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**CITY OF SAN ANTONIO**  
**OFFICE OF THE CITY AUDITOR**



Audit of Animal Care Services

Brooks Spay & Neuter Clinic

Project No. AU17-001

January 11, 2018

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of Animal Care Services (ACS), specifically the contract for the Brooks Spay and Neuter Clinic. The audit objective and conclusion follow:

**Determine if oversight of operations at the facility and accounting of allocated funds are effective and that the related contract is monitored to ensure compliance with key terms.**

ACS has established procedures and controls for the effective oversight and monitoring of contract compliance at the Brooks Spay and Neuter Clinic (Brooks Clinic). The designated contract monitor for Brooks Clinic maintains a contract administration plan (CAP) and a contract compliance checklist (CCC) which serve as tools to assist with monitoring. The CAP and CCC highlight key provisions for the contract, the monitoring tasks to perform, and the frequency of actions to be taken. Specifically, the monitoring tasks include:

- Collecting data to ensure performance measures are met.
- Conducting periodic inspections of the Clinic to ensure safe and clean facilities.
- Verifying the Clinic has minimum number of wellness clinics each month.
- Collecting and reviewing the required certificates of insurance.
- Reviewing invoices and receipts for purchases made with City funding.

No recommendations were made for this audit; consequently, no management responses are required. Management's acknowledgment of these results is in Appendix B on page 5.

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## Background

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Animal Care Services (ACS) continues to expand its control of the stray animal population by expanding the availability of low/no cost spay/neuter services and reducing the number of strays and roaming animals. ACS receives nearly 100,000 calls for service annually (citizen-initiated and department-initiated) and impounds nearly 31,000 pets annually. Controlling the stray animal population is one of the strategic priorities of ACS. Many of these strays are owned animals allowed to roam free of restraint or have been abandoned by owners.

City Council passed an ordinance in September 2016 authorizing a lease with the San Antonio Humane Society (SAHS) to operate and manage the Brooks Spay and Neuter Clinic (Brooks Clinic) for a three year term with the option to renew for one additional three year term. The building itself is owned by Brooks Development Authority but leased to the City for 35 years.

The Brooks Clinic opened in March 2017 and provides low/no cost spay and neuter surgeries, wellness clinics and veterinarian services to include vaccinations, heartworm testing, micro chipping, and more.

Under the lease agreement contract, Humane Society will provide a minimum of 19,000 sterilization surgeries for animals during the term of the agreement as follows:

- Minimum of 5,000 animals during year 1;
- Minimum of 6,000 animals during year 2;
- Minimum of 8,000 animals during year 3; and
- Minimum of 8,000 animals during each subsequent renewal year.

In addition, during each year of the agreement, a minimum of 250 of the required sterilization surgeries should be provided by SAHS at no cost to the community.

ACS may provide up to \$60,000 annually for additional sterilization surgeries beyond the initial requirement. Funding will be provided in increments of \$10,000 for every 250 animals sterilized above and beyond the required sterilization surgeries.

From March 6, 2017 to September 30, 2017, Brooks Clinic performed 3,632 sterilization surgeries on cats and dogs.

## Audit Scope and Methodology

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The audit scope included review of key terms identified in the Brooks Spay and Neuter Clinic (Brooks Clinic) contract, contract administration plans, and performance data from San Antonio Humane Society (SAHS). Our audit period was from the opening of the clinic on March 6, 2017 through September 30, 2017.

Our methodology consisted of conducting interviews and walkthroughs with key personnel from Animal Care Services (ACS) to obtain an understanding of contract monitoring controls. We used the signed contract between ACS and SAHS for the Brooks Clinic as criteria for our test work. Additionally, we used the contract compliance checklist (CCC), which applies to the first year of the contract, and the contract administration plan (CAP), which applies to years two through three of the contract.

To determine effectiveness of contract compliance, we examined SAHS's key documents such as facility inspection reports, invoices related to equipment purchases, monthly fire/burglary system monitoring, pest control services, veterinary licenses, and certificates of insurance.

We relied on computer-processed data in SAHS's PetPoint<sup>1</sup> system to validate performance measures and mortality rates. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included reviewing the data for the number of surgeries performed, duplicate entries, mortalities, and the names of surgery staff performing the sterilizations. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing 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.

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<sup>1</sup> PetPoint is a web-based data management system for animal welfare organizations.

## Audit Results and Recommendations

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### A. Contract Monitoring

Animal Care Services has an effective monitoring process to ensure the Brooks Spay and Neuter Clinic (Brooks Clinic) is compliant with the contract terms in the lease agreement.

We reviewed the contract administration plan (CAP) and contract compliance checklist (CCC) and determined both serve as effective tools for monitoring the contract's key provisions. We verified both the CAP and CCC were appropriately documented with adequate support documentation on file, specifically, we reviewed:

- The San Antonio Humane Society's (SAHS) insurance certificates to verify appropriate coverage and authorized insurers.
- Veterinarian's licenses to ensure qualified staff was performing surgeries at the clinic.
- Periodic inspections of the Brooks Clinic to ensure the security, safety, and cleanliness of the facility.

We also reviewed the SAHS's log of all surgeries performed since Brooks Clinic's opening day in March through September 2017. We were able to verify accuracy of completed surgeries, free surgeries, and mortality rate per contract requirements.

Lastly, we verified the contract monitor reviewed and approved the listing of capital equipment purchased by SAHS using City funds.

### Recommendations

None

## **Appendix A – Staff Acknowledgement**

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Holly Williams, CISA, CRISC, Auditor in Charge  
Sheryl Wardashki, CPA, Auditor

## Appendix B – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

December 12, 2017

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
San Antonio, Texas

RE: Management's Acknowledgement of its Review of the Animal Care Services Brooks Spay & Neuter Clinic Audit

Animal Care Services has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

Animal Care Services:

Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely,

Heber Lefgren  
Director  
Animal Care Services

Date

12/20/2017

Maria Villagomez  
Assistant City Manager  
City Manager's Office

Date

12/20/17