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Maricopa County Animal Care & Control Audit

December 2014

*Internal Audit Report Authorized by the
Maricopa County Board of Supervisors*

Report Highlights

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The Maricopa County Animal Care & Control Department (MCACC) will ensure that controlled substances are properly managed.	1
MCACC will revise its animal assessment policies to reflect current practices.	2
Euthanasia is performed in accordance with statute and is accurately reported.	3
MCACC will ensure that revenues for animal control services are collected in accordance with intergovernmental agreements (IGAs).	4
Grants and donations are properly approved and monitored.	5
MCACC will ensure the propriety of Spay/Neuter Assistance Program (SNAP) expenditures.	6
MCACC will ensure that effective IT general controls are implemented.	6
MCACC will strengthen application access and password controls.	9

Objectives

To determine that:

- Controlled substances are properly managed in accordance with departmental policies and select federal regulations.
- Dogs are properly assessed for behavior and health prior to being placed up for adoption, made available to rescue organizations, or scheduled for euthanasia.
- Euthanasia is performed in accordance with statute and departmental policies, and euthanasia statistics are accurately reported.
- Fees for animal control services are received in accordance with IGAs.
- Grants and donations are properly approved, and requirements/restrictions are properly monitored.
- Expenditures to veterinarians/clinics under the Spay Neuter Assistance Program (SNAP) are made in accordance with select contract requirements.
- Key IT general controls and critical application controls over data confidentiality, integrity, and availability are adequate and effective.

Scope

The audit scope encompassed four primary areas:

1. *Adoptions* – Management of controlled substances, animal assessments, and euthanasia protocol and reporting.
2. *Revenues* – Animal control services IGAs, and grants and donations.
3. *Community Outreach* – Spay/Neuter Assistance Program expenditures.
4. *Information Technology* – IT general controls and application controls.

Our primary audit period ranged from FY 2012 to FY 2014, although the audit period varied based on the audit test performed.

In order to achieve our objectives, we reviewed relevant federal regulations, state statutes, and Maricopa County Animal Care and Control (MCACC) policies and procedures. We also conducted interviews with staff and examined relevant records, reports, and processes at both MCACC shelters. Additionally, we examined supporting documentation related to key general computer controls and critical application controls over MCACC's case management system (Chameleon).

We would like to note that each employee we interviewed and observed exhibited a deep concern for the animals in their care.

Standards

This audit was approved by the Board of Supervisors and was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing. The specific areas reviewed were selected through a formal risk-assessment process.

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This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a matter of public record and its distribution is not limited.

We have reviewed this information with MCACC management. The Action Plan was approved by Tom Manos, County Manager, and Dr. Rodrigo Silva, Assistant County Manager and MCACC Director, on December 11, 2014.

If you have any questions about this report, please contact Eve Murillo, Deputy County Auditor, at 602-506-7245.

Audit Results

Issue #1: Controlled Substances

Observation: Controlled substances are not always procured and managed in accordance with MCACC's policies and procedures.¹ We reviewed 25 orders of controlled substances placed in fiscal year (FY) 2014, and found that 10 did not contain an approval signature and 8 did not have evidence of approval by MCACC's procurement committee or director, as required. We also reviewed the drug logs used by MCACC to manage its controlled substances inventory and found that:

- Numerous manual drug logs (over 35) are used to track the receipt and use of controlled substances.
- Physical inventories are not performed.
- Drug log reviews are not performed monthly at 6 of 7 divisions as required, and biannual audits are generally limited to a review for mathematical accuracy.
- Drug transfers between divisions were not always documented.
- Inaccurate bottle counts were noted.
- Incident reports for wastage and loss were not always prepared.
- Duties are not properly segregated.

We also reviewed compliance with select requirements contained in the Code of Federal Regulations, which is enforced by the Drug Enforcement Agency (DEA). We found that MCACC was not in full compliance with 10 of 16 (63%) regulations tested.

Conclusion #1A: Improvement is needed to help ensure that controlled substances are properly procured and managed.	
Recommendations	MCACC Action Plan
1A-1 Establish comprehensive written policies and procedures for all operations involving controlled substances. The policies and procedures should include strong internal controls, and be in alignment with applicable state and federal regulations.	Concur – in process <u>Deployment Steps:</u> <ol style="list-style-type: none">1. E-mail revised policy to all staff.2. Review at 12/16/14 Managers Monthly Meeting.3. Supervisors have 30 days to train affected teams.

¹ Controlled substances are drugs or other substances that have some potential for abuse, and whose manufacture, possession, or use is regulated by the government.

	<p>4. Supervisors of affected teams will train newly hired staff within 30 days of hire.</p> <p>5. Annual review and retraining as needed during biannual audit and monthly inventory.</p> <p>Target Date: 02/02/2015</p>
Recommendations	MCACC Action Plan
<p>1A-2 Set forth staff responsibility for ensuring compliance with applicable regulations for controlled substances, and provide appropriate training as needed.</p>	<p>Concur – in process</p> <p>Target Date: 02/02/2015</p>

Issue #2: Animal Assessments

Observation: Existing MCACC policy requires that a comprehensive behavioral assessment be performed on all dogs (except puppies and animals that have bitten) prior to an animal being placed for adoption, made available to rescue organizations, or scheduled for euthanasia. Dogs are also required to undergo a physical assessment after the behavioral assessment is performed. We found that assessments were not always performed in accordance with policy, as noted below.

- For 1,221 of 1,557 (78%) dogs reviewed, staff did not provide paper documentation that showed that the required behavioral assessments were performed. Where documentation was provided, it did not show that departmental policy was consistently followed. However, for all dogs euthanized except one, there were comments in the online system that addressed the dogs' behavior and/or health.
- Physical assessments are generally not performed in accordance with departmental policy. Instead, technicians observe the animals informally and request "vet checks" if animals exhibit symptoms. According to internal records, vet checks were performed on 5,409 of 36,574 (15%) dogs taken in during FY 2013.

Conclusion #2A: Animal assessments are not always conducted in accordance with current policy, which requires that a comprehensive behavioral and physical assessment be performed on most dogs. However, there was evidence that all euthanized dogs were assessed.	
Recommendation	MCACC Action Plan
2A-1 Update internal policies and procedures to reflect current needs and goals, as needed, and include specific documentation and monitoring requirements to ensure that all dogs receive required assessments.	Concur Completed: Animal Placement Policy revised to reflect current practices. Completed: Periodic monitoring conducted by supervisor/lead.

Issue #3: Euthanasia

Observation: Euthanasia is performed in accordance with state statute, and euthanasia statistics were accurately reported for calendar year (CY) 2013, based on a review of animal status codes in MCACC’s case management system (Chameleon). However, we observed the euthanasia of 23 animals over two days and found that internal policy is not always followed. The following exceptions were noted:

- Euthanasia drugs and sedatives are not administered based on actual animal weight, as required, because the act of weighing an animal may increase its stress level, according to staff. Instead, drugs are administered based on an animal’s estimated body weight.
- For 8 of 23 (35%) animals observed, the dogs’ faces were not held away from the person injecting the drugs, as required for staff safety reasons. Instead, the animals’ head and ears were massaged in an effort to reduce their stress level, according to staff.
- For 4 of 23 (17%) animals observed, bodily fluids were not cleaned from the table/floor before the next animal was brought in. The bodies were properly removed for 21 of 23 (91%) animals observed.

Conclusion #3A: Euthanasia is performed in accordance with state statute.	
Recommendations	MCACC Action Plan
None	N/A

Conclusion #3B: Euthanasia statistics for CY 2013 were accurately reported.	
Recommendations	MCACC Action Plan
None	N/A
Conclusion #3C: Greater oversight is needed to ensure compliance with internal policies and procedures governing euthanasia.	
Recommendations	MCACC Action Plan
3C-1 Update internal euthanasia policies and procedures to reflect current requirements, as needed, and set forth staff responsibility for monitoring compliance. Consider requiring formal supervisory observations at an appropriate interval, and provide employee refresher training as needed.	Concur – completed Euthanasia Training Manual (ETM) revised; staff in compliance with ETM; periodic monitoring conducted by supervisor/lead; refresher training established.

Issue #4: Intergovernmental Agreements (IGAs) – Animal Control Services

Observation: In order to determine compliance with certain IGA pricing terms and conditions, we reviewed all quarterly invoices and remittances for FY 2012, FY 2013, and FY 2014 (through 9/30/13), for the 22 jurisdictions that contracted for animal control services during this period. We found that all payments due during this period were received, except for the following two totaling \$10,845, which were significantly past due, as shown below. Both payments were received during the audit.

Amount	City/Town	Due Date	Payment Date
\$6,554.75	Town of Guadalupe	2/1/13	5/22/14
\$4,289.75	SRP-Maricopa Indian Community	8/1/13	7/7/14

Additionally, we found that remittances were generally not received timely because MCACC did not provide invoices to the jurisdictions until on or after the payment due dates. We reviewed quarterly remittances totaling \$8.6M and found that \$5.5M (64%) was more than 30 days late, as summarized on the following page.

Summary of IGA Payments Made After Due Date				
1 – 30 Days Late	31 – 60 Days Late	61 – 90 Days Late	91–120 Days Late	Total
\$3,115,396 (36%)	\$3,984,389 (46%)	\$1,401,437 (16%)	\$84,687 (1%)	\$8,585,909

In addition, we noted that changes to fee schedules were not documented as amendments to the agreements, as required by most IGAs. However, MCACC states that it notifies the jurisdictions of fee changes.

Conclusion #4A: IGA contract monitoring needs improvement to ensure that all revenues are received in a timely manner.	
Recommendation	MCACC Action Plan
4A-1 Strengthen IGA controls to ensure that invoices are sent timely, receivables are properly monitored, and contract provisions are followed or amended.	Concur – completed Billing 20 days prior to due date; receivables reviewed 30 days after due date; contract expirations and contract proposals reviewed each January.

Issue #5: Grants and Donations

Observation: In order to determine that FY 2013 grants and donations were properly approved, we reviewed 5 grants totaling \$252,267 (100%) and 50 donations totaling \$530,242 (54%). We also reviewed 2 grants totaling \$218,357 (87%) and 35 donations totaling \$526,991 (53%) to determine if restrictions were properly monitored.

We found that all grants and donations reviewed were properly approved, and adequate controls appeared to be in place to ensure that restrictions were effectively monitored.

Conclusion #5A: Grants and donations were properly approved, and restrictions appeared to be properly monitored.	
Recommendation	MCACC Action Plan
None	N/A

Issue #6: Spay/Neuter Assistance Program

Observation: MCACC’s Spay Neuter Assistance Program (SNAP) is a subsidized voucher program that provides free spay and neuter surgeries to County pet-owners. In FY 2013, MCACC contracted with 71 veterinarian clinics to provide spay/neuter surgery services, and program expenditures totaled \$967,945. The program is funded by donations.

In order to determine that SNAP expenditures complied with select contract requirements, we reviewed 201 expenditures totaling \$15,165. We found that for 123 (61%) of the reimbursements reviewed, the veterinarians did not submit sufficient documentation to support the amount invoiced.

Conclusion #6A: Controls should be strengthened to help ensure the propriety of SNAP expenditures.	
Recommendation	MCACC Action Plan
6A-1 Ensure that sufficient documentation exists to fully support invoices prior to approval.	<p>Concur – completed Communications established.</p> <p>New automated process has been established, thus reducing the manual processing of invoices and vouchers. These processes include processing all invoices through Chase Bank, a lockbox and automated entry into Chameleon database. This will greatly reduce errors, and gain efficiencies in the cost and processing time of the program. A similar program is used to process 55.4% of MCACC’s dog licenses with a 99.9% of accuracy.</p>

Issue #7: IT General Computer Controls

Observation: MCACC has implemented effective general computing controls over disaster recovery planning, data and system backup maintenance, IT policy change management, and IT policy communications to its employees. However, we found that other general controls could be improved, as noted below.

- *Anti-Virus Protection:* Two of 7 servers were unprotected from computer viruses and up to 40 MCACC workstations may not have anti-virus protection. MCACC workstation inventories did not match Office of Enterprise Technology (OET) records showing which workstation had anti-virus protection, and MCACC had

not performed the necessary reconciliation to ensure all workstations are protected. We verified that MCACC corrected the anti-virus issues for the two servers during the audit.

- *Physical Access:* MCACC has a written policy that restricts access to its data center to authorized MCACC IT personnel. However, there is no effective procedure in place to ensure that access is properly restricted. We found that a total of 19 employees (7 from MCACC and 12 from other agencies) had access to the data center.
- *Remote Access:* Employees not working within MCACC facilities use remote access to securely access the network. MCACC was unable to provide evidence that remote user accounts were terminated within 24 hours of employee separation, as recommended by OET. MCACC does not document when account terminations are requested. In addition, we found that 8 of 13 (62%) accounts reviewed were not disabled within 24 hours. Of these, five accounts were not disabled for more than seven days after separation.
- *Security Awareness and Strategic Planning:* MCACC has not established written employee IT security awareness and training policies, and has not incorporated key IT strategic planning processes (e.g., IT strategic plan, IT risk assessment, and strategic-based IT budget) within its business strategy.

Conclusion #7A: MCACC controls over disaster recovery, data and system backups, and policy changes are adequate and effective.	
Recommendations	MCACC Action Plan
None	N/A
Conclusion #7B: MCACC anti-virus protection is not fully implemented.	
Recommendations	MCACC Action Plan
7B-1 Verify that all current MCACC servers and workstations have anti-virus protection. Develop a formal policy and procedures to ensure that all servers and workstations remain protected by anti-virus software.	Concur – completed It has been verified that all servers and workstations have anti-virus protection since 7/16/2014. MCACC Antivirus Protection Policy IT4010 has been rolled out to ensure that servers and workstations remained protected.

Conclusion #7C: MCACC does not have a formal authorization and review process to ensure that access to the data center is properly restricted.	
Recommendations	MCACC Action Plan
7C-1 Establish and enforce formal written procedures to ensure that access to the data center is properly restricted to authorized employees only. Review current access and remove all unauthorized employees.	<p>Concur – in process</p> <p>The access to the data center has been limited and restricted. Formal written procedures will be established for the data center.</p> <p>Target Date: 02/06/2015</p>
Conclusion #7D: MCACC did not promptly disable remote user accounts.	
Recommendations	MCACC Action Plan
7D-1 Develop a formal policy to ensure that all remote network access is disabled within 24 hours of employee separation. The policy should include documenting remote access card collection and confirming with OET that access is disabled. Alternatively, consider implementing the upgraded remote access technology to allow greater security and streamlined controls.	<p>Concur – in process</p> <p>This issue is being addressed in conjunction with 8B-1. A policy and log are being created with Department Human Resources for onboarding and separation from the Department.</p> <p>The Department is considering the upgrade to VPN F5, dependent upon cost.</p> <p>Target Date: 02/06/2015</p> <p>The Department also recommends that this issue be taken to a larger audience for review by Protective Services, Facilities Management, Department Directors, and OET. Upon review by the groups listed above, the Department recommends that a county-wide policy be implemented.</p>

Conclusion #7E: MCACC controls over security awareness and IT strategic planning need improvement.	
Recommendations	MCACC Action Plan
7E-1 Develop a formal end-user security awareness policy and ensure that employees receive training. Consider online data security training options through Pathlore.	Concur – in process Online data security training will be mandatory for all employees. An awareness policy will be in effect for onboarding and refresher training on an annual basis. In addition, this will be a topic for the Department monthly supervisor meeting. Target Date: 02/13/2015
Recommendations	MCACC Action Plan
7E-2 Incorporate IT strategic planning policies and procedures, with the MCACC business strategy. Include processes for communicating applicable changes.	Concur – in process IT strategic plan in development. IT policies and procedures will align with MCACC business needs. Target Date: 03/01/2015

Issue #8: IT Chameleon Application Controls

Observation: MCACC has effectively implemented several key application controls over Chameleon, including authorizing, testing, and approving system updates, securing system backup storage, implementing effective policies and procedures, securing data transmissions, and managing system reporting. However, we found the following weaknesses:

Application Access: For 202 (100%) active Chameleon user accounts reviewed:

- 16 of 202 (8%) accounts were assigned to terminated employees.
- 8 of 202 (4%) accounts were incorrectly assigned unused administrator privileges (greater application access) or were duplicates. These accounts could be used to make unauthorized changes to the application.

We selected 15 user accounts to perform a detailed verification and found 8 of 15 (53%) did not have written authorization to access Chameleon, and the users had not signed the required password form. In addition, all 15 accounts had been granted access in excess of what was needed based on existing job duties.

Password Controls

- Two MCACC policies differ in how frequently employees must change their passwords. Additionally, the policies do not include OET-suggested guidance on password security.
- MCACC policy requires that passwords be manually changed by the IT division manager, the only MCACC employee responsible for the day-to-day management of Chameleon. There is no process in place to document the manual password changes.

Conclusion #8A: MCACC controls over Chameleon updates, system backup storage, data quality and security, and Chameleon reporting are adequate and effective.	
Recommendations	MCACC Action Plan
None	N/A
Conclusion #8B: User access controls over Chameleon should be strengthened.	
Recommendations	MCACC Action Plan
8B-1 Revise user access and account management policies to include requirements for documenting (1) authorizations, (2) changes, (3) terminations, and (4) regular reviews and updates.	Concur – in process This issue is being addressed in conjunction with issue 7D-1. A policy and log are being created with Department Human Resources for onboarding and separation from the Department. As part of the policy, there will be regular reviews and updates. Target Date: 02/06/2015
8B-2 Review current Chameleon access levels and ensure access is limited to the level needed to perform job duties.	Concur – in process The access levels are correct at the server level. The Department is working with HLP, Inc. (Chameleon vendor) to make the administrative changes to the report to update all user records. Target Date: 02/06/2015

Conclusion #8C: MCACC controls over passwords need strengthening.	
Recommendations	MCACC Action Plan
8C-1 Revise password policies and align Chameleon password settings with OET-recommended standards. Consider implementing automated password controls available through the Chameleon application.	<p>Concur – in process</p> <p>MCACC Chameleon Application Password Change policy IT4006 has been updated and the user passwords are being set up at the database level to ensure that users will receive reminders when their password is about to expire.</p> <p>Target Date: 02/13/2015</p>

Approved By:  12-9-14
Dr. Rodrigo Silva, Assistant County Manager Date

 12-11-14
Tom Manos, County Manager Date