that the employee be instructed to code all overtime worked. We also recommend that, when approving timecards, Santa Barbara Shelter management ensure that the timecards include all hours worked. Furthermore, Public Health should determine whether it would be possible to quantify the overtime worked by the employee that was not reported to the County and calculate the amount owed for this time. We also recommend that Public Health work with Human Resources to evaluate the feasibility of making this employee's position exempt.

Recommendation #2: Waived Fees

During our inquiry, we noted improvements that could be made in regards to waived fees, as follows:

- It was alleged that Santa Barbara shelter staff improperly waived fees. We found this partially substantiated as the policy states that fees may only be waived when owners are financially unable to bear additional costs related to their animals. However we noted that fees are waived when individuals adopt animals with substantial veterinary bills and in instances where owners request that late fees be waived. We recommend the department update their policy to clarify the instances where fees may be waived.
- The process for waiving fees does not include an electronic supervisory approval, similar to what is usually required for voiding transactions. Furthermore, the entry of waived fee transactions into the register is inconsistent. As such, a comprehensive report of waived fees cannot be generated by the system. We recommend that policies and procedures be developed to include supervisory approval before fee waiver and consistent entry of transactions.
- We noted that Animal Services authorized waiving fees for an adoption partner; however the adoption partner agreement states that the adoption partner will pay full fees. We recommend Animal Services update their current partner agreements to clarify whether fees may be waived and under what circumstances.

Recommendation #3: Timecards

We noted two employees did not appropriately code hours on Christmas Day in the time keeping system. We recommend Animal Services evaluate whether there are any pay adjustments that need to be made based on these timecoding inaccuracies. We also recommend Animal Services' managers and supervisors review proper timecoding policies and procedures with employees.

Please provide a response to the recommendations in this report within 30 days to the Internal Audit Division of the Auditor-Controller's Department. We would be pleased to discuss the contents of this memorandum in further detail at your convenience. Please contact me at (805) 568-2121 with any questions or concerns you may have.