

Department of Recreation and Human Services
Animal Services
2024 DRHS Animal Services Cash Collections

Distribution: Malik D. Evans, Mayor
Michael Burns, Deputy Mayor
Dr. Shirley Green, Commissioner of DHRS
Patrick Beath, Corporation Counsel

Office of Public Integrity
Date: 12/20/2024
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EXECUTIVE SUMMARY

In this review we examined accountability of reported cash collections, the adequacy of internal control procedures, and compliance with City cash handling policies at Rochester Animal Services. We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures over the Animal Services operations and, in general, compliance with City cash handling policies. However, we noted the following findings that require management attention to ensure compliance with prescribed policies.

- During the test period, we noted 3 instances out of 23 where daily cash receipts were not deposited in accordance with the City's Cash Handling Policies. The total dollar amount of daily cash receipts that were deposited late was \$819.00 out of a total of \$2,143.00 (38.2%) received during June 2023. For cash donations received from January 1, 2023 through March 31, 2023, we identified 3 cash donations that were deposited with Treasury late. The total of these 3 late deposits was \$220 out of \$8,473 that was received during the test period.

BACKGROUND OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely examines cash collection procedures and related internal controls at various City locations. This review of Animal Services is included in OPI's audit plan.

B. Background

The Department of Recreation and Human Services (DRHS) Rochester Animal Services (RAS) is a municipal animal care and control organization whose mission is to provide information, assistance, pet re-unification and pet re-homing for the Rochester community to facilitate pet retention, encourage compliance, and support healthy choices for pet owners. RAS responds to animal related complaints, impounds unleashed animals, euthanizes sick and abandoned animals, issues summonses for unlicensed animals, and temporarily houses stray animals. Additionally, they provide veterinary care for impounded animals and make unclaimed dogs and cats available for public adoption. The City assumed operational control of the agency in July 2000 when the Humane Society of Rochester and Monroe County at Lollypop Farm opted to discontinue their contract with the City.

Cash collections result from animal license sales, redemption and adoption fees, animal boarding and seizure fees, sterilization fees, and microchip and ID tag fees. RAS also collects fees for rabies vaccinations and emergency veterinary services. Additionally, RAS accepts charitable contributions from citizens to the Animal Control Gifts Fund.

C. Objectives and Scope

The objectives of this audit were to assess the adequacy of the internal controls over daily receipts, to determine the accuracy of reported revenues, to determine compliance with the City's Cash Handling Policy, and to determine the timeliness of receipt deposits. The scope period for daily receipts at Rochester Animal Services is collections that occurred during the month of June 2023. The scope period for donations received towards the Animal Control Gifts Fund is January 1, 2023, through March 31, 2023.

Type of Revenue	Total Revenue Tested	
	Dollars	Percent
Sale of Dogs	\$740.00	6.08%
Sale of Cats	\$610.00	5.01%
Boarding Fees/Dog Seizures	\$500.00	4.10%
Rabies Vaccinations	\$500.00	4.10%
License Fees	\$820.00	6.73%
Sterilization Fees	\$420.00	3.45%
ID Tags	\$63.00	0.52%
Miscellaneous Fees	\$55.00	0.45%
<u>Donations</u>	<u>\$8,473.00</u>	<u>69.56%</u>
Total	\$12,181.00	100.00%

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Due to inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. In addition, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the International Standards for Professional Practice of Internal Auditing. 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.

The recommendations presented in this report include the more significant areas of potential improvement that came to our attention during the course of the examination, but do not include all possible improvements that a more extensive review might develop.

RESULTS OF REVIEW

The results of this review indicate that, in general, internal controls are adequate, Animal Services adequately reports and deposits revenue in a timely manner and they adhere to the City's Cash Collection Policies. However, we noted the following findings that require management attention to improve administrative and internal controls and to ensure compliance with City policy.

A. Late Deposits of Daily Cash Receipts and Cash Donations

During the test period, we noted 3 instances out of 23 where daily cash receipts were not deposited in accordance with the City's Cash Handling Policies. The total dollar amount of daily cash receipts that were deposited late was \$819.00 out of a total of \$2,143.00 (38.2%) received during June 2023. For cash donations received from January 1, 2023 through March 31, 2023, we identified 3 cash donations that were deposited with Treasury late. The total of these 3 late deposits was \$220 out of \$8,473 that was received during the test period.

The City of Rochester Cash Collection Policies require that City personnel deposit all cash within five days of receipt or immediately upon the accumulation of \$300, whichever occurs first. The Office of Public Integrity noted that Rochester Animal Services personnel do not always deposit daily revenue in accordance with these policies.

Timely deposits of cash are important because a delay in deposit results in a greater risk of loss, theft or diversion. Additionally, personal checks received in payment may be good upon receipt, but not at a later point in time. Finally, undeposited cash is idle cash and does not contribute to the best possible utilization of City resources.

- Recommendation

OPI recommends that DRHS Animal Services personnel deposit cash collections in accordance with the City's Cash Collection Policies

DEPARTMENTAL RESPONSE


The response to this report from the Department of Recreation and Human Services begins on the next page.



City of Rochester

Inter-Departmental Correspondence

To: Timothy R. Weir, Director of the Office of Public Integrity (OPI)

From: Dr. Shirley JA Green, Commissioner of DRHS 

Date: December 19, 2024

Subject: Department of Recreation and Human Services 2024 DRHS Animal Services Cash Collections

Below is the response to the Office of Public Integrity (OPI) examination of Department of Recreation and Human Services 2024 DRHS Animals Services Cash Collections. This memorandum is offered regarding your findings.

1. OPI Recommendation

OPI recommends that DRHS Animal Services personnel deposit cash collections in accordance with the City's Cash Collection Policies.

Department Response:

As a result of this review, Rochester Animal Services will ensure personnel deposit cash collections in accordance with the City's Cash Collection Policies.

cc: Malik D. Evans, Mayor
Patrick Beath, Corporation Counsel
Anastacia Papadoplos, Director of Animal Services