



INTERNAL AUDIT REPORT

Vaughan Animal Services Audit

March 2022

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

CONCLUSION AND SUMMARY

Vaughan Animal Services (VAS) is a valued and established core public service. VAS is responsible for animal shelter and animal control in Vaughan. Through a memorandum of understanding, VAS also performs the same services for the City of Richmond Hill and the Township of King. In general, the audit found VAS to be operating effectively. The following opportunities were identified:

- Investigating the feasibility of acquiring a permanent location for the VAS shelter.
- Implementing an inventory management system.
- Enhancing policy, procedures and guidelines for several processes, including acceptance of food and medical donations and adoption follow-up.
- Developing and implementing formal department specific operational health and safety training programs.

Since 2010, VAS has been operating out of a 6,700 square foot leased facility in an industrial plaza. Currently, the shelter has 123 permanent cages for cats and 40 permanent cages for dogs. This location was originally planned to be a temporary solution until a permanent facility could be secured. VAS's operations have continued to grow over the years resulting in spacing challenges for the animals and staff. For example, the current facility has no outdoor green space for exercising dogs, making it necessary for dogs to be hand-walked a minimum of two times daily within the parking lot area adjacent to the shelter. Leasing also creates a business continuity risk as the property owner may choose not to renew the lease. VAS would then be under immense pressure to find a suitable replacement facility. Finding a permanent, City-owned facility, with more space and additional amenities would alleviate potential business continuity risks, health and safety and reputational risks.

An inventory management system helps ensure stock is readily available, optimize stocking levels, manages waste, and facilitate the timely ordering of new stock. VAS does not have an inventory management system. Shelter and control operations require a vast array of equipment and supplies. Due to a shortage of space, inventory is stored in a variety of places including the storage room, kennels, supervisor's office, and in vehicles, which makes it difficult to know specific levels. New inventory orders are based upon supervisor observation of anticipated needs. Inventory levels are also impacted by frequent public donations. Without an inventory management system there are operational risks that supplies and equipment are not available when needed, financial risks that medical and supply inventory is under or overvalued, making it difficult to project budgetary needs, and making it difficult to detect theft or misuse. Implementing an inventory management would address these risks and will enhance VAS's efficiency and effectiveness.

VAS have many procedures in place which adequately support shelter and control activities. However, there are several areas where additional documentation of programs and processes could be developed or improved upon. These areas involve core operations, such as the acceptance of food and medical donations and adoption follow-up. Without formalized

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

procedures and properly developed SOPs, there are risks information and expectations are communicated inconsistently or inaccurately, which may impact health and safety, the City's reputation, and pose possible legal liability.

The City of Vaughan is committed to ensuring the health and safety of its employees in the workplace. The City's Occupational Health and Safety policies and procedures manual covers several topics including personal protective equipment, safe work practices and health & safety training. Implementing a more formal approach for developing and implementing department specific operational health and safety training programs will help mitigate the risk of workplace injuries or errors, which may compromise the health & safety of City staff and the general public.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to a future Audit Committee meeting.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

BACKGROUND

VAS's shelter services include the intake, assessment, and care of stray, abandoned, surrendered and impounded animals. Care consists of preemptive disease control, isolating and treating injured and ill animals, obtaining veterinary services such as having dogs and cats spayed and neutered, providing exercise and nutrition, keeping enclosures clean and comfortable, laundry services, and in warranted circumstances, euthanasia. The shelter also administers the pet licensing program and facilitates animal adoption.

In 2021, VAS impounded 652 dogs and cats and were successful in reuniting 79% of dogs with their families. VAS found homes for 230 unclaimed dogs and cats.

Animal Services Officers (ASOs) provide enforcement, education, and patrolling services for domestic animals and wildlife. As part of the MOU, services spans the City of Vaughan, City of Richmond Hill, and the Township of King. Since March 2020, ASOs have responded to more than 23,000 cases. Along with their regular operating duties, VAS face challenges such as upholding legislation concerning Ontario's pit bull ban and helping the public live with urban wildlife.

OBJECTIVES AND SCOPE

The objective of the audit is to evaluate the adequacy and effectiveness of the internal controls, processes, and procedures in place to mitigate the business risks associated with managing VAS.

The audit scope included assessing that:

- Strategic plans are appropriately developed, implemented, and monitored, and align with the City's strategic initiatives and priorities.
- There is adequate management oversight, ensuring the proper execution of the VAS operations and services.
- Key performance indicators have been developed and management tracks, monitors, and reports on the critical success factors of the department.
- Budgetary and financial records appropriately reflect operational and capital objectives.
- Policies and procedures are regularly reviewed, updated, and applied consistently.
- Information Technology systems are being leveraged and used to their maximum capabilities.

The scope of the audit covered the VAS activities for the period of January 2020 to November 2021.

This audit was conducted in Conformance with the *International Standards for the Professional Practice of Internal Auditing*.

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INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

DETAILED REPORT

1. *Investigate the Feasibility of Acquiring a Permanent Location for the VAS Shelter*

An animal shelter is a facility where stray, lost, abandoned or surrendered animals are housed. Most of the animals are dogs and cats, but often the population includes rabbits, guinea pigs, and birds. The location should be large enough to allow proper species segregation and provide areas for treatment, quarantine, and exercise. A well-designed shelter contributes to the physical and behavioural health of the animals, as well as the emotional welfare of staff and over-all efficiency of the service. The location should also be conducive for management to provide adequate oversight of shelter and control activities, while ensuring a positive client experience. Such positive public experiences are known to encourage greater public donations, partnerships and community investment.

Since 2010, VAS has been operating out of a 6,700 square foot leased facility in an industrial plaza. Currently, the shelter has 123 permanent cages for cats and 40 permanent cages for dogs. This location was originally planned to be a temporary solution until a permanent facility could be secured.

VAS's operations have continued to grow over the years resulting in spacing challenges for the animals and staff. At times of peak-capacity, VAS has to stop trapping nuisance feral cats, impacting service levels and the public's expectations. Limited space requires Animal Control Officers (ASOs) to work remotely and perform many of their administrative duties from their vehicles. There is no staff lunchroom, so staff use a limited number of workstations to take their breaks and meals or eat in the hallway. The storage room houses shelter supplies, skids of animal food, laundry facilities and a significant number of donated items.

The current facility has no outdoor green space for exercising dogs, making it necessary for dogs to be hand-walked a minimum of two times daily within the parking lot area adjacent to the shelter. This is not an efficient use of staff time and poses a risk to the City, due to the overlap of shelter animals and the public who use the parking lot.

Operating from a leased facility has introduced business continuity issues. There is always the risk that the property owner may choose not to renew the lease. Within this scenario, public safety and wellbeing of citizens and animals, both domestic and natural, would be a real risk due to VAS's inability to prevent critical service interruptions within three municipalities where the services are provided. VAS would be under immense pressure to find a suitable replacement facility, while attempting to maintain a limited level of service.

Based on these and other factors, management hired a consultant to conduct a feasibility study for relocating VAS to the City-owned Maple Nature Reserve. The 2017 study identified these and other challenges with the existing leased location. The consultant concluded that the Maple Nature Reserve (MNR) is an ideal location for a permanent animal shelter. The MNR lands provide an immense area of protected green space, with a number of land use restrictions that limit alternative uses, and directly align with establishment of a facility for VAS. Consideration of an alternative location will also require the necessary land acquisition at market rate, further creating possibly avoidable financial pressures on the City. The Dufferin Street frontage is a highly visible location, the proximity of trail systems provides opportunities

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

for dog-walking and fundraising, possible grant programs and there are programming and public outreach opportunities that could be taken advantage of.

The feasibility study helped VAS management prioritize the features for an optimal facility. Another consultant was hired to find funding sources. Subsequently, a business case is being developed and it is VAS management's goal to move forward with their Animal Services Operations Centre and Shelter project.

Recommendations

We recommend that management finalize:

- The Animal Services Operations Centre and Shelter funding plan to support the construction of a new operations centre.
- Securing of the MNR lands as the location for the Animal Services Operations Centre and Shelter or identifying another suitable location for land acquisition.
- The Animal Services Operations Centre and Shelter business case so that it may be considered as part of the 2023 budget cycle.

Management Action Plan

Management agrees with the audit recommendations.

Management is currently preparing Pre-Bid Specifications for an RFP that will result in a formalized Business Case to explore all options related to a new Vaughan Animal Services Operations Centre (VASOCS) facility. Once executed, a consultant will work with City staff to consider all possibilities and make recommendations for the most feasible solution(s) to the business needs of VAS, with a 20-year scope in mind. The option(s) selected will be used to inform the overall project direction and will be submitted to Infrastructure Delivery for consideration and inclusion in 2023 budget cycle deliberations. Target completion timeline is Q3, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

2. *Implement an Inventory Management System*

An inventory management system helps ensure stock is readily available, optimizes stocking levels, manages waste, and facilitates the timely ordering of new stock. VAS does not have an inventory management system. ASOs keep their inventory of supplies and equipment in their vehicles. The surplus is kept in the shelter's storage room and the supervisor's office. The supervisor orders more supplies as needed.

Shelter supplies include food, portable cages, blankets, tables, and care equipment. The shelter supervisor is very involved in the daily operations, and monitors supply needs and orders accordingly. VAS also receives inventory through public donations.

VAS receives their narcotic stock from a sole provider, the Nobleton Veterinary Clinic (NVC). Narcotic usage is documented on forms that are provided by NVC. The previous year's usage forms are collected by NVC at the beginning of the year for their auditing purposes. NVC is registered to carry these narcotics and are provincially monitored. Internal Audit noted that NVC is responsible for the narcotic inventory system. VAS is compliant to NVC's monitoring and reporting requirements.

However, non-narcotic medicine, such as anti-parasitic, antibiotics, and pain medication, are distributed by the shelter supervisor and administered by staff as treatment is required. Other than the supervisor's observation, there isn't a system in place to provide assurance staff are providing the prescribed amount for the animal's treatment or not taking the non-narcotic medicine home for use or sale.

Without the ability to reference an inventory tracking system, ordering new stock is based on the supervisor's observation or manually counting items on-hand. Inventory accuracy is also affected by the distribution of inventory items throughout the facility. With little oversight over usage, there is a greater risk of inventory misappropriation. Although VAS budgets for supplies, there are financial risks that management may not have an accurate picture of annual budgetary needs.

Developing an inventory management system to track purchased and donated shelter supplies and medicine would greatly improve operational efficiencies, prevent opportunities for loss or theft, and provide measures for timely restocking. According to management, Chameleon, VAS' existing software solution contains an inventory management module which may suit their requirements.

Recommendation

We recommend that management utilize the existing inventory module within Chameleon to better manage and provide oversight over VAS inventory, supplies and equipment.

Management Action Plan

Management agrees with the audit recommendation.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

Management will consult with Chameleon vendor (HLP Inc.) to explore and implement an inventory management system that best meets needs of VAS, utilizing current business application. Due to the expansive nature of this initiative, resources will need to be allocated, including the consideration of a new FTE that will work on this project among other items identified in this report. Target completion timeline is Q2, 2023.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

3. *Develop and Implement a Formal Process for Accepting Food and Medical Donations*

VAS accepts public donations of food and medicine and based on our benchmarking; this appears to be a normal municipal practice. VAS' primary sources of donated medicines and medical supplies come from residents (animals passed away or had extra meds due to treatment changes) and veterinary clinics who have short dated/expired meds. Occasionally Pharmaceutical and Medical companies/sales reps will donate items that are also short dated or expired. Regardless of whether medicine was donated by the public, vet clinic, or pharmaceutical salesperson, VAS will not use expired medicine.

According to the Supervisor of Animal Services, he will only consider using medicine where the packaging is in good repair. Medicine exposed to direct sunlight or moisture tends to change colour and will be properly disposed. VAS does not accept open bottles of liquid or ointment. In a situation where the donated medicine does not appear to be working, VAS staff would discontinue and use medicine purchased from the NVC.

VAS spent approximately \$30,000 in 2021 as a direct cost on medicines and medical supplies. The real expense would have been closer to \$40,000 if not for the donated items that were received.

According to the Supervisor of Animal Services, VAS will only accept food that is of a brand shelter standards and acceptable quality, and they do not accept food which has been opened. They also will not accept food where the bag, package, or tin is not in good shape. Open food and damaged bags and tins are donated to wildlife rehabilitation reserves. Food that is not open but does not meet shelter standards is sometimes used by ASOs for baiting traps for nuisance animals.

The Supervisor of Animal Services explained that being a registered veterinary technician makes him cognizant of the dangers of accepting donated food and medicine. He uses his observation and discretion to determine the effectiveness and safety of donated food and medicine. He confirmed that VAS does not have a procedure in place outlining how to determine what donated items are acceptable for use and consumption.

The practice of accepting donated medicine and food is a standard practice that has both financial and environmental benefits but risks such as being either harmful or ineffective. Developing a formal process to assess donated medicine and food could mitigate health and safety risks.

Recommendation

We recommend that management formalize a process for receiving medical and food donations.

Management Action Plan

Management agrees with the audit recommendation.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

Management will develop a new SOP that will detail the processes surrounding the acceptance of medical and food donations at VAS. Target completion timeline is Q3, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

4. *Develop and Implement a Formal Adoption Follow-up Process*

In compliance with section 20(5) of the Animals for Research Act, impounded animals are held for a minimum of three days – the redemption period. This allows an opportunity for owners to be reunited with their pets and VAS staff to assess the condition of the animal. If animals cannot be returned to their owner, VAS performs behavioural assessments, which consists of putting animals in certain situations to evaluate their overall temperament. If an animal is deemed suitable for adoption, the animal will receive all required vaccinations and if the animal has not been sterilized, it will undergo surgery.

All potential adopters must complete and submit an application which asks questions about the household and pet owner experience. The applicant must also agree to terms, including providing adequate shelter, food, water, exercise, medical care, and humane treatment at all times. The prospective pet owner must agree to the condition that the animal is not to be gifted to another recipient. The only verification of the application information is confirming landlords permit renters to have pets. VAS requires all family members to meet the prospective pet. Applications and the observations from the family and pet meeting are reviewed by shelter staff and selected candidates are approved by shelter management. Pet licensing costs are included in the adoption fees. The only subsequent contact VAS has with the new pet owners is sending out pet license renewal notices.

VAS does not have an adoption follow-up process in place to contact the new pet owners to determine the pet's suitability or general health during the adjustment period, or verification that the animal is still with the adopted family. Without an adequate follow-up process, there are risks the adopted pet is not receiving the proper care, resulting in neglect, illness, or abandonment. Contacting the owners could also help identify emerging behaviours which may put the adoptive family or the animal at risk of harm. Follow-up would also provide VAS with opportunities to offer additional care advice if required. An adoption follow-up process would help VAS determine the success of their adoption program.

Recommendation

We recommend that management develop and implement a formal adoption follow-up process.

Management Action Plan

Management agrees with the audit recommendation.

Management has developed a new Chameleon report that creates a schedule for contacting adopters approximately 6-weeks post adoption. Shelter staff will then make contact (primarily via telephone, if possible; if not, email attempt will be made). Staff are already implementing process and feedback is positive. Management action plan completed Q1, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

5. *Leverage Advances in Technology to Improve Business Processes*

Chameleon is an integrated Shelter Case Management System. VAS management uses Chameleon to record everything about shelter animals, from intake to outcome. Kennel cards are generated from the system which includes the animal's photograph, assigned name, initial assessment, and any subsequent medical treatment. When an animal is deemed suitable for adoption, Chameleon uploads the animal's profile for perspective adopters and records the adoption process and the adopter's information. VAS also employ Chameleon to help administer the pet licensing program. Pet and owner information is recorded and tracked, and license renewal reports are run each month. Chameleon also assists in field operations. When an Animal Services Officer is assigned a call, Chameleon creates a file which records all pertinent information including the situation and response details.

Internal Audit observed that there are further opportunities to leverage additional capabilities within Chameleon to improve business processes. Within the inventory module there is also bar code scanning capabilities, which would assist in implementing the inventory management system. Chameleon could also be used to administer the pet licensing program. Currently, renewal notices are printed off and manually mailed. It would be more efficient if the system capability of pushing out renewal notices via email was utilized. Further, when an adoption follow-up process is implemented, Chameleon could be programmed to automatically alert staff when to contact the new pet owners.

Currently, only the Manager of VAS has the knowledge to create jobs for the Chameleon system. But because of workload and limited resources, the full extent of Chameleon capabilities has not been explored. Manual process can be time consuming and prone to error. Opportunities exist to better leverage technology to minimize the risk of staff spending time unnecessarily on nonvalue-added activities.

Recommendation

We recommend that management partner with the Office of the Chief Information Officer to explore opportunities to fully utilize Chameleon's capabilities and improve VAS's business processes.

Management Action Plan

Management agrees with the audit recommendation.

In order to fully leverage and expand the use and automation of Chameleon, trained VAS staff resources would need to be dedicated toward customizing the needs and capabilities, as in other municipalities. Existing staffing complement does not afford the considerable time commitment to apply to this project, but the investment will net great ongoing benefits through automation. Due to the expansive nature of this initiative, resources will need to be allocated, including the consideration of a new FTE that will work on this project among other items identified in this report. Target completion timeline is Q2, 2023.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

6. *Develop a Formal Staff Training Program*

According to the City's Employee Health & Safety Training procedure, each department is responsible for developing and implementing their own initial and specific hands-on operational and technical training programs. This involves identifying risks or hazards associated with the work to be performed, making sure risks are minimized by SOPs, proper equipment and training, and monitoring to ensure health and safety measures are in place and working effectively.

VAS does not have a formal documented training program. The only consistent training all staff receives is the City's new employee on-boarding program. However, the Corporate on-boarding program is not a substitute for training and awareness for specific VAS health and safety risks.

It was noted that in 2020 and 2021 the training and development budget had not been used. In 2019, VAS only spent \$297 from that budget.

VAS training measures include SOP review and job shadowing. Supervisors may work closely with their staff because they are very much involved in daily operations, but training on this level is informal and situational. Criteria have not been established to determine the appropriate amount and type of training required per activity and there is no formal testing for readiness. The employee's readiness is based on the judgement of the individual conducting the training.

As a result, there is increased risk that the delivery of training may be inconsistent, and staff may be allowed to perform an activity before sufficient training has been completed. This may increase the risk of workplace injuries or errors, which may compromise the health and safety of staff, animals, and the public.

Recommendations

We recommend that management:

- Enhance the training and testing program to ensure trainers are utilizing a consistent curriculum and approach, while developing a more objective approach to assess employee readiness to perform new tasks.
- Ensure the compliance and training budget adequately reflects the funds required to meet objectives and are monitored to ensure that the training program is effectively executed.

Management Action Plan

Management agrees with the audit recommendations.

Management will endeavor to register staff for in-person courses and training as they become available post-pandemic. Examples of these are MLEOA training/certification and aggressive

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

dog handling. As well, with each new ARR (for new staffing positions), management will ensure that adequate costs are included for relevant training, so that the unit's budget is adjusted accordingly as staffing levels increase.

Additionally, management is developing staff training manuals for work processes and tasks (broken down by functional unit), that will include individual checklists for each staff member to assess and document their understanding and competency in performing specific work tasks. Target completion timeline is Q4, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

7. *Periodically Review Authorized Access to the Animal Shelter*

To enter the animal shelter, an individual is either granted access by staff opening the door or by the individual using an access card. Authorized access is granted to a select group of individuals who require access based on operational needs. VAS is a 24 hour/7 days a week operation. Shelter and By-law staff may enter the shelter at any time to perform intake activities for stray and impounded animals. Facility Maintenance and OCIO staff have also been granted access, along with various contractors.

Internal Audit obtained the list of those with access and found that there are 127 individuals. It was noted that 29 authorized users were OCIO staff. OCIO's access is based on a three-level security plan developed several years ago by Corporate Security and OCIO. It is questionable whether some of these individuals have operational duties to necessitate access to the shelter.

Several former employees were also included on the authorized access list. Corporate Security advised that their access had been deactivated, but their staff profile had not been removed from the list.

Granting access to a large number of people creates monitoring and tracking difficulties. Several individuals on the list do not require access, while others do not need immediate access and can wait for staff to accommodate their entry. Having former employee profiles included on the authorized access list indicates the list is not being reviewed and updated on a periodic basis.

Without adequate oversight and regular review of individuals permitted access to the shelter, it is possible former employees and those without operational requirements may enter the facility and pose risks of theft, misconduct, as well as liability to the City.

Recommendations

We recommend that management:

- Review and reassess the list of individuals with access to the VAS shelter and remove those who do not have relevant and immediate operational duties to gain access.
- Remove former employee profiles from the VAS shelter access list.

Management Action Plan

Management agrees with the audit recommendations.

Management have initiated security reviews for both Building Card Access and also for building alarm code access with Corporate Security, such that only necessary access will be provided. Targeted completion timeline is Q2, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

8. *Update Standard Operating Procedures*

Internal Audit reviewed relevant legislation to determine legal expectations and industry standards for animal welfare. On the federal level, Canada has a limited amount of legislation to protect the welfare of animals. The Criminal Code of Canada protects animals, in general, from cruelty, abuse, and neglect. The Health of Animals Act and its regulations aim primarily to protect Canadian Livestock from a variety of infectious diseases. The Canadian Council on Animal Care (CCAC) certification is a condition for all institutions that receive funding from federal granting agencies.

Each province has their own general set of animal welfare laws. Ontario includes such legislation as the Provincial Animal Welfare Services (PAWS) Act, Animals for Research Act (including Pounds Act regulations), Dog Owners' Liability Act, Fish and Wildlife Conservation Act, Migratory Birds Convention Act, Protection of Livestock and Poultry, and the Provincial Offences Act. Governing bodies such as the Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA) and the Provincial Animal Welfare Services (PAWS) provide oversight for compliance. For example, the Animals for Research Act states the OMAFRA are responsible for inspecting animal shelters ("pounds") annually. With the exception of during COVID restrictions, VAS is inspected annually and historically found to be in good standing. Organizations, such as Humane Canada (previously known as the Canadian Federation of Humane Societies), promote the enactment of federal, provincial, and municipal legislation that protects animals from cruelty and provides recommendations to ensure animals are treated humanely and with respect, but they do not have legislative authority as a private organization. The onus for operationalizing municipal animal welfare guidelines is relegated to municipal by-laws, corporate policies, and departmental SOPs.

VAS has 39 SOPs that support its key operational activities. Internal Audit's review confirmed all VAS SOPs align with legislation, by-laws, and corporate policies. SOPs have been communicated to the appropriate stakeholders and are easily accessible for reference. They are also periodically reviewed for operational changes and emerging issues.

When performing detailed content review of the SOPs, Internal Audit had the following observations:

- SOPs have not been developed for all key processes.
- SOPs could be improved by clarifying roles, responsibilities, and expectations, and providing more detailed guidelines to achieve those objectives.

Internal Audit determined that VAS management are very involved in daily operations and the culture is to communicate procedures verbally. Since there are many unique situations which could affect the intake, care, and outcome of animals, many of their processes have been based on the supervisor's discretion.

Without formal documentation of all processes, there is a risk that inconsistent decision-making strategies could impact the health and welfare of animals, staff, and the public. There is the risk staff are relying on incomplete or inaccurate information. Developing more fulsome

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

SOPs would foster retention of information and ensure information is communicated properly to appropriate parties.

Recommendation

We recommend that management improve SOPs to include all relevant activities, provide clarification to roles, responsibilities, and expectations, and provide more detailed guidelines to achieve those objectives.

Management Action Plan

Management agrees with the audit recommendation.

As part of annual reviews of VAS SOP's, amendments will be made to existing documents to ensure further clarification. As well, new SOP's will be written to comprehensively capture all relevant VAS activities. Targeted completion timeline Q4, 2022.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

9. *Develop Additional Strategies to Increase Pet Licensing*

Pet Licensing is a legal requirement under the provincial Dog Ownership Liability Act and the City's Animal Control Municipal By-Law. Having a pet licensing strategy helps support pet ownership compliance. The benefits of effectively implementing such a program include reuniting lost pets with their owners, keeping pet vaccinations up to date and income for the shelter.

Internal Audit confirmed VAS has pet licensing strategies in place. There are multiple channels to communicate pet licensing requirements and methods to purchase pet licenses. New and renewed pet licenses are tracked. Reports are generated to identify trends. However, published studies indicate there may be a large population of dogs and cats in the City of Vaughan which are not licensed.

A 2020 Canada-wide survey was conducted, and it was concluded that 58% of households have at least one dog. That study cited that Ontario has the most pet owners. If that assumption is applied to Vaughan, that would mean there are more than 99,731 pets in Vaughan households. With 4,376 pet licenses sold in 2021, VAS only licensed an estimated 7.8% of household pets. These statistics infer there are considerable opportunities to improve the pet licensing program.

Pet licensing is beneficial to VAS's shelter and control operations. Without adequate identification of domestic animals the shelter could reach capacity on a regular basis. During prolonged stays, impounded animals may be unnecessarily exposed to certain diseases impacting their health and treatment costs.

With the emergence of new off-leash dog parks in Vaughan, there is the increased risk of dog fights and bite incidents. Licensed dogs are more easily identified, and their medical history (having rabies vaccine) is generally more readily available. Signage upon entry to the off-leash parks indicate that dogs must be currently licensed and have their municipal license tag affixed to their collar.

VAS administers the pet licensing program and have communication, payment, and tracking strategies in place. However, there are further opportunities to mitigate health and safety, reputational, and liability risks by reaching the large population of unlicensed pets.

Recommendations

We recommends that management:

- Develop targets to assess the effectiveness of the various communication channels, used at the City to educate the public on the need for licensing.
- Develop additional strategies to increase pet licensing.

Management Action Plan

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

Management agrees with the audit recommendations.

BluePaw Program:

- An in-house pet licensing rewards program was developed and implemented by Toronto Animal Services, who have also extended this to other interested municipalities. Brampton Animal Services now offers this program successfully. This program partners with local businesses to provide exclusive offers and discounts on pet-related products and services for owners who license their dogs and cats with the host city. Management have obtained the necessary agreement framework and example of promotional materials and are working with Legal Services to customize for use in Vaughan. Both Municipal Partnership and Corporate Initiatives and Corporate Communications are supportive of the program and will assist in promotion of this initiative. Target completion timeline is Q1, 2023.

Mobile POS for field issuance of pet licences:

- Management will develop a more robust business plan for consideration of Finance Modernization, in hopes that a future solution will be made available to officers in-field. This solution would enhance convenience for pet owners who come into contact with patrol officers and would also create efficiencies for existing licence follow-up cases, which require significant time demands from officers to confirm by-law compliance. This solution would be in direct support of the 9 new off-leash dog areas that are to be constructed within the next year or two. Target completion timeline is Q1, 2023.

INTERNAL AUDIT REPORT

AUDIT OF VAUGHAN ANIMAL SERVICES

10. *Procurement Services Needs to be more Strategic, Proactive and Client Oriented*

Several audit reports have been presented in the past number of years identifying the need for the City to develop a more proactive and strategic approach to procurement. While efforts have been made by management to reduce both the number of transactions and dollar value processed through LDM's, our analysis of the 2020 LDM data shows that a vast majority of these goods and services could have likely been acquired through either a competitive procurement process or through the P-Card program.

In reviewing VAS' LDM spend data, it was observed that a significant quantity of purchases of veterinary supplies and services were being acquired through LDM's. After discussion with VAS management, it was identified that the merchant code for veterinary goods and services was restricted on their Purchasing Cards (P-Cards) and therefore, the P-Card could not be used for these purposes. Although VAS management had brought this to the attention of Procurement Services in the past, Procurement Staff refused to lift the restriction.

Although a restriction on the procurement of veterinary goods and services would be reasonable for every other department at the City, such goods and services are commonly required by VAS to fulfil their mandate and these restrictions should never have been applied to VAS staff. Further, Procurement Services should never have assumed a decision-making role on this matter. It was only upon intervention by Internal Audit that Procurement Services agreed to remove this restriction for approved VAS staff.

Opportunities continue to exist for Procurement Services to become more strategic, proactive, data driven and client oriented to assist City departments with their procurement needs.

Recommendation

We recommend that the Deputy City Manager Legal and Administrative Services & City Solicitor, re-evaluate the strategic role, objectives, responsibilities and accountability of Procurement Services to better support corporate objectives, client departments and informed decision making.

Management Action Plan

Management agrees with the recommendation to re-evaluate the strategic role, objectives, responsibilities and accountability of Procurement Services to better support corporate objectives, client departments and informed decision making. With the retirement of our previous Director of Procurement Services, we are currently in the recruitment process for a new Director. One of the key priorities for the new leader will be to work with the Procurement Services team to review strategic priorities, identify opportunities and enhance client-centric strategic procurement services to the Corporation, together with KPIs to measure success effectively. Innovative procurement approaches will be explored where appropriate to ensure the changing needs of the corporation will be met. In addition, it is in our workplan that the corporate Procurement Policy will be reviewed in Q3 and Q4, 2022, in time for the new Council to review and approve in early 2023.