

Audit Report Highlights

Animal Shelter

March 2025

Animal Shelter Annual Budget¹ = \$2,600,476

County Annual Budget² = \$1.6 billion

Why DIA Did This Audit



An audit was conducted to provide a comprehensive examination of Cuyahoga County Animal Shelter (CCAS). The audit was approved as part of the DIA's 2023 Audit Plan; however, it was deferred to 2024.

CCAS was identified as an area to audit due to the last audit of CCAS occurring in 2013. We conducted our review through inquiry and testing of receipts during the audit period. DIA also evaluated processes for compliance with existing policies, contractual agreements, and applicable legal statutes. The audit included review and evaluation of procedures, practices and controls as deemed necessary

What DIA Found

CCAS processes are generally well managed; however, DIA identified non-compliance, internal control weaknesses, and opportunities for process improvement, including:

- Governance and Revenue Management Weaknesses
- Outdated Policies and Procedures
- Nonconformance with County Code regarding Dog Licensing
- Inadequate Controls over collections
- Insufficient Contingency Planning
- Weak Inventory Controls for Controlled Substances
- Insufficient Documentation for Increased Euthanasia Dosage
- Delays in Reporting Dog Bite Incidents
- Unreliable Critical Systems
- Incomplete Record Retention Schedule
- Ineffective Tracking System for Dog License Sales
- Poor Inventory Controls for Dog Licenses
- Lack of Video Surveillance

Recommendations have been rated by priority: High, Moderate, Low, or Business Process Improvement. The report contains 28 recommendations:

9 **High** – 30 days to complete
12 **Moderate** – 90 days to complete
3 **Low** – 180 days to complete
4 **Process Improvements**- No action required

¹CCAS' 2024 Executive recommended budget taken from the 2024-2025 Executive's Recommended Biennial Budget.

² The County Annual Budget includes operating appropriations from all County funds.

Audit Report Highlights

Animal Shelter

March 2025

Background

CCAS is a state mandated agency responsible for sheltering lost and stray dogs within Cuyahoga County. It receives dogs from other communities, individuals, and dog wardens patrolling the county. The Chief Dog Warden and deputies are responsible for enforcement of Ohio Revised Code (ORC) 955 requirements.

CCAS is subject to various compliance requirements related to facility management, animal care, and controlled substances. These include over 40 state and federal laws.

General Services, a division of the County Fiscal Office, assists CCAS in managing much of the dog license registration and collections process to fulfill the County Auditor's responsibilities under ORC 955.



What DIA Recommended

DIA provided the Executive Office, Fiscal Office, Public Works, General Services, and the Animal Shelter management with recommendations to improve the fee and collection process, and address compliance issues. Recommendations are often provided during fieldwork, rather than at audit completion, allowing the departments opportunity to remedy identified issues in a timelier manner.

The departments are working to address the issues noted in this report. Based on their responses, we believe corrective action will be taken to mitigate the risks identified. Management responses follow each recommendation in the report. Recommendations DIA made for the agencies included, but were not limited to:

- Formally define responsibilities under ORC 955 between the Fiscal Office (General Services) and Public Works (CCAS).
- Update policy and procedure manuals.
- Consult with Law on authority to discount dog license fees.
- Incorporate additional segregation of duties with collections, ensure timely deposits, and perform monthly reconciliations with Lawson.
- Develop a CCAS specific contingency plan.
- Enhance controls over controlled substances.
- Add a policy for permissible dosage range of euthanasia solution.
- Enhance controls over dog bite incident reporting.
- Ensure an IT assessment review takes place for assurance over system security (e.g. System and Organization Controls report).
- Retain copies of completed New Hire Training Checklists.
- Enhance controls over General Services' AR process and reconciliation of mail-in applications.
- Implement a standardized annual dog license inventory reconciliation process.
- Consult with Public Works leadership on the appropriate security planning measures, to include ensuring adequate video surveillance.

Internal Audit would like to express our appreciation for the cooperation and assistance received from both CCAS and General Services during this audit. The strides made help improve the County's efficiency and accountability.

Internal Audit Report

Cuyahoga County, Ohio
Department of Internal Auditing

Animal Shelter Audit
Department of Public Works/Fiscal Office
July 1, 2023- June 30, 2024

Director of Internal Auditing: Cory Swaisgood, CPA

Audit Manager: Joshua Ault, CIA

Sr. Internal Auditor: Tom Schneider, CPA

Staff Auditor: Dawn Meredith

Staff Auditor: Tiana Stringer



Release Date: 04/02/2025

INTERNAL AUDIT REPORT
Animal Shelter Audit
Cover Letter

March 06, 2025

To: Director of Public Works, Michael Dever, Fiscal Officer, Michael Chambers, and current management of the Animal Shelter.

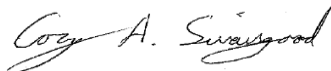
The Department of Internal Auditing (DIA) has conducted an audit of the Cuyahoga County Animal Shelter (CCAS). The Report Details section of this report provides the objective, scope, and methodology. This report also includes our findings and recommendations. We are confident management has or will take corrective action to mitigate the risks identified in this audit report.

We conducted this audit in accordance with the Global Internal Audit 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.

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the internal control structure to future periods is subject to the risk that procedures may become inadequate due to changes in conditions, or that the degree of compliance with the procedures may weaken.

DIA would like to express our appreciation to CCAS and General Services staff and management, and the interrelated departments that assisted throughout the process, for their courtesy and cooperation during this audit. A draft report was provided to CCAS and General Services management for review. Management responses are included within the audit report.

Respectfully,



Cory Swaisgood, CPA

Director of Internal Auditing

Cc: Cuyahoga County Council
Erik Janas, Chief of Staff
Katie Gallagher, Chief of Operations and Innovation
Debbie Berry, Chief of Integrated Development
Richard D. Manoloff, Law Director
Michael C. O'Malley, Cuyahoga County Prosecutor

Contents

Glossary.....	4
Report Details.....	6
Purpose.....	6
Audit Objectives	6
Scope.....	6
Methodology	7
Audit Procedures.....	7
Background.....	7
Commendable Practices	9
Findings and Recommendations.....	11
Governance	11
FINDING Governance and Revenue Management Weaknesses	11
FINDING Policies and Procedures Require Updating	13
Animal Shelter	16
FINDING CCAS May Not Comply with County Code.....	16
FINDING Collections Lack Adequate Controls	17
FINDING Lack of Sufficient Contingency Planning.	20
FINDING Inventory Controls of Controlled Substances Are Inadequate	21
FINDING Increased Euthanasia Dosage Justification is Undocumented.....	24
FINDING Dog Bite Incidents are Not Reported Timely	25
FINDING Does Not Ensure the Reliability of Critical System	27
FINDING Record Retention Schedule is Incomplete	28
General Services	31
FINDING Lacks an Effective System for the Tracking of Dog License Sales.....	31
FINDING Collections Lack Adequate Controls	34
FINDING Inventory Controls of Dog Licenses Are Inadequate	36
FINDING Lacks Video Surveillance	38

Glossary

PetPoint	Web-based system used by CCAS to track dog licenses, maintain animal medical records, and enable customers to purchase licenses online.
Clover Point-of-Sale System	Point of sale (POS) system used by CCAS to process front desk sales.
DonorPerfect	Web-based donor management system used by CCAS to monitor donor activity and enable customers to make donations online.
Lawson	County financial system that records revenues and expenditures.
Ohio Revised Code 9.38	Ohio Revised Code (ORC) requiring public officials to deposit public funds into an authorized depository within 24 hours if the amount is \$1,000 or more. The ORC allows up to 3 days for deposits under \$1,000. This ensures the timely and secure handling of public money.
Ohio Revised Code Chapter 955	ORC that governs dog control, licensing, and animal welfare by outlining the duties of county dog wardens and deputies in managing stray and dangerous dogs. The ORC also directs the County Auditor in administration of various dog licenses.
General Services	A division of the Cuyahoga County Fiscal Office responsible for receiving and recording dog license applications and payments as established under Ohio Revised Code 955.
Controlled Substance	Drugs and chemicals whose manufacture, possession, or use is regulated. The U.S. Drug Enforcement Agency (DEA) oversees federal regulations, while the Ohio State Board of Pharmacy enforces state requirements on their distribution, prescription, and handling.

Glossary

Ohio Board of Pharmacy

Inspects drug distributors every three years to ensure compliance with DEA and Ohio Administrative Code (OAC) requirements related to drug storage, recordkeeping, and security. Distributors must comply with these requirements to maintain their Terminal Distributor License.

Food and Drug Administration

The U.S. Food and Drug Administration (FDA) is responsible for ensuring the safety and effectiveness of human and veterinary medicines and devices. Animal shelters must adhere to the FDA's federal guidelines regarding the proper use and dosages of medications administered to animals.

Cuyahoga County Board of Health

Inspects animal venues annually for compliance with the board's Animal Venue Regulations, focusing on sanitation, animal care, and safety. Venues must comply to maintain their operating permit and report any animal bite or scratch incidents within 24 hours.

SOC Report

A System and Organization Controls (SOC) report is an independent evaluation of a service provider's controls. It verifies that the organization follows best practices for protecting their clients' data.

Record Retention Schedule

Document used by public offices to specify how long to maintain records based on their value and purpose.

Report Details

Purpose

The purpose of this audit was to conduct a comprehensive examination of the CCAS.

The Audit Committee approved DIA's 2023 audit plan to include an audit of CCAS; however, it was deferred to 2024. CCAS was identified as an area to audit due to the last audit of CCAS occurring in 2013. We conducted our review through inquiry and testing of receipts during the audit period. DIA also evaluated processes for compliance with existing policies, contractual agreements, and applicable legal statutes.

The audit included review and evaluation of procedures, practices and controls as deemed necessary.

Audit Objectives

The objectives of this audit were the following:

- Assess the adequacy of controls for the completeness, accuracy, and safeguarding of the fee and donation collection process.
- Evaluate compliance with any federal, state, and local laws and regulations relative to general and veterinarian operations.

Scope

To achieve our objectives, we focused on processes related to collections on various revenue sources (e.g. dog licenses); and compliance requirements on general or veterinary operations for the audit period from July 1, 2023 through June 30, 2024.

Methodology

DIA made inquiries to gain a general understanding of CCAS and General Services operations. We reviewed policies, procedures, reports, and researched relevant laws and regulations. Testing was conducted to evaluate the effectiveness of procedures and controls including assessing physical safeguards over collections, controlled substances inventory, and dog license tags management.

Audit Procedures

Although every audit conducted by the DIA is unique, the audit process for most engagements consists of the following three phases:

- Planning - Obtaining sufficient understanding of the area being audited to identify and reduce key audit risks to an appropriate level.
- Fieldwork - Executing the audit steps including testing, reviewing, and analyzing data. See Methodology for a summary of fieldwork performed.
- Reporting – Draft and release of written reports to communicate the results of each engagement.

At the time of the report's release, DIA required 3 auditors and a total of 1,497.87 hours to complete the audit.

Background

Cuyahoga County Animal Shelter (CCAS)

CCAS is a state mandated agency responsible for sheltering lost and stray dogs within



Cuyahoga County. It receives dogs from other communities, individuals, and dog wardens patrolling the county. CCAS provides necessary medical care and ensures humane care until dogs can be reunited with owners (whenever possible) or permanent placement can be found. The Chief Dog Warden and

Deputies are also responsible for enforcement of ORC 955 requirements.

To provide appropriate medical care, CCAS contracts with a local veterinarian. They are thus subject to various compliance requirements related to facility management, animal care, and controlled substances. These include over 40 state and federal laws. Some include, but are not limited to:

- State of Ohio Veterinary Medical Licensing Board Minimum Standards within OAC.
- State of Ohio Board of Pharmacy within OAC.
- Cuyahoga County Board of Health Regulations as authorized within ORC.
- Drug Enforcement Agency regulations within the Code of Federal Regulations (CFR).

Funding of CCAS is obtained from three revenue sources:

1. Dog License Fees – In Ohio, all owned dogs must be licensed annually and wear the license. CCAS offers licenses for purchase in person, online, by mail, or through reseller locations.
2. Donations – Voluntary gifts of money to support CCAS operations such as providing care for animals or enhancing adoption programs.
3. Departmental Fees – Fees for various services such as adoption, impounding, and spaying/neutering.

The following table illustrates the approximate amount of total revenue collected by CCAS (2021-2023):

	2021	2022	2023
Dog Licenses	\$1,648,707	\$1,626,221	\$1,601,183
Departmental Fees	\$107,843	\$92,664	\$65,512
Donations	\$189,758	\$208,862	\$656,788
Total	\$1,946,308	\$1,927,747	\$2,323,483

General Services

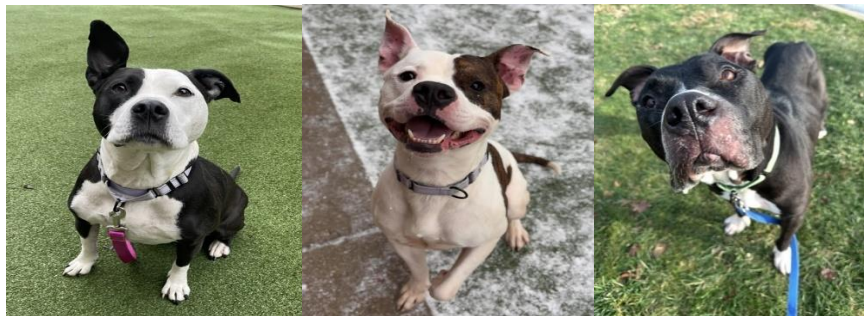
General Services, a division of the County Fiscal Office, manages much of the dog license registration, inventory, and collections to assist in fulfilling the County Auditor's responsibilities under ORC 955.

Commendable Practices

We commend and thank the CCAS and General Services for their cooperation during the audit. DIA especially thanks the employees of these departments for their time and effort. DIA identified the following commendable practices during its testing:

- CCAS provides proper quarantining of potentially contagious dogs. There are physical barriers between other areas of the shelter to prevent cross contamination.
- CCAS passed its last Board of Health inspection in 2024.
- Proper personal protective equipment (PPE) is available for use including gloves and respirators.
- Physical barriers were sufficient and effective in preventing human exposure to the animals. Dogs were kept in individual kennels, and any dogs being moved to the play area or exam rooms were on leashes. Access to these areas was restricted to staff, ensuring that visitors were limited to safe zones only.
- CCAS appropriately administers medical exam during the intake process.
- CCAS's physical security protocols are a suitable deterrent.
- General Services processed over \$240,000 in dog license and donation transactions during the 2023 renewal season from December 2023 through March 2024.

Also, DIA noted that CCAS' implementation of playgroups for exercise and socialization is an innovative addition to its care regimen for dogs in its care.



Priority Level Criteria for Recommendations

High (P1)	Highest-Ranking Officer's immediate attention is required. Corrective action is strongly recommended (<u>30 days</u>).
	<ul style="list-style-type: none"> Financially material loss or potential loss Lack of or failure of internal controls requiring considerable time and resources to correct Non-compliance with laws, regulations, and policies resulting in significant loss of funds, fines, or restrictions Significantly negative effect on the County's reputation or public perception
Moderate (P2)	Senior Management's attention is required. Corrective action is recommended (<u>90 days</u>).
	<ul style="list-style-type: none"> Financial loss or potential loss Internal controls exist but they are not effective, or they are not consistently applied Non-compliance with laws, regulations, and policies resulting in loss of funds, fines, or restrictions Negative effect on the County's reputation or public perception
Low (P3)	Management's attention is required. Corrective action is recommended (<u>180 days</u>).
	<ul style="list-style-type: none"> Financial loss or potential loss is minimal Internal controls exist, but could be improved Non-compliance with laws, regulations, and policies is a minimal risk No effect on the County's reputation or public perception
Business Process Improvement (P4)	Management or supervisory attention recommended but not required
	<ul style="list-style-type: none"> Process improvement recommendation Financial loss or potential loss is minimal or not applicable Non-compliance with laws, regulations, and policies is a minimal risk or not applicable No effect on County's reputation or public perception

In an effort to assist the auditee in making the best use of their resources, we have prioritized the recommendations according to the table above.

Findings and Recommendations

Governance

FINDING Governance and Revenue Management Weaknesses

The current governance structure of the Animal Shelter does not foster efficient or effective management of dog license revenue and dog tags. Roles and responsibilities between CCAS and General Services remain undocumented and should be formally defined. There is lack of clear distinction between the responsibilities of CCAS and General Services in maximizing dog license revenue and overseeing the recording and inventory management of dog tags.

During the audit of the CCAS, which included an assessment of internal controls over dog license administration, DIA identified control gaps and opportunities to enhance processes in the following areas:

- Registering and recording dog licenses
- Managing dog tag inventory
- Collecting and reconciling dog license fees
- Managing third-party resellers of dog tags

Currently, CCAS has the authority to collect dog license fees and issue dog license tags. However, General Services (Fiscal Office) is responsible for maintaining dog license tags and assessing fees and penalties on dog licenses. This division of responsibilities lacks formal documentation, leading to unclear accountability and operational inefficiencies in revenue administration.

Criteria

The distinction of roles is crucial for maintaining clear accountability, efficiency, and transparency within organizations or systems. By clearly defining and separating roles, decision-making processes become more structured, ensuring that responsibilities are appropriately allocated. Ultimately, a well-defined role structure supports good governance by promoting clarity, balance, and the efficient management of resources.

According to ORC Section 955 and Cuyahoga County Code Section 713.01, the County is responsible for administering and collecting dog license fees. These laws designate the Fiscal Officer (County Auditor) as the responsible authority.

ORC 955 outlines specific responsibilities related to:

- Receiving and recording dog license applications and payments (ORC 955.01, 955.05, 955.07)

- Assessing late fees for delinquent registrations (ORC 955.01, 955.05)
- Managing online registration systems (ORC 955.013)
- Authorizing agents and deputizing wardens for license collection (ORC 955.12, 955.14)

Root Cause

The governance and revenue management weaknesses were attributable to the following:

- Undefined Roles and Responsibilities – No formal structure exists between CCAS and General Services regarding revenue collection and administration efforts.
- Budget Management Constraints – While CCAS oversees daily kennel operations, it lacks oversight over its primary revenue source and the associated costs of managing dog license revenue, which fall under the responsibility of General Services.
- Underutilization of Staff – General Services employees do not have sufficient year-round workload related to dog license fees but are unable to assist with additional fiscal responsibilities at CCAS due to job description limitations.

Risk to the County if Not Corrected

Operational inefficiencies may contribute to declining dog license revenue and increased operational costs without defined roles between CCAS and General Services. Inadequate oversight and coordination between departments may lead to higher administrative costs and missed revenue opportunities.

Recommendations

- 1) **(P1)** The Fiscal Office and Public Works should formally define the roles and responsibilities of CCAS and General Services regarding dog license administration. This structure should align with County Code 713 and ORC 955 and be developed in consultation with the Law Department.

Management's Response: Management agrees with the noted condition and the Fiscal Officer will take corrective action by June 1, 2025.

Target Date of Completion: June 1, 2025

- 2) **(P4)** The County should enhance operational efficiencies by establishing clear communication channels between CCAS and the Fiscal Office to improve coordination of dog licensing efforts. Specifically, the County should:

- a. Evaluate staff utilization at the Animal Shelter and explore opportunities to reassign duties related to dog license administration to CCAS, provided sufficient resources are available and changes align with local and state laws.
- b. Develop internal controls for monitoring revenue and reconciling dog tag inventory. The Fiscal Officer (County Auditor) should serve as an oversight control to ensure compliance with ORC 955.

Management's Response: Same as above.

Target Date of Completion: Same as above.

FINDING Policies and Procedures Require Updating

The CCAS and General Services policies and procedures manuals (PPM) lack key procedures and require updating to reflect current practices. During the audit, DIA noted the areas listed below were not addressed or differ from current practices within their documented PPM:

CCAS:

- Controlled substance management including logging, inventorying, ordering, disposal, and recall monitoring.
- Patrolling for stray dogs.

General Services:

- Accounts receivables with dog license resellers.
- Annual inventory reconciliation of registration tags to license records (issued, sold, unused).
- Renewal season reconciliation of licenses issued to fees deposited.

Criteria

Formally documented procedures are best practice. Documented procedures promote consistency of work and serve as a training tool for new employees. PPMs provide a high-level explanation of a process that ensures adherence and understanding. Additionally, they help promote compliance with the following laws and regulations, such as:

Controlled Substance Logging, Inventorying, Ordering, Disposal, Recall Monitoring, and Temperature Monitoring – Ohio Administrative Code Rule 4729:5 requires proper logging, inventorying, and ordering of controlled substances, with records maintained by authorized personnel; and mandates safe disposal, recall monitoring, and temperature control to ensure substance integrity.

Dog wardens – Ohio Revised Code Section 955.12 requires, in part, that the county dog warden and deputies patrol their respective counties and seize and impound on sight all dogs found running at large and all dogs more than three months of age found not wearing a valid registration tag.

Root Cause

CCAS and General Services management informed DIA that they were aware their PPMs were missing key procedures and require updating. They have created a list of policies/procedures to update; however, they have been unable to do so due to time constraints and competing priorities.

Risk to the County if Not Corrected

Failure to have adequate internal guidance, including documented procedures, may result in inconsistent operations that lead to financial losses, non-compliance with regulations, and less than expected operational results. There is also increased difficulty training new employees to learn the positions' responsibilities and the department's processes.

Recommendations

1. **(P2)** CCAS should update its PPM to align with current practices and desired daily operations. The PPM should be reviewed regularly, with updates approved by CCAS management and acknowledged by employees. At the minimum, the updates should include:
 - Controlled substance management.
 - Patrolling for stray dogs.

Management's Response: Management agrees with the noted condition and will take corrective action as it applies to Public Works.

Target Date for Completion: April 30, 2025

2. **(P3)** CCAS management should provide training to ensure employees understand the new policies and procedures.

Management's Response: Same as above.

Target Date for Completion: Same as above.

3. **(P2)** General Services should update its PPM to reflect current practices and desired daily operations. The PPM should be reviewed regularly, with updates approved by Fiscal management and acknowledged by employees. At the minimum, the updates should include:

- Accounts receivables with dog license resellers.
- Annual inventory reconciliation of registration tags to license records.
- Renewal season reconciliation of licenses issued to fees deposited.

Management's Response: Management/Department agrees with the noted condition and will take corrective action.

Target Date for Completion: November 1st, 2025.

4. **(P3)** General Services management should provide training to ensure employees understand the new policies and procedures.

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING CCAS May Not Comply with County Code

DIA performed an analysis of fee collections during the audit period to verify compliance with rates established within County Code. It was noted that CCAS offered a \$2 early renewal discount for 1-year, 3-year, and permanent dog license fees. Discounts totaled \$30,560 on the \$1,371,617 in license fees collected between July 1, 2023 through June 30, 2024. Chapter 713 of the Cuyahoga County Code does not appear to authorize deviations from the fee schedule for dog licenses.

Criteria

Enacted by Ordinance No. O2013-0021, Cuyahoga County Code Section 713.01 states *“Cuyahoga County shall collect a Dog License Fee pursuant to O.R.C. Chapter 955, et seq. and other applicable laws for registration for a 1 year dog license, 3 year dog license and permanent dog license. The dog license fees for spayed and neutered dogs shall be as follows:*

- A. 1 Year Dog License Fee is \$20 per dog.*
- B. 3 Year Dog License Fee is \$60 per dog.*
- C. Permanent Dog License Fee is \$200 per dog.*
- D. Kennel Registration Fee is \$100.*
- E. The Ohio State University College of Veterinary Medicine shall receive 10 cents for each 1 Year Dog License; 30 cents for each 3 Year Dog License; and \$1.00 for each Permanent Dog License.”*

Enacted by Ordinance No. O2015-0009, Cuyahoga County Code Section 713.02(A) states *“The Director of Public Works shall promulgate a fee schedule for services offered by the Cuyahoga County Animal Shelter, including but not limited to, fees associated with the adoption of dogs.”* 713.02(B) further states, in part, *“The Director of Public Works **may waive any or all fees associated with the adoption of dogs**, other than the dog license fee established pursuant to Section 713.01.”*

Root Cause

Early renewal discounts have been a longstanding practice. CCAS was unaware of a potential conflict with the County Code 713.02(B) which restricts the ability to modify fees for dog licenses.

Risk to the County if Not Corrected

CCAS and General Services may be out of compliance with the County Code or ORC, potentially leading to lost revenue.

Recommendations

- 1.) **(P1)** CCAS should consult with the County Law Department to determine if they have the authority to discount dog license fees.

Management's Response: Management agrees with the noted condition and will take corrective action as it applies to Public Works.

Target Date for Completion: August 31, 2025

- 2.) **(P4)** If determined that dog license fees can be discounted, CCAS should explore implementing incentives to encourage dog license purchases, such as offering discounted fees, in accordance with the Conty Code. Given the annual decline in revenue, CCAS may consider limiting discounts to first-time license purchasers and/or offering reduced fees for multi-year licenses to encourage long-term compliance and enhance short-term cash flow stability.

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING Collections Lack Adequate Controls

CCAS collects revenue for dog licenses, departmental fees (i.e. adoption), and donations. Collection and balancing of daily deposits of CCAS revenue is split between CCAS and General Services. CCAS is responsible for in-person sales at the front desk and online donations. Public Works Fiscal (PW Fiscal) is responsible for recording all deposits within the County's financial system, Lawson.

DIA tested a sample of 55 CCAS' daily deposits and noted the following:

- There was a lack of segregation of duties with balancing and depositing in 53 (96%) of the daily deposits tested. The same supervisor who balanced receipts also prepared the deposit. No secondary review/sign-off of the daily deposits occurred.
- Deposits of cash and checks were untimely for 30 (55%) of the daily deposits tested. On average, the deposits were five business days late, with six deposits that were over 10 business days late.

DIA also noted there is not a process in which an employee independent of collection ensures the completeness and accuracy of monthly revenue entered into CCAS' systems of record (PetPoint and Donor Perfect) in comparison to revenue posted Lawson.

Criteria

Best practice for effective controls over collections involves:

- Segregating receiving, balancing, and depositing responsibilities. This ensures accountability, detection of errors, and prevents theft or misuse. Ideally, individuals should not be responsible for more than one process. Whenever segregating duties is not feasible, secondary review should be present to maintain oversight.
- Monthly reconciliations by a person independent of the collection process. By reconciling CCAS' systems of record with the County's general ledger, discrepancies and errors can be promptly identified and rectified. This ensures that all the County's financial records are up-to-date and reliable. It also helps in preventing financial irregularities, fraud, and operational inefficiencies.

ORC Section 9.38 states "Any public official and/or employee who receives public monies shall deposit said monies with the Treasurer or with a properly designated depository on the next business day following the day of receipt, if the total amount received exceeds one thousand dollars. If the total amount of public money received does not exceed one thousand dollars, the person shall deposit the monies on the next business day following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days following the day of receipt, for making such deposits, and the person is able to safeguard the monies until such time as the monies are deposited."

Root Cause

CCAS did not require secondary review over balancing and depositing. Untimely deposits were caused by a combination of untimely balancing of receipts and inconsistent pick up by their armored car service. No one within the County (CCAS, General Services, or PW Fiscal) was charged with performing monthly reconciliations.

Risk to the County if Not Corrected

Lack of segregation of duties and failure to deposit public money in a timely manner increases the County's exposure to theft or potential loss. Furthermore, holding on to monies for a long period of time results in untimely posting to the County's accounting system.

A lack of monthly reconciliations can also lead to accounting errors or theft going undetected by management.

Recommendations

1. **(P1)** CCAS should incorporate additional segregation of duties with balancing and depositing and/or a compensating secondary review in the daily collections process.

Management's Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: May 31, 2025

2. **(P1)** CCAS should ensure that deposits are made timely for compliance with Ohio Revised Code 9.38. If the armored car service is not available for pickup on days cash is collected, an authorized CCAS supervisor should hand-deliver the deposit to the bank or County Treasury.

Management's Response: Same as above.

Target Date for Completion: Same as above.

3. **(P1)** Being independent of the collection process, PW Fiscal should incorporate monthly reconciliations between CCAS systems of records and Lawson to ensure accuracy of the County's financial records and prevent fraud. Reconciliations should be documented and retained.

Management's Response: Management of PW Fiscal partially agrees with Recommendation #3 and wishes to clarify that PW Fiscal staff reconcile daily the funds deposited in the bank. We acknowledge the Department of Internal Audit's concerns that a month-end reconciliation by an independent party is being recommended to ensure all revenue received by CCAS and General Services reaches the bank, and that PW Fiscal is an independent party in this regard. PW Fiscal will collaborate with CCAS and General Services to design and implement a suitable month-end reconciliation process.

Target Date for Completion: June 30, 2025

FINDING Lack of Sufficient Contingency Planning.

CCAS provided DIA with a copy of the Cuyahoga County Animals in Disaster Plan. The plan was developed in 2017 by the Cuyahoga County Community Organization Active in Disaster Animals Subcommittee, with CCAS contributing to its development.

Upon review, DIA concluded that the plan does not meet the minimum standards set by the Cuyahoga County Board of Health Animal Venue Regulations and OSHA. Specifically, it lacks provisions for:

- Power outages.
- Loss of heating, ventilation, and air conditioning (HVAC).
- Loss of water.
- Animal escapes.
- Safely sheltering-in-place.
- Evacuating during an emergency in the CCAS building (i.e. fire).
- Significant weather (i.e. tornado).

Criteria

As a local Ohio municipality, the County is subject to PERRP. PERRP is a state agency that ensures Ohio public employees have a safe and healthful workplace. PERRP has incorporated by reference all standards of OSHA. OSHA regulations require employers to establish and maintain emergency action plans and evacuation plans for each of its facilities (29 CFR 1910.38), providing a clear protocol for handling emergencies, including procedures for evacuations, maintaining critical services, and ensuring the safety of both employees and those in their care.

For animal venues, the Cuyahoga County Board of Health Animal Venue Regulation Section 4.10 requires a written contingency plan made available to the Cuyahoga County Board of Health upon their request. The Cuyahoga County Board of Health's Contingency Plan Guidance Document outlines response plans for power outages, fires, animal escapes, and severe weather, with procedures for sheltering-in-place, animal evacuations, supplies, staffing, veterinary care, and ongoing training.

Root Cause

CCAS was not previously aware of the Cuyahoga County Board of Health's Contingency Plan Guidance Document and the associated requirements for a written contingency plan until DIA provided a copy during the audit. Additionally, it was only recently that the County's Department of Human Resources (HR) Environmental Health & Safety Manager provided a template for CCAS to develop an emergency action plan in accordance with OSHA standards, which was still in progress at the time of the audit.

Risk to the County if Not Corrected

The lack of a sufficient contingency plan during an emergency exposes CCAS to significant risks during emergencies and service disruptions. Inability to maintain optimal environmental conditions and access to systems could jeopardize health, safety, and operations resulting in potential financial, legal, and reputational consequences.

Recommendations

- 1) **P1** CCAS should enhance its emergency preparedness by developing a CCAS specific contingency plan. It should integrate the elements outlined in the Cuyahoga County Board of Health's Contingency Plan Guidance Document and OSHA regulations. Additionally, CCAS should continue to consult with the County's HR Environmental Health & Safety Manager.

Management's Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: May 3, 2025

FINDING Inventory Controls of Controlled Substances Are Inadequate

CCAS uses a contracted veterinarian to provide animal health care services. Additional staff that assist with animal health care services include one registered veterinarian technician (who is also the Medical Supervisor) and various certified euthanasia technicians. These services may require the use of controlled substances.

The perpetual inventory of CCASs controlled substances was tracked through manual logbooks. Separate logbooks are maintained for unopened vs open containers of the controlled substances:

- Inventory of unopened controlled substances were maintained in the controlled drug inventory logs (Inventory Logs).
- Inventory of opened controlled substances were maintained in the controlled substance use logs (Controlled Substance Use Logs).

During the audit, DIA noted:

- Their inventory processes lacked appropriate segregation of duties or secondary review for receiving and throughout their inventory management processes. The same person was responsible for receiving, storage, and often distribution of the inventory.
- The Medical Supervisor performing the inventory management procedures was not the responsible person designated in the License to Distribute Dangerous Drugs (the veterinarian). This includes the monthly and annual inventory counts required within OAC, where performed.
- Records of disposing controlled substances did not include the positive identification of two people conducting and witnessing the disposal as required by OAC. The one instance in which disposal of a control substance occurred during the audit period was only witnessed by one person.
- Completion of annual inventory counts, as required by OAC, was not documented for one of their controlled substances within their Controlled Substance Use Logs.
- CCAS advised documented inventory counts, as required by OAC, on the Controlled Substance Use Logs are intended to also include unopened bottles maintained within the Inventory Logs. However, this methodology is not documented within their PPM (See Policies and Procedures Require Updating Finding). DIA could not determine if unopened bottles were included in their regular inventory counts.

DIA performed testing on accuracy of the CCAS inventory records over controlled substances including comparison of invoice receipts, logbook entries for receipt and distribution, and the physical count at the time of audit. It should be noted that no discrepancies were identified.

Criteria

Best practice for effective controls over inventory involves segregating responsibilities to ensure accountability, detection of errors, and the prevention of theft or misuse. Ideally, individuals should not be responsible for more than one process: ordering, receiving, dispensing, and inventorying. Whenever segregating duties is not feasible, secondary review should be present to maintain oversight. Regular audits, such as cycle counts, and oversight should be conducted to ensure that all procedures are followed appropriately to prevent theft or mismanagement.

OAC requirements of veterinary use of controlled substances include, however not limited to:

- 4729:5-3-14: *"All terminal distributors of dangerous drugs shall provide effective controls and procedures to (1) deter and detect theft and diversion of dangerous drugs; and (2) ensure supervision and control of dangerous drugs and adequate safeguards to ensure that dangerous drugs are being distributed in accordance with all state and federal laws".*

- 4729:5-3-07(B) and (C): *“All controlled substance inventories performed in accordance with this rule shall be conducted on an annual basis.” and “The terminal distributor's responsible person shall be responsible for completing and maintaining this inventory record at the location licensed as a terminal distributor of dangerous drugs.”*
- 4729:5-15-03(K) *“In addition to the inventory requirements set forth in rule 4729:5-3-07 of the Administrative Code, the responsible person for an animal shelter that maintains controlled substance dangerous drugs used to perform euthanasia listed in paragraph (B) of rule 4729:5-15-04 of the Administrative Code shall be responsible for completing a monthly inventory, in accordance with rule 4729:5-3-07 of the Administrative Code, of those drugs to deter and detect diversion.”*
- 4729:5-15-03(G)(2): *“If conducting the disposal of an unused portion of a controlled substance resulting from administration to a patient or controlled substances maintained in accordance with paragraph (E) of rule 4729:5-15-02 of the Administrative Code, records shall also include the positive identification of two persons conducting and witnessing the disposal, one of whom shall be the responsible person or a veterinarian, registered veterinary technician, or certified euthanasia technician.”*

Root Cause

CCAS management advised that the lack of a secondary review over controlled substances was due to limited veterinarian availability and a vacant veterinary technician position to assist the Medical Supervisor. However, CCAS management was not aware that the veterinarian, as the responsible person, is responsible for completion of the regular inventory counts. The ambiguities with the documented inventory counts were due to a lack of a documented inventory process in the PPM.

Risk to the County if Not Corrected

The lack of proper segregation of duties or appropriate secondary review can lead to increased likelihood of inaccurate inventory records, undetected discrepancies, and theft. Additionally, without the veterinarian's positive identification in completing inventories, CCAS may fail to maintain compliance with regulatory requirements.

Recommendations

1. (P1) CCAS should incorporate additional segregation of duties and/or compensating secondary review, into their inventory processes for receiving, inventory management, and disposing of controlled substances.

Management's Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: April 30, 2025

2. (P2) CCAS should either revise the documented inventory counts in the Inventory Logs to include counts of all controlled substances (open or un-open) or document in the PPM that unopened bottles are already included in the documented inventory counts based on the current methodology. This should include the veterinarian's positive identification as the responsible person.

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING Increased Euthanasia Dosage Justification is Undocumented

DIA reviewed 19 euthanasia records to assess compliance with FDA guidance on dosage of pentobarbital sodium solution based on weight. In our testing, we noted all 19 (100%) of records documented higher than FDA recommended dosages being used. There was no documentation of the decisions on deviations from FDA guidance in CCAS's controlled substance logbook.

Out of the 19 records tested, one had a dosage 344% higher than the recommended dosage, while the remaining 18 had an average dosage 40% above the recommended dosage.

Criteria

Per 21 CFR 522.900(d) (2), the FDA requires that the amount of pentobarbital sodium solution to be administered during euthanasia to dogs should be "one milliliter for each 10 pounds of body weight". Similarly, the manufacturer of the pentobarbital sodium being used recommends the same dosage.

Guidance within the Humane Society Euthanasia Reference Manual suggests higher dosages may be appropriate under limited circumstances.

Root Cause

CCAS historically has not documented justification for exceeding FDA and manufacturer recommended dosages as management did not believe it was necessary.

Risk to the County if Not Corrected

Failure to document the justification for exceeding recommended euthanasia dosages increases the risk of non-conformity with FDA and manufacturer guidelines, as well as the potential for mismanagement of controlled substances.

Recommendations

1. **(P2)** CCAS should document in its policy a permissible dosage range of pentobarbital sodium solution above the recommended amount without requiring justification. The policy should have a requirement to document the reason justifying any exceedance beyond this range in the logbook. Additionally, the Medical Supervisor or Veterinarian should monitor these entries to ensure that professional judgment is applied appropriately.

Management's Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: March 31, 2025

FINDING Dog Bite Incidents are Not Reported Timely

DIA reviewed a sample of reported dog bites to verify they were reported appropriately and timely as required by the County Board of Health and internal policies. Out of the five dog bite incidents tested, four were not reported appropriately and/or timely:

- Two were reported late to the Board of Health (delayed by 7 and 10 days).
- One was not reported to the County's Risk Management division and was reported late to the Board of Health (delayed by 125 days).
- One was not reported to either the Board of Health or Human Resources.

Criteria

Cuyahoga County Board of Health Animal Venue Regulations Part 4.4 requires that *"All animal bites, scratches and other zoonotic disease exposure incidents shall be reported to the Board of Health within twenty-four (24) hours."*

The CCAS Policy Manual requires, in part *“Whenever there is an accident or incident occurs on the property an Incident Packet must be completed; these forms must be completed by a supervisor the day of the accident/injury and scanned over to Risk Management.”*

The County HR Accident Investigation Report requires that *“Cuyahoga County employees must immediately notify their supervisor and complete the accident report within 24 hours after a workplace injury”*.

Root Cause

The instances of not reporting appropriately and timely were due to a lack of sufficient monitoring of the communications with the County Board of Health, County’s Risk Management, and Human Resources.

Risk to the County if Not Corrected

Failure to report or delayed reporting may hinder proper medical or legal responses, risking public health and safety concerns, as well as potentially exposing the County to legal and financial liabilities. Additionally, failure to follow established policies could damage the County’s reputation and undermine trust with regulatory bodies.

Recommendations

- 3.) **(P2)** CCAS should implement a system to track and retain all correspondence related to dog bite incident reporting (e.g., emails, fax confirmations) with submission timestamps. This will help ensure compliance with reporting timelines and provide documentation for verification.

Management’s Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: March 31, 2025

- 4.) **(P2)** CCAS should revise their policy and procedures to specifically state accidents and incidents should be reported appropriately, including all parties such as County HR, County Risk Management, and the Board of Health, within 24 hours.

Management’s Response: Same as above.

Target Date of Completion: Same as above.

FINDING Does Not Ensure the Reliability of Critical System

CCAS utilizes PetPoint, a web-based data management system, to:

- Maintain records of dog license registrations and animal medical records.
- As a point-of-sale system to record financial transactions (e.g. fees and donations).
- Generate reports of activity related to revenue and animal inventory.

It is a critical system to CCAS operations. Upon inquiry, DIA noted CCAS does not obtain assurance over PetPoint integrity to ensure reliable and secure availability of services. No contractual requirement between CCAS and PetPoint exists to provide this type of assurance.

Criteria

As agencies increasingly use software as a service to maintain records and record financial transactions, there is a need for additional trust and transparency from their service providers.

SOC audit reports provide agencies assurance over the effectiveness of a service organization's controls related to the AICPA's Trust Services Principles: Security, Availability, Processing Integrity, Confidentiality, and Privacy. Industry standard for service providers is to schedule a SOC audit annually with a CPA firm. Thus, the obtainment and review of SOC audit reports from service providers annually is a best practice for management to ensure personnel are utilizing secure and reliable technology.

Root Cause

CCAS was not aware of the value added by validating system integrity. CCAS procurement methods do not include a contractual requirement for vendors to provide a SOC report. Additionally, the PetPoint vendor has not previously undergone a SOC audit.

During the audit, the PetPoint vendor advised they plan to engage a firm to conduct one in 2025. As a compensating control, PetPoint offers a data backup file in SQL format available monthly upon request.

Risk to the County if Not Corrected

The lack of a SOC audit report prevents CCAS from verifying whether PetPoint has adequate controls to ensure continuous availability and access to its services. Without this assurance, there is an increased risk of service outages, which could prevent CCAS from accessing vital systems for managing dog licensing and medical records. These disruptions could delay responses to animal care needs, potentially jeopardizing the health of the dogs, and negatively impact operational efficiency, particularly in time-sensitive situations.

Recommendations

1. **(P2)** CCAS should consider working with the PetPoint vendor to ensure a SOC review, or similar assurance measure, takes place and request a copy of the report annually. In the meantime, consider requesting the data backup file in SQL format each month. If necessary, consultation with the County Department of Information Technology can assist in interpreting the results of the SOC report or maintaining data backups.

Management's Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: June 30, 2025

2. **(P3)** CCAS should consult with the County Purchasing and Law Departments and consider adding a SOC report requirement, or similar assurance measure, to the PetPoint terms and conditions.

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING Record Retention Schedule is Incomplete

DIA reviewed CCAS's record retention schedule (schedule) to ensure compliance with any regulatory requirements and that compliance is also appropriately supported. During testing, it was noted:

- Records related to dangerous drugs activities are retained as required by OAC; however, they were not included on the schedule. More specifically:
 - Received, administered, personally furnished, disposed, sold or transferred.
 - Recall activities.
 - Annual inventories.

- The CCAS schedule includes Personnel Records; however, New Hire Training Checklists are not maintained. Instead, the checklists are handed to the employees for their own records

Criteria

The OAC requires *“Records of dangerous drugs received, administered, disposed, or transferred, recall activities, and annual inventories, be maintained for three years”* (OAC 4729:5-15-03, 4729:5-3-18, 4729:5-3-07). This includes DEA Forms 222 Orders for Schedule I and II Controlled Substances and DEA Forms 44 Registrant Record of Controlled Substances Destroyed.

CCAS included “Personnel Records” on their schedule as Schedule Number 2014-29. Retaining training records is a best practice as it supports that employees have been properly trained, are aware of departmental expectations, and supports compliance with the Cuyahoga County Board of Health Animal Venue Regulation Section 4.6, which requires *“All animal venue staff shall demonstrate adequate experience and knowledge of appropriate animal management necessary for the protection of public health and safety.”*

Root Cause

The schedule is incomplete. It was last updated in 2014 and has not since undergone a review to ensure completeness. CCAS management did not maintain New Hire Training Checklists because they were unaware that they are considered a personnel record.

Risk to the County if Not Corrected

An incomplete schedule may lead to the absence or loss of proper documentation. Without this documentation, CCAS could struggle to comply with public record requests and/or demonstrate compliance with regulatory requirements, exposing it to potential legal, financial, and reputational risks.

Recommendations

1. **(P4)** CCAS should update its record retention schedule to include dangerous drug records with a retention period of at least three years to ensure compliance with OAC requirements.

Management’s Response: Management agrees with the noted condition and will take corrective action.

Target Date for Completion: July 31, 2025

2. **(P2)** CCAS should retain copies of completed New Hire Training Checklists in accordance with their retention schedule.

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING Lacks an Effective System for the Tracking of Dog License Sales

General Services lacks an effective system for tracking both:

- Accounts receivable (AR) of dog license resellers.
- Reconciliation of the backlog of licenses and donations that need to be processed after payments are received in the mail during renewal season.

The “processing” of dog licenses involves entering license information into the Pet Point system and mailing a certificate of registration and dog tag to the owner. If payment is not received from the reseller, the application is recorded in an AR spreadsheet.

Accounts Receivable

General Services uses a spreadsheet to track AR from resellers (i.e. pet supply stores). Dog license applications are submitted to General Services; however, there are instances when payments from the resellers are sent later. When payment is received, the deposit is recorded in the County’s financial system (Lawson) by PW-Fiscal and assigned a reference number referred to as a batch number (Batch Number). Recording dog license transactions and deposits are to occur daily.

DIA tested controls and re-performed balancing of collections for 60 days during the audit period. Of the 60 days reviewed, 16 days included transactions with reseller AR totaling \$20,590. DIA noted the following:

- In 2 of 16 (13%), past-due balances totaling \$100 were paid ranging from ten months to over a year outstanding. General Services lacked a monitoring control of AR balances to ensure timely payment of outstanding balances.
- In 1 of the 16 (6%), the AR spreadsheet was missing an entry to track an AR balance totaling \$1,000. General Services explained that since AR for this reseller is infrequent, it is tracked on paper rather than in a spreadsheet. Using the paper support, DIA confirmed that the balance was paid by the reseller.
- The AR spreadsheet lacks an overall AR balance or aging schedule for reporting purposes.
- The AR spreadsheet lacked deposit Batch Number references to ensure an adequate and complete audit trail of payments towards AR.

DIA also noted that annual contracts with resellers lack remedy clauses that specify the terms for remitting payments (i.e. within 30 days) and the recourse for past-due accounts.

Renewal Season Backlog

Most dog license applications are processed during the renewal season between November through March. Dog license and donation payments received in the mail are usually deposited on the same day; however, there may be a backlog of applications and donations to process during renewal season due to the increased volume.

General Services records daily deposit amounts and dog license/donation processing of mailed applications on a spreadsheet (Renewal Ledger). At the completion of the renewal season, total deposits and processed dog licenses/donations are compared to assess completeness based on an approximation. During the 2024 renewal season, the Renewal Ledger reflected:

	Deposited	Processed	Difference
Licenses	\$225,908	\$224,808	\$1,100
Donations	\$17,644	\$17,542	\$102
Totals	\$243,552	\$242,350	\$1,202

General Services does not reconcile the Renewal Ledger with actual deposits or amounts recorded in Lawson. Additionally, DIA found the Renewal Ledger spreadsheet lacked deposit Batch Numbers. As a result, DIA was unable to reconcile the Renewal Ledger with Lawson to verify the exact amount collected.

Criteria

Best practice for AR management involves using a centralized system with an aging schedule to track outstanding and past-due accounts. Formal follow-up procedures for overdue accounts should be in place and monthly reports should be provided to management for budget reviews. Contracts with resellers should include remedies clauses to hold resellers financially liable for past-due accounts.

While transactions may not be recorded immediately, a tracking mechanism to adequately reconcile mail-in license renewals processed and deposits is necessary to ensure compliance with ORC 955.08 which states in part “... *the county auditor shall issue to every person making application for the registration of a dog and paying the required fee therefor a metal tag for each dog so registered.*”

Root Cause

General Services lacks formal policy and procedures over the AR process. (*See Policy and Procedure finding.*) General Services does not use the spreadsheet to report on outstanding and aging balances with resellers for the monthly budget reviews with CCAS.

General Services waits to perform a reconciliation of mail-in applications until the end of renewal season through approximation, because it lacks a process to reconcile the delayed processing of dog licenses and donations with deposits through a cross-referencing of deposit batch numbers.

Risk to the County if Not Corrected

The lack of effective AR monitoring and reporting could result in delayed or missed payments from resellers, potentially causing revenue shortfalls. Additionally, inefficiencies in tracking of mailed applications may result in noncompliance with ORC.

Recommendations

1. **(P2)** General Services should enhance its AR process by improving the current spreadsheet system to track outstanding amounts from all resellers, incorporating deposit batch numbers and an aging schedule to monitor past-due accounts. Management should review the spreadsheet periodically for conformity with policy and accuracy. Formal procedures should be established for following up on overdue accounts, and monthly reports generated from the spreadsheet should be provided to management for review and inclusion in the budget review process to ensure adequate financial oversight.

Management's Response: Management agrees with noted condition and will take corrective action, provided it is defined within General Services' roles and responsibilities.

Target Date for Completion: This action plan for the development, implementation and outlining in a policies manual should be completed by August 1st, 2025.

2. **(P2)** General Services should enhance its reconciliation of mail-in applications and donations to ensure all applications received are paid, deposited, and licenses issued to applicants. This can be completed by recording batch numbers on the Renewal Ledger and within their license processing software PetPoint.

Management's Response: Same as above.

Target Date for Completion: Same as above.

3. **(P4)** General Services should consider revising the annual contracts with resellers to incorporate remedy clauses that specify the terms for remitting payments (e.g., within 30 days) and the recourse for past-due accounts (e.g., financial responsibility after 90 days).

Management's Response: Same as above.

Target Date for Completion: Same as above.

FINDING Collections Lack Adequate Controls

CCAS collects revenue for dog licenses, departmental fees (i.e. adoption), and donations. Collection and balancing of daily deposits of CCAS revenue is split between CCAS and General Services. General Services is responsible for online, reseller, and mail-in sales. Public Works Fiscal (PW Fiscal) is responsible for recording all deposits within the County's financial system, Lawson. Lawson assigns each deposit a reference number (Batch Number).

DIA tested a sample of 60 General Service daily deposits and noted there was a lack of segregation of duties with balancing and depositing in 100% of deposits tested. The same supervisor who balanced receipts also prepared the deposit. No secondary review/sign-off of the daily deposits occurred.

Of the 60 deposits tested, 30 involved reseller payments made directly to General Services. General Services must then prepare a deposit to be delivered to the bank. During testing, DIA noted the following of the 30 deposits involving reseller payments:

- Deposits of cash and checks from resellers were not made in a timely manner for four (13%) daily deposits tested. On average, these deposits were deposited in the bank (as noted by the County's financial system, Lawson) five business days late, with delays ranging from three to eight business days.
- Eight days (27%) lacked a deposit Batch Number reference on the daily deposit support documentation for verification that a supervisor ensured the accuracy and completeness of deposits of sales.

Criteria

Best practice for effective controls over collections involves:

- Segregating receiving, balancing, and depositing responsibilities. This ensures accountability, detection of errors, and prevents theft or misuse. Ideally, individuals should not be responsible for more than one process. Whenever segregating duties is not feasible, secondary review should be present to maintain oversight.
- Documenting deposit reference Batch Numbers on daily deposit support documentation enhances transparency, accountability, and traceability within financial processes. It creates an effective audit trail that allows for easy verification of deposit transactions, reduces the risk of errors or fraud, and ensures that deposits are accurately matched with corresponding records. This practice also facilitates timely reconciliations.

ORC Section 9.38 states “Any public official and/or employee who receives public monies shall deposit said monies with the Treasurer or with a properly designated depository on the next business day following the day of receipt, if the total amount received exceeds one thousand dollars. If the total amount of public money received does not exceed one thousand dollars, the person shall deposit the monies on the next business day following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days following the day of receipt, for making such deposits, and the person is able to safeguard the monies until such time as the monies are deposited.”

Root Cause

General Services did not require secondary review over balancing and depositing. Untimely deposits were caused by a combination of untimely balancing of receipts and inconsistent pick up by their armored car service.

Risk to the County if Not Corrected

Lack of segregation of duties and failure to deposit public money in a timely manner increases the County’s exposure to theft or potential loss. Furthermore, holding on to monies for a long period of time results in untimely posting to the County’s accounting system.

Recommendations

1. **(P1)** General Services should incorporate additional segregation of duties with balancing and depositing and/or a compensating secondary review in the daily collections process, incorporating deposit Batch Numbers on the daily deposit support documentation.

Management’s Response: Management agrees with noted condition and will take corrective action, provided it is defined within General Services’ roles and responsibilities.

Target Date for Completion: April 1st, 2025.

2. **(P1)** General Services should ensure that deposits are made timely for compliance with Ohio Revised Code 9.38. If the armored car service is not available for pickup on days cash is collected, an authorized employee should hand-deliver the deposit to the bank or County Treasury.

Management’s Response: The department handling dog licensing was relocated to the Administration building effective 2/10/25. As a result of this move, all checks are deposited via check scanner and cash remitted to Treasury in compliance with ORC 9.38. Corrective action will be taken in regard to the segregation of duties for balancing and depositing as well as notating batch numbers.

Target Date for Completion: April 1st, 2025.

FINDING Inventory Controls of Dog Licenses Are Inadequate

The County offers multiple options to purchase dog licenses:

- In-person at the CCAS front desk,
- On the County's website,
- Through the mail, and,
- At off-site resellers across the County.

Tags for online and mailed application sales are stored in the General Services location at CCAS. For inventory management purposes, all these locations are referred to as substations.

At the end of the renewal period, substations return any unsold tags along with inventory documentation, known as "Report of Dog Licenses Sales". General Services is responsible for conducting a physical inventory of unsold tags and comparing it with the PetPoint system to verify the accuracy of dog license sales records.

DIA requested year-end inventory reconciliation records for 2023 dog licenses from 5 of the 34 substations to compare against unsold tags. Across all substations, a total of 52,389 tags were sold during the audit period of 7/1/23-6/30/24 (includes both 2023 and 2024 tags). The following issues were identified for all five substations tested:

- Two substations (including online and CCAS in-person sales) - 32,912 of 2023 tags sold:
 - Inventory reconciliations were not completed by General Services. Leftover tags designated for online sales were not retained and the inventory for leftover tags for CCAS in-person sales was still in progress.
 - The total number of unsold 2023 tags for these two substations was 4,088.
- Three off-site substations – 3,024 of 2023 tags sold:
 - Discrepancies were found in inventory reconciliations:
 - Four one-year dog licenses (totaling \$80) were marked as unsold but were missing from the physical inventory.
 - There was no evidence that these discrepancies were investigated.
 - General Services was unaware of the issue until DIA identified it during the audit.
 - 471 of 2023 tags remained unsold at these three substations during the audit period.
 - Year-end inventory reconciliation documentation lacked sign-offs, providing no evidence of completion or review by General Services.

Criteria

Effective inventory management is essential for CCAS to ensure accurate tracking of dog licenses and tags, which directly impacts the ability to reunite lost pets with their owners. Physical inventory counts help identify discrepancies, ensure proper issuance of licenses, and prevent theft or loss. A standardized process for documenting inventory counts, including reconciliation with system records, is critical for maintaining transparency and accountability. Supervisory review and approval of inventory records further ensure accuracy and proper documentation.

Root Cause

General Services did not complete the year-end inventory reconciliations for online sales or retain the tags, because this has not been a part of their inventory process. They did not complete the inventory for the CCAS in-person front desk, because the unsold tags were not obtained. The year-end inventory reconciliation for resellers is not properly documented and any identified discrepancies were not tracked for remediation. General Services lack a formalized policy and procedure, standardized form, and a review process.

Risk to the County if Not Corrected

Inadequate inventory controls can hinder General Services' ability to accurately track inventory, manage sales, and ensure that licenses are properly issued. A failure to complete year-end inventory reconciliations of dog tag license sales prevents CCAS from detecting discrepancies and potential theft. This not only impacts CCAS' operational efficiency but could also erode public trust and damage its reputation.

Recommendations

1. **(P2)** General Services should implement a standardized annual dog license inventory reconciliation process across all substation locations, including online and in-person CCAS sales. This includes documenting counts, reconciling with PetPoint, obtaining all unsold tags, and having supervisors review and approve counts. A procedure for investigating discrepancies and addressing issues promptly should also be established. The policy manual should be updated accordingly. (Refer to *Policies and Procedures Require Updating* Finding.)

Management's Response: Management agrees with noted condition and will take corrective action, provided it is defined within General Services' roles and responsibilities.

Target Date for Completion: The necessary process should be developed, implemented and outlined in the policies manual by November 1st, 2025.

FINDING Lacks Video Surveillance

General Services stores cash payments (both cash and checks) received for dog licenses within a fire rated safe. DIA noted they lack video surveillance of where cash is handled and stored.

Criteria

There should be appropriate surveillance measures in place for all areas consistently handling financial transactions. This should include the presence of surveillance cameras in areas where checks and cash collections are managed to ensure security and prevent theft or mishandling of funds.

Root Cause

The absence of a surveillance camera was due to an oversight in security planning.

Risk to the County if Not Corrected

Lack of surveillance in check and cash collections increases the risk of theft and discrepancies. This can lead to financial losses and potential compliance or audit issues. It also complicates efforts to hold individuals accountable for errors or wrongdoing.

Recommendations

1. **(P2)** General Services should consult with Public Works leadership on the appropriate security planning measures, to include ensuring adequate video surveillance is in place in areas where checks and cash are handled.

Management's Response: Management/Department agrees with noted condition and has taken corrective action. The General Services Department have been relocated to the Cuyahoga County Administration Building to perform their Dog Licensing functions. The office space that the employees have been moved into has a camera placed above the counter where customer transactions take place. The space the safe is stored in is kept secure utilizing a badge reader with restricted access. Management will work with Administration to discuss the needs of additional cameras in spaces where the money is rectified and prepared for remittance.

Target Date for Completion: June 30th, 2025